



TRAINER ENGINETM

private fitness solutions for women

business plan December, 2015

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executive summary

Trainer Engine

Certified personal trainers who spy on you through your phone (with your permission).

services

Real human certified personal trainers who coach women to their health goals using a two-way app (optional phone and video upgrades).

customers

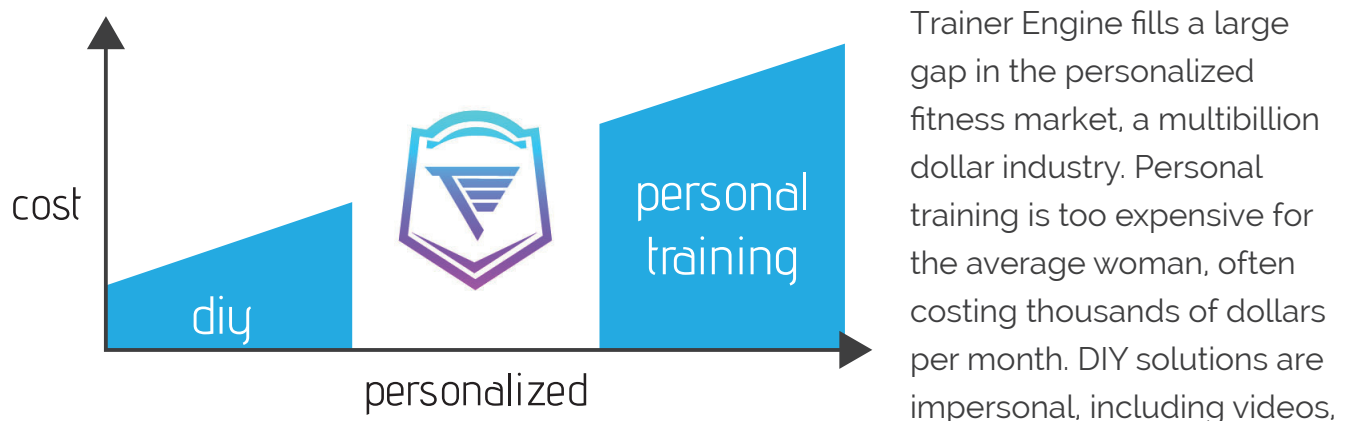
In addition to acquiring beta customers, we have also acquired a key customer, Indeed Wellness, a corporate wellness company who services Walmart.

customer problem

According to the American Heart Association, heart disease is the #1 killer of the American woman, causing 1 in 3 deaths in the U.S. each year. Improper nutrition and lack of exercise is claiming the life of one woman every minute! Too often, she puts the needs of others above her own, sacrificing her health in order to take care of her home and family. Compounding the problem, according to Sport England, the number one barrier that stops women from going to the gym is a fear of judgement. Uncomfortable staring or comments, looking stupid on exercise equipment, or looking overweight (in tight clothes, in a big open room with many people, and many mirrors) can be enough to dissuade any woman from joining a gym. According to IHRSA, only 15% of women in the US have gym memberships. If she beats the odds and makes it to the gym, will she be able to get results? Self-doubt and lack of progress can kill a good intention in its tracks. She's a social creature; she needs support, care and encouragement. She may seek a personal trainer, but personal training is prohibitively expensive for the average woman. How can she get the expertise and guidance that she desperately needs? How can we help her to be more comfortable with the process of getting healthy? How can we do this while keeping up with her fast-paced schedule? How can we save her life?

business summary

Enter Trainer Engine! Trainer Engine pairs the busy woman with a certified personal trainer to help her get fit in the comfort of her own home. Her personal trainer coaches her through our two-way app, providing customized workouts, dietician approved meal plans, accountability and motivation. Whether it be a quick video message to say, "you can do it!" or a 'virtual high five' for a job well done, a real trainer will guide her through her real life challenges. The best part is that our pricing makes personal fitness training available to the average woman! At \$40/month, it's cheaper than most gym memberships.



Trainer Engine fills a large gap in the personalized fitness market, a multibillion dollar industry. Personal training is too expensive for the average woman, often costing thousands of dollars per month. DIY solutions are impersonal, including videos,

books, canned programs, and independent research. Trainer Engine strikes the right balance between personalized attention and affordability.

the 'trainer engine' advantage

Most competitors in the rapidly growing market of online fitness, do not take into consideration the pressures that the American woman is under.

At Trainer Engine, we focus on the needs, desires, and lifestyles of women, which gives us a unique advantage to become a major player in this new digital marketplace. Both software and personal training are male dominated industries... It's time for a fresh female perspective!

ease of use

Many competing apps are difficult to use and time-consuming. The arduous process of recording every meal and filling out lengthy workout reports is unrealistic for the lifestyles of busy moms and working women. Our app allows us to gather this information quickly and painlessly, saving time and increasing long-term adherence.

affordability

Our competitors are charging between \$80-\$200 per month. While some women will

pay \$80 or more for a gym membership, the average gym membership is under \$60. Our secret technology allow us to provide personal training at a lower price-point, similar to an average gym membership. Because of our affordable solution we will be able to capture a much larger audience.

personalization

Rather than bringing canned programs onto the internet, our certified personal trainers provide ongoing suggestions, tips, and tailored workouts based on what's really going on in a woman's life. Many of our competitors have simply moved personal training online, without accounting for the vast differences between in-person training and virtual personal training.

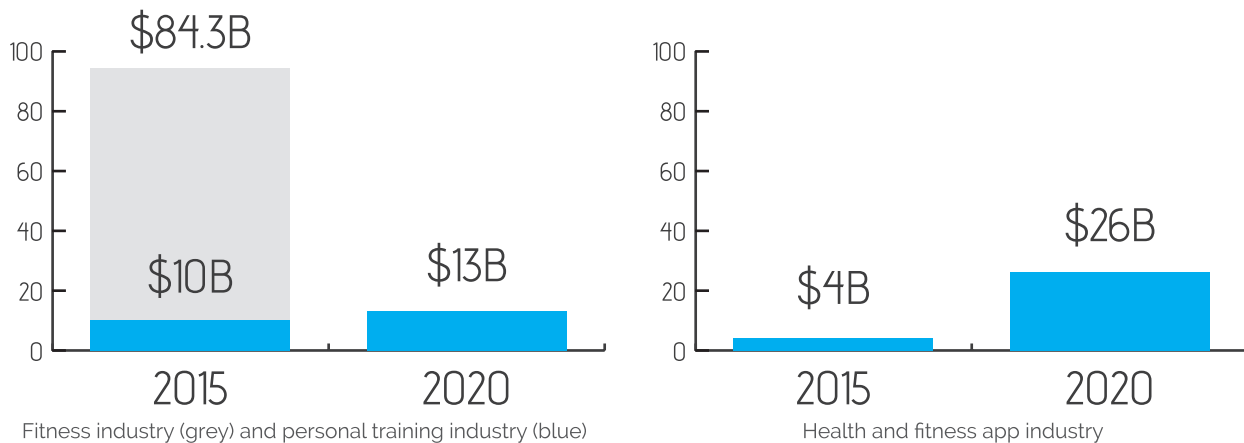
behavior coaching

Our personal trainers take on the additional role of coaching their clients through behavior change, helping them form lasting habits. Because in-person training relies on intense motivation, our solution actually has the potential to create longer-term impacts on a woman's health.

company overview

Trainer Engine incorporated as a New York C-Corp on May 28, 2015. In April 2015, the company was accepted into an incubation program by the Syracuse Technology Garden, providing free office space and mentorship for two years, and seed funding of \$10,000 in August 2015. Our beta app was developed in October and is currently in use in closed beta with paying customers. We formed a strategic partnership and advisee relationship with Eric Hinman at Urban Life Athletic, a prominent Syracuse cross-fit gym. They will be beta-testing our product. We have also secured a customer relationship with Indeed Wellness, a corporate wellness provider servicing Walmart throughout New York State. Finally, we are in communication with CoachMePlus, a competitor/collaborator in the pro-sports market, and CoachesEye, an app providing advanced video features for remote personal trainers.

industry analysis



According to SFIA, as of 2015 fitness is an \$84.3 billion industry in the United States, of which \$10 billion is accounted for by the personal training industry (IBISWorld 2015). Health and fitness apps are beginning to get a substantial foothold in the global market. In December 2014 the health and fitness app market was worth \$4 billion, and is projected to grow by **650%** by the end of 2017 to \$26 billion (mHealth 2014). Trainer Engine comes in at the juncture of an established multibillion dollar industry, and a much newer one undergoing explosive growth. Altogether our total market lies between \$1-16 billion. Taking into account our competition, marketing strategy, and projected growth, we anticipate reaching approximately 1% market penetration, or \$12 million, over the course of the next five years.





customer analysis

Our largest target customer group consists of busy, working, educated moms. The total size of this customer segment is 11 million people, with a potential revenue of \$10.6 billion. We have in large part oriented our product to fit the needs of this target customer's profile.

- ▶ **Speed:** Our target customer is very busy and doesn't have time for lengthy training sessions. We address this by providing quick encouragement and easily accessible information.
- ▶ **Location:** Our personal training can be done anywhere, anytime. Our trainers can adapt the program to meet the environment that her client prefers, whether at the

gym or in the privacy of her own home.

- ▶ Reliability: In-person personal trainers are only available when you meet them at your designated time, our trainers are available every day for the needs of the moment.
- ▶ Comfort: Many of our target customers are embarrassed to show up in a gym or to meet a personal trainer by whom they feel judged.
- ▶ Price: Our target customers may purchase in-person training, but only for short bursts of time, because it's too expensive as an ongoing solution. Our customer is seeking less expensive personalized solutions.
- ▶ Value: Our customers are seeking the results of personal training without the personal training price tag.
- ▶ Customer Service: Our customers expect a top-of-the-line customer experience. They need care and attention from a real person to help them overcome mental and physical obstacles to achieving their health and fitness goals.
- ▶ Convenience: Women are extremely busy working, taking care of their children, and their homes. They need the right information and support at their fingertips.
- ▶ Ease of use: It gets tedious to enter information. Customers need an elegant solution with minimal data entry.

				
affordability	\$	\$ \$	\$ \$	\$ \$ \$
live 1-on-1	✓	✓	✓	✗
at-home experience	✓	✓	✗	✓
behavior coaching	✓	✗	✗	✗

competitive analysis

direct competitors

- ▶ Fitocracy (est. 2010) - What started as gamified fitness, with points and levels for progress towards fitness goals, has now evolved into a platform for virtual personal training. Fitocracy targets a younger, geekier crowd, partly because that's where they started. Fitocracy provides group and 1-on-1 virtual personal training for \$70 to \$160 per month. They boast a strong user base (1.5 million, including inactive users) and name recognition in certain circles. Fitocracy targets a different customer, and with using outside personal trainers without any standardization, results and service can vary. Finally, the service is not deeply integrated with their technology, operating mostly separately. Fitocracy has an estimated revenue between \$1-2M.
- ▶ Wello (est. 2011) - Wello offers virtual 1-on-1 and group personal training sessions through a video interface. Prices range from \$100-400 for a pack of personal training sessions, and half as much for group sessions. Wello primarily focuses on at-home fitness, targeting the same demographic as Trainer Engine, but also offering specialty classes (martial arts, pilates, aerobics, etc) for niche audiences. Wello is owned by Weight Watchers (acquired for \$9M in 2014), and has a pricing/revenue model that works. The main drawback is that video-session-based programs don't leverage the best aspects of virtual technology. Wello's estimated yearly revenue is \$2M.
- ▶ GAIN Fitness (est. 2009) - GAIN Fitness is a combination personal training studio chain and virtual training platform. They charge \$109/month for a monthly in-person consultation with a trainer, an exercise program and ongoing support throughout the month through their app. Their app is sleek and easy to use, and in that way this makes them our top competitor. Requiring training facilities, however, reduces their ability to scale. Their potential customer base is limited by their ability to create brick-and-mortar locations. They currently only serve four cities. GAIN's estimated yearly revenue is \$1M.

indirect competitors

- ▶ Trainerize (est. 2012) - Trainerize offers personal trainers a web and mobile app to

enable virtual personal training. They charge the trainer between \$1 and \$3 per client (e.g. 50 clients = \$72/month). Their strengths include a wide adoption of their platform (20,000+ trainers and gyms), and a robust feature set. Trainerize focuses on B2B, however, and their many features also lead to a loss of user experience and simplicity. Trainerize's estimated yearly revenue is \$750K.

- ▶ Fitstar (est. 2012) - Fitstar weighs in as the least expensive training option by using personalized algorithms in place of real personal trainers. For \$40/year, you get a personalized program, appealing primarily to young individuals hoping to find the next generation solution to fitness. Fitstar has a well-designed app with a great user experience, a semi-personalized program, and by far the lowest cost. Also, Fitstar was recently acquired by Fitbit for \$17.8M. However, Fitstar lacks a human touch, meaning that a client of Fitstar must be 100% self-motivated, and if injuries or custom requirements need to be accommodated, Fitstar would not be the best choice. Fitstar's estimated yearly revenue is \$1-3M.
- ▶ Red Brick Health (est. 2006) - Red Brick Health offers virtual health products for enterprise-level businesses. Red Brick's well-constructed interface and focus on behavior-change science makes them one of our closest competitors in terms of value offered. Red Brick Health has been in business for nearly 10 years, and is well-known and respected in the corporate wellness space. There is, however, little-to-no overlap with Trainer Engine's target demographic, and many of the services and features are oriented towards large companies. Red Brick Health's estimated yearly revenue is \$10-20M.
- ▶ Rise Labs (est. 2013) - At a cost of \$60 - \$90 per month, Rise offers 1-on-1 virtual nutritional coaching through their app. With a terrific user experience, design, and rave reviews, Rise has leveraged technology in similar ways to Trainer Engine. Limiting their offering to nutritional coaching, however, sets them apart from us and likely limits their market to people who would consider hiring a nutritionist, a much smaller demographic than would hire a personal trainer (personal trainers outnumber nutritionists 4-to-1). Rise's estimated yearly revenue is \$10M.

competitive advantages

- ▶ Our app outperforms most others in ease-of-use and simplicity.
- ▶ Our app and trainers utilize the strengths of a virtual medium (behavior-science-based coaching) to make training stronger, instead of weaker.

- ▶ We leverage technology to allow our trainers to take on more clients than our competitors can (as many as 100-200% more), allowing us to hit a lower price point.
- ▶ The above-mentioned technical innovations are trade secrets.
- ▶ Our lower price-point is attracting women in various demographics, including, low-income, middle-income, upper-middle-income, as well as student populations.
- ▶ Having generous margins allows us to spend significant amounts in tailored online advertising, allowing for rapid growth.
- ▶ Everything that needs to be done, can be done in-house. Our CEO has the vision and knowledge to create an effective experience tailored to women, and our CTO has the capability to design and develop the necessary software.
- ▶ We have already developed the app that we will use for our beta program.
- ▶ We have made agreements with a local gym, a corporate wellness company (with over 200 trainers), and 20+ private beta testers to use and test our app.
- ▶ We have been testing our service with paying customers for several months.

marketing plan

services & pricing

All of our plans include 1-on-1 coaching with certified personal trainers. Each of our personal trainers has her own designated clientele. Our two-way app is a communication tool that allows trainers to stay in constant communication with her clients.

Trainer Engine basic: \$10/week

Trainer Engine Basic includes customized program design and ongoing text communication with a certified personal trainer and easy tracking through our two-way app.

Trainer Engine premium: \$20/week

Everything included in the basic plan plus weekly 15 minute phone coaching sessions.

Trainer Engine sessions: \$40/session

50 minute live video sessions that can be purchased as an add on to our basic or premium plans.

promotions plan

phase 1: free & marketing channels

We will acquire our initial customer base using free and low cost advertising channels for our beta release in January 2016. These strategies include attending local networking events, direct selling, putting up posters in businesses and bulletin boards, posting Craigslist ads and responding to Craigslist ads.

We will also begin our attraction marketing program which includes providing high quality content through blogs, podcasts and a drip email campaign for email subscribers.

Our affiliate marketing program will allow influential bloggers to earn money by referring customers to Trainer Engine and our referral partner program provides incentives for related professionals such as chiropractors, massage therapists, and yoga instructors.

phase 2: paid advertising

Once we have our base clientele, the majority of our revenue will go into paid marketing. The bulk of our marketing budget will go towards targeted online campaigns including Google Adwords and Facebook ads, starting with key fitness-friendly cities (Appendix C). In addition we will sponsor races and events. As sponsors of charity events we will have access to race results and contact information of participants.

We will rent booths at fitness expos & Michelle, Trainer Engine's CEO will promote Trainer Engine as a platform speaker at these events. Platform speakers offer value to participants and then sell their product or service after their presentation.

Additionally, we will pursue traditional advertising in fitness magazines, create funny Youtube Videos, and will start guest blogging on fitness related websites.

phase 3: word of mouth/referral marketing

Our focus is to provide a superior customer experience which will naturally lead to the most powerful form of marketing, word-of-mouth marketing. To enhance the natural referral activity we will offer referral bonuses to our clients that can earn them free Trainer Engine personal training services.

We will also coach our personal trainers on how to talk about our cutting edge services and give them incentives for bringing on new clients.

operations plan

key operational processes

Our target customer is a woman between 30 and 60 years of age who would prefer to work with a female personal trainer. In order to improve the quality of life of female personal trainers and offer a unique customer experience, we hire certified personal trainers as full and part time employees rather than independent contractors.

In traditional personal training, one client could account for \$1600 or more of a person trainer's monthly income. It can be devastating to a trainer's lifestyle to lose a single client. Female personal trainers love having stable paychecks! Most importantly, having a stable income allows our trainers to focus fully on the needs of their clients.

We also give each of our trainers the option to work from home allowing for decreased child-care costs and flexibility in her ever-changing life. We know that our trainers are busy working women and we work to improve their quality of life so they can do the same for other women.

In January 2016 we will begin our beta program with customers paying \$20/week. Clients will work with their trainers over the phone and through our fully functional prototype two-way app.

By taking on paying customers in the beta phase, not only do we prove market viability but we also begin building our clientele.

We are continuously competing in business plan competitions and pitch competitions in order to receive seed money which will fuel our initial marketing efforts. Any seed funding we receive is a major risk mitigator as it allows us to obtain customers through targeted marketing in addition to bootstrapping.

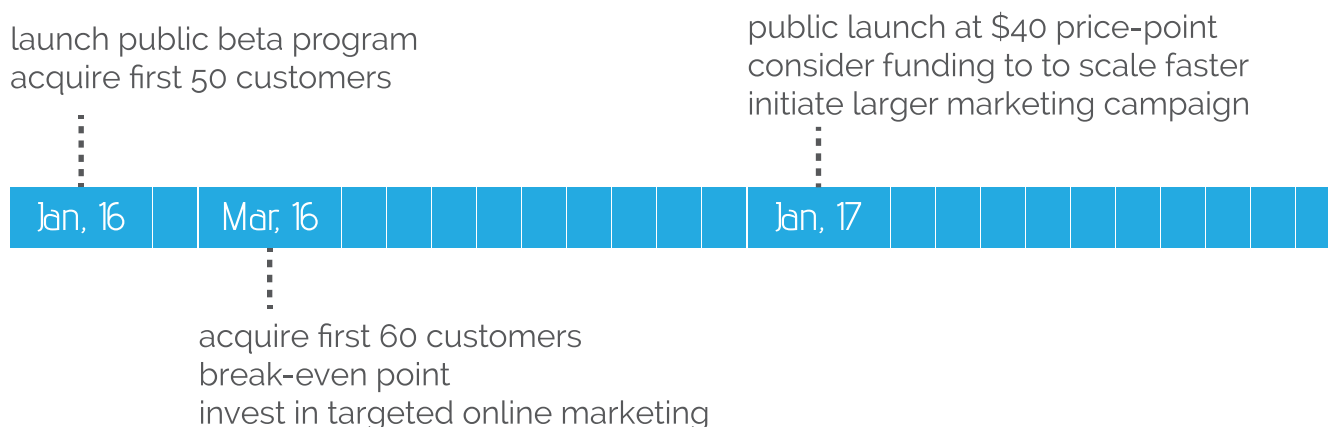
One of our legal advisors, David Phipps is preparing all of our legal contracts, pro bono. A legal firm is preparing our trademark with a deferred payment plan.

We are currently interviewing customer service representatives who will handle inbound sales calls, technical support, sharing resources, resolving disputes, and answering customer questions. We have part time staff members managing ad word campaigns and social media. Once our budget allows, we will hire a full time marketing manager. Michelle, the CEO will be the HR manager, hiring and onboarding new staff members.

Initially, our personal training manager will double as the office manager handling administrative tasks. We will hire a full time office manager by January of 2017.

Anna, our financial risk analyst continuously updates our financial forecasts, provides retrospective analysis and prepares documents for tax and investment purposes. Our financial assumptions are based on extensive market research of the fitness industry. We will spend 2016 developing the features necessary to make the two-way app a stand alone product. In 2017 our two-way app will launch, we will be able to offer our basic plan for only \$10/week. The app+phone coaching will still be available for \$20/week.

milestones



management team

Michelle Kingman, chief executive officer



Michelle is a visionary who has set out solve major problems in the personal training industry. With over 15 years of experience as a personal trainer, Michelle knows exactly what needs to be done to meet the needs of more women. She is an NASM certified personal trainer and fitness nutrition specialist who has helped countless women lose hundreds of pounds over the years. She started coaching clients virtually 7 years ago. Additionally, Michelle is a successful entrepreneur who built an Amway business from zero to a quarter million dollar company with over 200 distributors. She is also an Area director for Toastmasters International and community connector. Michelle is an influential leader who has a powerful ability to inspire collaboration and cooperation.

Jennifer Sweet, personal training manager



Jennifer is an NASM certified personal trainer who is passionate about helping women on their journey to optimal health. Jennifer owns her own personal training company called Sweet Sweat and she has a Masters degree in Education. Jennifer's passion for fitness rooted in her own health journey where she overcame Crohn's disease, an autoimmune disease caused by inflammation.

Her own successful recovery made her realize that she could change and save other women's lives through health education.

Julian Kingman, chief technical officer



Julian is an app and web designer who built his first website when he was 12 years old. Not only does he write code, leveraging cutting edge technology, but he is also able to design intuitive and user friendly interfaces as well. Julian has owned and operated a successful web design company for 4 years. Prior to starting his own business, Julian worked for a successful startup for 3 years.

Anna Long, financial risk analyst



Anna is a talented finance professional who teaches finance to students as a managing director at Canisius College in Buffalo, NY. She has international work experience in Singapore, China and the United States. Anna also has experience in human resources including national recruiting and training. She is bilingual speaking fluent English and Chinese. Anna has a heart of gold and works

tirelessly in the pursuit of helping women in business.

Christine Wood, social media manager



Christine is the perfect social media manager. She has a genuine love people and a passion for health and fitness. Her bubbly personality flows easily onto to computer screen allowing her to connect and network through social media. She also has offline marketing experience including extensive experience in event planning and execution. Christine is thrilled to work for a company that has such a powerful impact on the lives of women.

advisory board

- ▶ Paul Brooks, Advisor

Paul is an entrepreneur in residence with LaunchNY. With over 30 years of experience directing sales, marketing, business development and venture creation programs, his expertise is critical to our constant progress.

- ▶ Eric Hinman, Advisor

Not only is Eric a personal trainer and gym owner (with two locations), but he is also an investor, and the co-founder of several software companies, giving him Eric a valuable combination of expertise in business, fitness and software.

- ▶ Bret Johnson, Corporate Wellness Partner

Bret is our corporate wellness partner. He has over 200 personal trainers who provide coaching through company wellness plans. Bret is helping us fine tune our features to maximize the trainers efficiency.

- ▶ Seth Mulligan, Advisor

Seth provides high level venture development assistance to address the needs of early stage entrepreneurs. He is our business confidant and strategist. Seth helps brainstorm negotiations deals with strategic partners.

- ▶ Jim Morelli, Coach to CEO

Jim is the private business coach for our CEO, he is helping her develop leadership skills to ensure success as the company scales. Jim has 29 years of leadership and technical business management experience.

- ▶ Chuck Stormon, Mentor to CEO

Chuck is the voice of reason for our CEO. He has unique combination of current experience as entrepreneur, investor and mentor. He has started over 30 companies.

► David Phipps, Legal Advisor (contracts)

With 26 years of experience in contract law, David is our life-saver. He not only advises us all contract related matters, but he also writes our contracts.

► Naresh Channaveerappa, Legal Advisor (business)

Naresh owns several companies as well as his own law firm. Naresh coaches our CEO on how to handle difficult negotiations while maintaining friendly relationships.

► Joanne Lenweaver, Advisor

Joanne has a background in advertising, sales, and entrepreneurship. She shares her genuine love for helping women business owners as the director of the WISE women's business center in Syracuse.

innovateHER challenge summary



- We create work-from-home jobs for female personal trainers.
- We can help millions of women and children who are overweight.
- 75% of personal training clients are women.



- Huge, growing market (see our industry and competition analysis).
- We fill the gap between DIY solutions and high-priced personal training.



- 85% of women don't have gym memberships
- Women prefer private, high-touch coaching in a judgment-free environment

phase 1: 2016 local market beta - Syracuse

Revenue Model: \$100/month per user for weekly 15 minute phone session + texting with trainer

Assumptions:

1. Customer Growth rate of 10% starting with 50 users. (See Appendix A for user channel break down).
2. All users are charged \$100/month, first 100 users receive discount a \$20/month discount.
3. Payroll is estimated by hourly wage, 40 hours/week for full time trainers.
4. Benefits are estimated at 25% of employee wages.
5. Grants & sponsorships are from Syracuse Technology Garden and private legal and financial sponsors.

Income Statement	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Number of Customer	50	55	61	67	73	81	89	97	107	118	130	143	1,069
Total Revenue(\$100/user)	\$5,000	\$5,500	\$6,050	\$6,655	\$7,321	\$8,053	\$8,858	\$9,744	\$10,718	\$11,790	\$12,969	\$14,266	\$106,921
Discount/Promotion	\$1,000	\$1,000	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$4,000
Gross Sales	\$4,000	\$4,500	\$5,850	\$6,455	\$7,121	\$7,853	\$8,658	\$9,544	\$10,518	\$11,590	\$12,769	\$14,066	\$102,921
%		12.50%	30.00%	10.34%	10.31%	10.28%	10.25%	10.23%	10.21%	10.19%	10.17%	10.16%	
Direct Cost													
Payroll	\$3,333	\$3,918	\$3,239	\$3,725	\$4,191	\$7,280	\$8,582	\$9,436	\$9,913	\$10,129	\$11,195	\$6,992	\$81,934
Benefits			\$433	\$433	\$433	\$866	\$866	\$866	\$866	\$866	\$1,299	\$1,299	\$8,227
Personal Trainers	\$1,733	\$1,733	\$1,732	\$1,732	\$1,732	\$3,464	\$3,464	\$3,464	\$3,464	\$3,464	\$5,196	\$5,196	\$25,982
Part Time Trainers		\$303	\$606	\$866	\$1,083			\$606	\$1,083	\$1,299		\$693	\$6,538
CEO							\$1,000	\$1,000	\$1,000	\$1,000	\$1,200	\$1,500	\$6,700
Developer	\$1,600	\$1,882	\$2,200	\$2,426	\$2,676	\$2,950	\$3,252	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$34,486
Direct Material	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$480
Server	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$480
Manufacturer OH	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Total COGS	\$3,473	\$4,058	\$3,379	\$3,865	\$4,331	\$7,420	\$8,722	\$9,576	\$10,053	\$10,269	\$11,335	\$7,132	\$83,614
Gross Margin	\$ 527	\$ 442	\$ 2,471	\$ 2,590	\$ 2,789	\$ 432	\$ (64)	\$ (33)	\$ 465	\$ 1,321	\$ 1,434	\$ 6,934	\$ 19,308
Operation Expense	\$280	\$685	\$1,185	\$1,185	\$1,185	\$685	\$685	\$685	\$685	\$740	\$740	\$1,240	\$9,980
Legal			\$500	\$500	\$500							\$500	\$2,000
Business Insurance		\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$2,750
Advertising	\$100	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,300
Office Expense	\$180	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$290	\$290	\$290	\$2,930
Phone	\$155	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$215	\$215	\$215	\$2,280
Computer	\$25	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$75	\$75	\$75	\$650
Total SG&A	\$280	\$685	\$1,185	\$1,185	\$1,185	\$685	\$685	\$685	\$685	\$740	\$740	\$1,240	\$9,980
Other Income													
Grants/Sponsorship	\$180	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$235	\$290	\$290	\$290	\$2,930
Operating Income	\$ 427	\$ (8)	\$ 1,521	\$ 1,640	\$ 1,839	\$ (18)	\$ (514)	\$ (483)	\$ 15	\$ 871	\$ 984	\$ 5,984	\$ 12,258



phase 2: 2017 launch and regional expansion

Revenue Model:

1. Phone+App coaching: \$100/month
2. App coaching: \$40/month
3. Virtual coaching: \$40/session

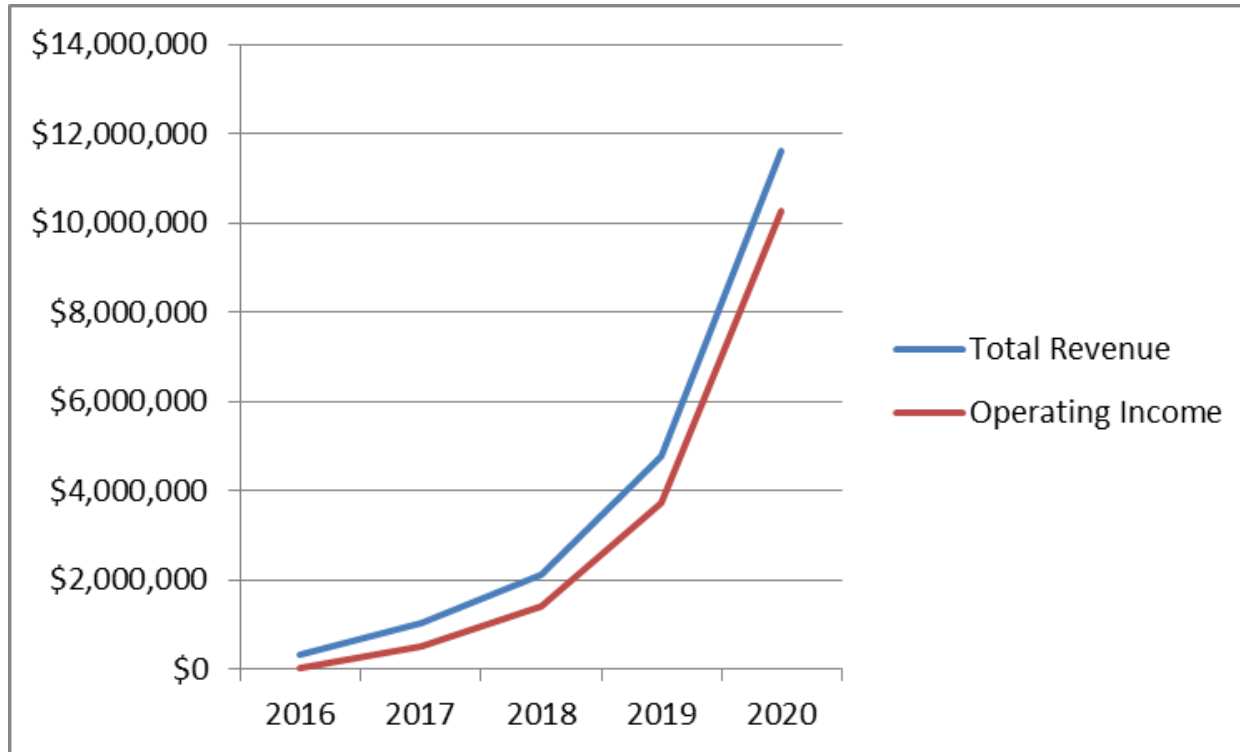
Assumptions:

1. Growth target is 40% each year driven primarily by paid online advertising with top identified cities (see Appendix C).
2. App user growth rate at 9%/month (see Appendix D for growth rate for users).
3. Expense takes in 78% of revenue for the first year, followed by increased growth with a 10% decline a year each.
4. Syracuse has population of 144,669 and the national average city population is 427,419. The average gym membership in Syracuse is \$10/month while in average USA gym membership is \$58 dollars. The market response rate has been adjusted according to the standard of living and population (on average 66%).
5. 10% of our customer base will use 2 virtual coaching sessions/month.

Income Statement	2016	2017	2018	2019	2020
Number of Customer	9,434	12,579	18,914	26,117	34,283
Total Revenue(\$100/user)	\$ 396,238	\$ 1,209,489	\$ 2,427,942	\$ 5,164,089	\$ 12,110,834
Disccount/Promotion	\$4,453	\$7,793	\$12,976	\$22,374	\$39,418
Gross Sales	\$391,785	\$1,201,696	\$2,414,965	\$5,141,715	\$12,071,415
%					
Direct Cost					
Payroll					
Benefits	\$ 31,033	\$ 82,583	\$ 141,399	\$ 248,894	\$ 462,101
Personal Trainers	\$ 98,010	\$ 260,813	\$ 446,564	\$ 786,054	\$ 1,459,403
Part Time Trainers	\$ 24,663	\$ 65,632	\$ 112,375	\$ 197,805	\$ 367,249
CEO	\$ 25,273	\$ 67,255	\$ 115,154	\$ 202,697	\$ 376,332
Developer	\$ 130,086	\$ 346,171	\$ 592,714	\$ 1,043,312	\$ 1,937,032
Direct Material	\$ 1,811	\$ 4,818	\$ 8,250	\$ 14,522	\$ 26,961
Server	\$ 1,811	\$ 4,818	\$ 8,250	\$ 14,522	\$ 26,961
Manufacurer OH	\$ 4,527	\$ 12,046	\$ 20,625	\$ 36,304	\$ 67,403
Total COGS	\$ 309,066	\$ 822,453	\$ 1,408,206	\$ 2,478,763	\$ 4,602,117
Gross Margin	\$82,719	\$379,243	\$1,006,759	\$2,662,952	\$7,469,298
Operation Expense					
Legal	\$ 6,000	\$ 13,053	\$ 13,939	\$ 16,651	\$ 23,743
Business Insurance	\$ 8,250	\$ 17,948	\$ 19,166	\$ 22,895	\$ 32,647
Advertising	\$ 6,900	\$ 15,011	\$ 16,030	\$ 19,149	\$ 27,305
Office Expense	\$ 8,790	\$ 19,123	\$ 20,421	\$ 24,394	\$ 34,784
Phone	\$ 6,840	\$ 14,881	\$ 15,891	\$ 18,982	\$ 27,067
Computer	\$ 1,950	\$ 4,242	\$ 4,530	\$ 5,412	\$ 7,717
Total SG&A	\$ 29,940	\$ 65,137	\$ 69,557	\$ 83,089	\$ 118,478
Other Income					
Grants/Sponsorship					
Operating Income	\$52,779	\$314,107	\$937,202	\$2,579,863	\$7,350,820



Revenue Trend, Startup Cost and IRR



Startup Cost	
Legal Cost	
Trademarks	\$ 4,000
Contract Lawyer	\$ 4,000
Computers	\$ 10,000
Phone	\$ 900
Softwares	\$ 6,000
Furnitures	\$ 3,000
Office Deposit	\$ 7,200
Startup Buffer	\$ 35,100
Total	\$ 70,200

IRR	292%
Start up	\$ (70,200)
2016	\$ 57,232
2017	\$ 321,900
2018	\$ 950,179
2019	\$ 2,602,237
2020	\$ 7,390,238
IRR	292%



Appendix A: Customer Channel Details

Customer Channels	1/1/2016	2/1/2016	3/1/2016	4/1/2016	5/1/2016	6/1/2016	7/1/2016	8/1/2016	9/1/2016	10/1/2016	11/1/2016	12/1/2016	2016 Total
Craigslist	10	10	11	12	12	13	13	13	14	16	17	19	161
Social Media	-	5	6	8	8	11	11	11	12	13	15	16	115
Posters/Flyers	10	10	11										31
Personal Invites	20												
WOM Referrals		5	6										
Referral Partners	10	10	10	12	13	14	15	15	16	18	19	21	173
- Chiropractors													
- Yoga Studios													
- BNI													
Speaking at Conferences				3	4	5							12
Blogging			1	3	4	5	7	7	9	10	12	13	71
Email List				2	3	4	6	6	8	9	11	12	61
Affiliate program		2	2	4	5	5	7	8	9	10	12	13	77
Events										5			5
Google Adwords		6	7	9	9	12	15	16	17	19	22	24	156
Facebook Ads		7	8	8	8	12	15	16	17	19	22	24	156
Youtube Ads													
Sponsorship													-
Videos													-
Press Releases				5	6			5	5				21
Total Customers	50	55	61	67	73	81	89	97	107	118	130	143	1,069

Appendix B: Cash flow statement 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Totals
Beginning Balance	\$ 1,000	\$ 1,427	\$ 1,419	\$ 2,940	\$ 4,580	\$ 6,419	\$ 6,401	\$ 5,887	\$ 5,404	\$ 5,420	\$ 6,290	\$ 7,274	
Cash Inflows													
Cash Sales	4,000	4,500	5,850	6,455	7,121	7,853	8,658	9,544	10,518	11,590	12,769	14,066	\$102,921
Grants	180	235	235	235	235	235	235	235	235	290	290	290	\$ 2,930
Total Cash Inflows	\$ 4,180	\$ 4,735	\$ 6,085	\$ 6,690	\$ 7,356	\$ 8,088	\$ 8,893	\$ 9,779	\$ 10,753	\$ 11,880	\$ 13,059	\$ 14,356	\$105,851
Cash Outflows													
Cost of Goods Sold	3,473	4,058	3,379	3,865	4,331	7,420	8,722	9,576	10,053	10,269	11,335	7,132	\$ 83,614
Operating Expenses	280	685	1,185	1,185	1,185	685	685	685	685	740	740	1,240	\$ 9,980
Total Cash Outflows	\$ 3,753	\$ 4,743	\$ 4,564	\$ 5,050	\$ 5,516	\$ 8,105	\$ 9,407	\$ 10,261	\$ 10,738	\$ 11,009	\$ 12,075	\$ 8,372	\$ 93,594
Net Cash Flows	\$ 427	\$ (8)	\$ 1,521	\$ 1,640	\$ 1,839	\$ (18)	\$ (514)	\$ (483)	\$ 15	\$ 871	\$ 984	\$ 5,984	\$ 12,258
Operating Cash Balance	\$ 1,427	\$ 1,419	\$ 2,940	\$ 4,580	\$ 6,419	\$ 6,401	\$ 5,887	\$ 5,404	\$ 5,420	\$ 6,290	\$ 7,274	\$ 13,258	
Ending Cash Balance	\$ 1,427	\$ 1,419	\$ 2,940	\$ 4,580	\$ 6,419	\$ 6,401	\$ 5,887	\$ 5,404	\$ 5,420	\$ 6,290	\$ 7,274	\$ 13,258	



Appendix C: Targeted City Gym Membership Data

City Gym Membership Data	Gym Membership Unit Price	Gym Population (16% of Entire Population)	Market Revenue	Population
Brooklyn, NY	\$101.19	414,720	\$41,965,517	2,592,000
Charlotte, NC	\$100.66	126,858	\$12,769,518	792,862
Austin, TX	\$88.14	141,664	\$12,486,265	885,400
Seattle, WA	\$90.68	104,385	\$9,465,614	652,405
Boston, MA	\$91.51	103,355	\$9,457,976	645,966
Washington, DC	\$87.00	105,423	\$9,171,791	658,893
Minneapolis, MN	\$85.22	64,011	\$5,455,034	400,070
St. Louis, MO	\$105.66	50,947	\$5,383,014	318,416
Cleveland, OH	\$83.01	62,418	\$5,181,325	390,113
Madison, WI	\$95.33	38,935	\$3,711,677	243,344

Appendix D: App User Growth

App User Growth	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017	89	97	106	115	126	137	149	163	178	194	211	230	1,795
2018	251	273	298	325	354	386	420	458	499	544	593	647	5,048
2019	705	768	837	913	995	1,085	1,182	1,289	1,405	1,531	1,669	1,819	14,197
2020	1,983	2,161	2,356	2,568	2,799	3,050	3,325	3,624	3,950	4,306	4,694	5,116	39,931

