

Olympic Fitness Business Analysis

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Intro – Quick Facts

- *Olympic Fitness* is a medium-sized old school style gym or fitness center established in 1973. Business owners decided to perform a full-scale remodel project for the establishment.
- The author of this presentation has been contributing to multiple phases of the Olympic Fitness' continuous remodeling project that was launched in January 2023.
- This ongoing project's business analysis involves the following:
 - Understanding business objectives.
 - Research surveys.
 - Cost estimation & budgeting – for exercise equipment.
 - Making data-driven decisions & recommendations.
 - Strategic planning (short-term & long-term) & execution.
 - Customer experience & feedback.
 - Branding & logo selection.

Intro – The Author's Role

- I'm collaboration with other volunteers (most of them are legacy members or clients) and the business' owners is mostly involved with:
 - Conducting surveys.
 - Delivering insights.
 - Participating in decision-making processes (driven by data).
 - Recording customer responses.
 - Suggesting ideas for the future.
- Occasionally, I volunteered for performing physical labor such as moving or lifting heavy equipment and cleaning processes.

Business Objectives

- Planning for remodeling essential features or sections of the installations.
- Re-designing brand and creating a memorable logo.
- To design *Olympic Fitness* merchandise (unisex hooded jackets & t-shirts).
- Winning back loyal or legacy (members that attended the gym prior to the temporary closure caused by the Pandemic) clients & retaining them.
- Strategically purchasing and install the most 'in-demand' equipment and replace old or obsolete machines.
- Planning for growth accordingly – to continue modernizing the gym, expanding (physically) and adding new equipment.
- Maintaining cash flow / Increase revenue.
- Attracting and retaining new clients.
- Continue gathering feedback and suggestions.
- To continue providing a welcoming a safe environment for members.
- To maintain both the gym's positive reputation and brand; and culture of positivity and encouragement among members.

Before and After



Actions taken in Q1-2023

- **Step 1** - New prices were established make not not only produce enough revenue to make up for the monetary loses caused by the Pandemic, but to reinvest capital gains back into re-building a new and modern gym.
- **Step 2** – We reached out to loyal / legacy clients that left due to the temporary closure and invite them to renew their membership. Fortunately, many legacy clients came back!
- **Step 3** – Contractors fixed or changed multiple aspects of the structure's interior (New reception area was added, old WC / Shower area was demolished, old paint was scraped, new windows were added, etc.).
- **Step 4** – Wi-Fi, *Bose Smart Soundbar* with Bluetooth connectivity, and iPad or tablet were introduced; and 4 brand new cardio machines were purchased.

Actions taken in Q2-2023

- **Step 1** – A new *Olympic Fitness* logo was selected among multiple designs.
- **Step 2** – Merchandise (t-shirts and hoodie jackets) became available for customers. Beverages and sports-snacks became available as well.
- **Step 3** – More machines and accessories were purchased.



Survey Research

- Before performing any data-driven decision making that would impact the business in the short and long term, I deployed a few surveys (in-person and via WhatsApp or mobile App) about the following:
 - Logo Selection – to determine the best way to represent the business' brand. Some of the participants were members currently enrolled during January 2023.
 - Machine Replacement – to determine which exercise machine or equipment needed to be replaced. Some of the participants were members currently enrolled during February 2023.
 - New Equipment – to determine which 3 to 4 new exercise machines are the most 'in demand' by customers. Only enrolled gym experienced clients participated during March 2023.
 - Customer Experience – to understand why clients prefer *Olympic Fitness* over other gyms. Some of the participants were members enrolled during July 2023.

Logo Selection Survey

- An image with 6 logos was displayed to multiple members. They were asked to select one.

Logo No.	Count of Responses
Option 1	7 (2 nd Place)
Option 2	3
Option 3	20 (Winner)
Option 4	5
Option 5	2
Option 6	1
No. of Participants	38



Logo Selection Survey - Analysis

- I asked participants to explain the reason for their selection as well. I noticed that 53% of the survey's participants preferred logo No. 3 because it matches with the original bright theme colors – black and dark yellow. The reason being that they feel more familiarized with that specific combination of colors.
- Least popular logos were No. 5 & No. 6, which contained color blue.
- Please note that this survey was launched in January 2023, and it had 38 participants out of the 48 registered members (both legacy and non-legacy clients).

Replacement Survey

- I asked participants or gym members in February 2023 to provide an opinion of which current exercise machine or equipment should be replaced as soon as possible. I suggested we initially should purchase 1 new machine prior to planning on creating a budget for the rest of the new equipment purchases.

Machine / Accessory	Count of Responses
Leg Press / Hack Squat	32
Pec Deck Machine	9
Boxing gloves	5
Resistance Bands Handle	4
Rogue T-Bar Row	3
No. of Participants	53

Replacement Survey - Analysis

- After compiling the participants' responses, 60.4% of the survey's participants complained about the leg press / hack squat's platform (section in which feet gets placed) being unstable or 'shaky' as the user performs the actual exercise. Based on our data, we decided to purchase a new leg press machine.
- Please note that this survey was launched in February 2023, and it had 53 participants out of the 65 registered members (both legacy and non-legacy clients).



New Equipment Survey

- I asked 37 experienced gym members in March 2023 to provide a ‘wish list’ of 3 - 4 new machines that they would want to see in a nearby future. Unlike previous surveys, only experienced gym members were invited to participate as their feedback is preferable. The table below only includes the top 5.

Machine / Equipment	Count of Responses (3-4 x Participant)
Smith Machine	26
Abductor / Adductor Machine	16
Glute Push Machine	14
T-Bar Row	12
Inclined Roman Chair	11

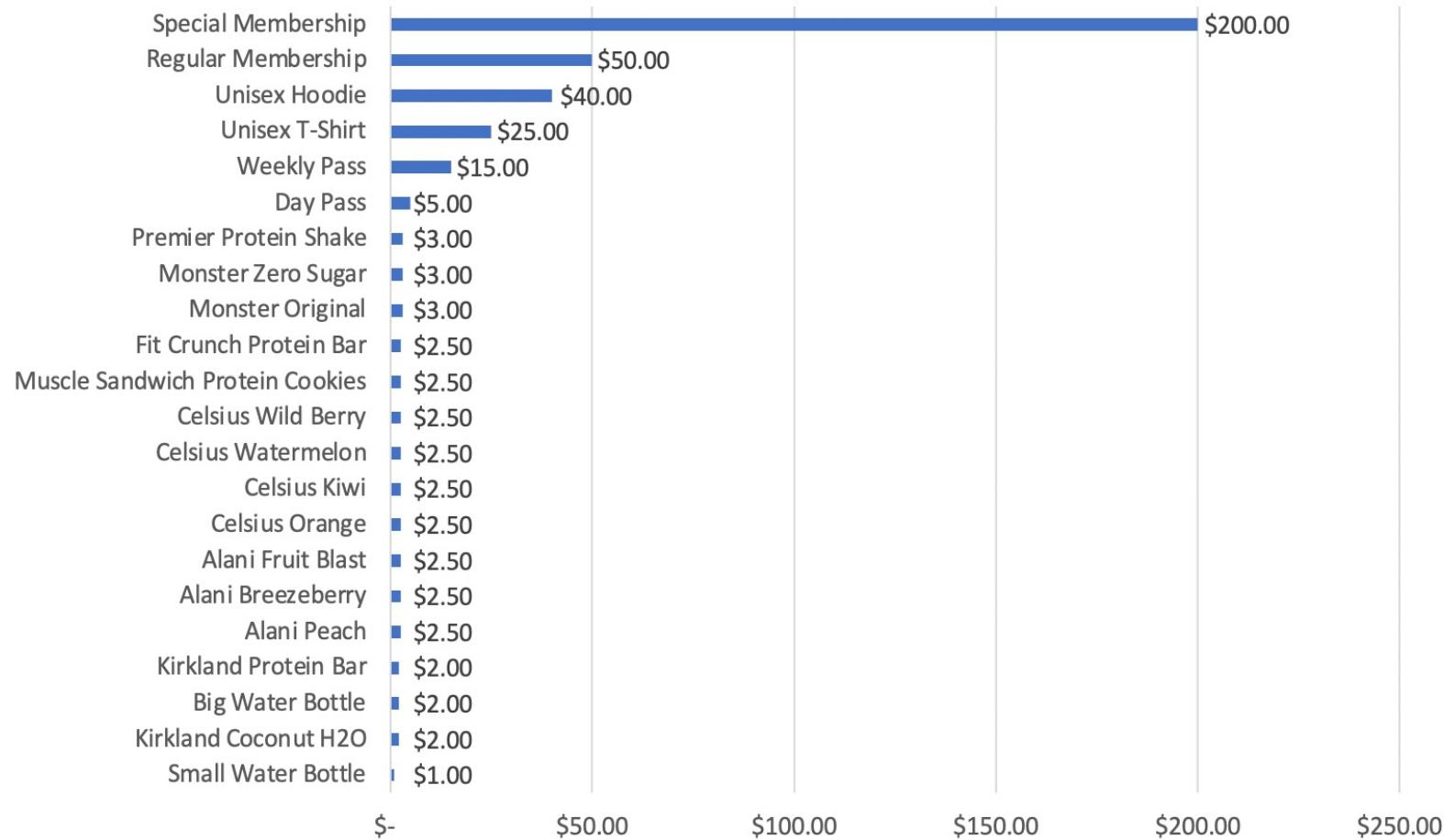
New Equipment Survey - Analysis

- Out of the 130 responses provided by 37 participants, most of them included the Smith Machine, which is a common piece of equipment among most gyms, as part of their feedback.
- The business owners' milestone is to provide 5 new machines before July 2023 ends. Based on the survey results or data, I suggested to purchase the following machines: Smith machine, Hip (abductor / adductor) machine, Glute kickback press, T-Bar Row & Inclined Roman Chair.
- How did I determine the budget for this milestone? *See slide 17.*

Monthly Gross Sales – Jan. through Jul.

MONTH	REG. MBRSHP	SPECIAL MBRSHP	WEEKLY PASS	DAY PASS	BEVERAGES	SNACKS	MERCHANDISE	TOTAL
Jan-23	\$2,100.00	\$1,200.00	\$45.00	\$35.00	NA	NA	NA	\$3,380.00
Feb-23	\$2,300.00	\$3,800.00	\$30.00	\$20.00	NA	NA	NA	\$6,150.00
Mar-23	\$2,650.00	\$4,200.00	\$45.00	\$25.00	NA	NA	NA	\$6,920.00
Apr-23	\$2,800.00	\$4,800.00	\$15.00	\$15.00	\$442.00	\$110.00	\$1,115.00	\$9,297.00
May-23	\$2,800.00	\$5,400.00	\$60.00	\$20.00	\$530.50	\$188.50	\$810.00	\$9,809.00
Jun-23	\$3,250.00	\$6,600.00	\$45.00	\$30.00	\$618.00	\$233.50	\$345.00	\$11,121.50
Jul-23	\$3,650.00	\$6,600.00	\$30.00	\$20.00	\$713.50	\$314.00	\$315.00	\$11,642.50

Current Prices



Budget – New Equipment

- The business' owners decided to set a deadline – purchasing 5 new machines before July 2023 ends and estimated a 5K budget. Based on their estimation, I crunched the total gross sales from January to June and calculated an approximation. I noticed that allocating 23% from 50% of the gym's gross sales (which is re-invested back into the business) closely matches the original 5K estimation. See *table below*.

Category	Totals
Total Gross Sales (JAN 2023 – JUN 2023)	\$46,677.50
Re-Invested Gross Sales (50%)	\$23,338.75
Actual New Eqpt. Budget – 23% from Re-invested Gross Sales (50%)	\$5,367.91
Estimated New Eqpt. Budget	\$5,000.00

How are funds being handled?

- Gross Sales Distribution: 50% gets allocated for future projects and new gym equipment, 40% gets allocated for expenses (such as utilities) and debt.
- Budget for future 'back patio' project: I suggested that 75% of the 50% of the re-invested gross sales is saved for the 'Back Patio Expansion Project' which will be designated for a cross-fit section.
- Budget for new equipment: 23% of the 50% of the re-invested gross sales is saved for buying 5 new exercise machines during July 2023. Note that this percentage might change in the nearby future.
- Budget for new equipment: I suggested that 2% of the 50% of the re-invested gross sales is saved for buying new gym accessories such as handles, bands, ropes, etc.

Cost Estimation – New Eqpt. (Part I)

- A budget of \$5,370 USD was established for the following: Smith Machine, Hip (Abductor / Adductor) Machine, Glute Kickback Press, T-Bar Row & Inclined Roman Chair.

Product	Selected Brand	Price	Budget	Surplus Budget
Smith Machine	NONE (<i>See next slide</i>)	\$500.00	\$670.00	\$170.00
Hip Machine	Sumie Fitness	\$2,300.00	\$3,150.00	\$850.00
Glute Kickback Press	Sumie Fitness	\$400.00	\$650.00	\$250.00
T-Bar Row	Sumie Fitness	\$560.00	\$650.00	\$90.00
Inclined Roman Chair	Menciro	\$80.00	\$250.00	\$170.00

Cost Estimation – New Eqpt. (Part II)

- Note on hip machine: We strategically allocated more funds for a hip (abductor / adductor) machine as we were expecting this product to be expensive; but, as it is in demand by clients based on the new equipment survey, we decided to make a large investment on this.
- Note on Smith machine: this was the only equipment structure that was built and assembled by a contractor because of 2 reasons:
 - It's the only machine that surpassed the established budget.
 - This equipment has less complexity when it comes to welding, as it doesn't require pulleys to function.
- Note on Surplus Budget: 'Leftover' funds will be used for the next big milestone - which is to fix the back patio's pavement and to set up a cross-fit zone for members!

Next Big Milestone – Back Patio Expansion



Back patio expansion project – the goal is to set up a cross-fit section.

Customer Experience Survey

- I asked 42 gym members (out of 106) in July 2023 to provide the reason(s) why they prefer the *Olympic Fitness* over other nearby competitors given that some of those enterprises have bigger installations, more equipment or machines, and in some cases more affordable prices.

Reason(s) for Preference	Count
'Good-vibes' place	17
Location	11
Friends and family	8
No crowds	6
Gym's old school (80's) style	4
Continuous remodeling progress	3
Fitness guidance	2
Parking	2
Good equipment / machines	2

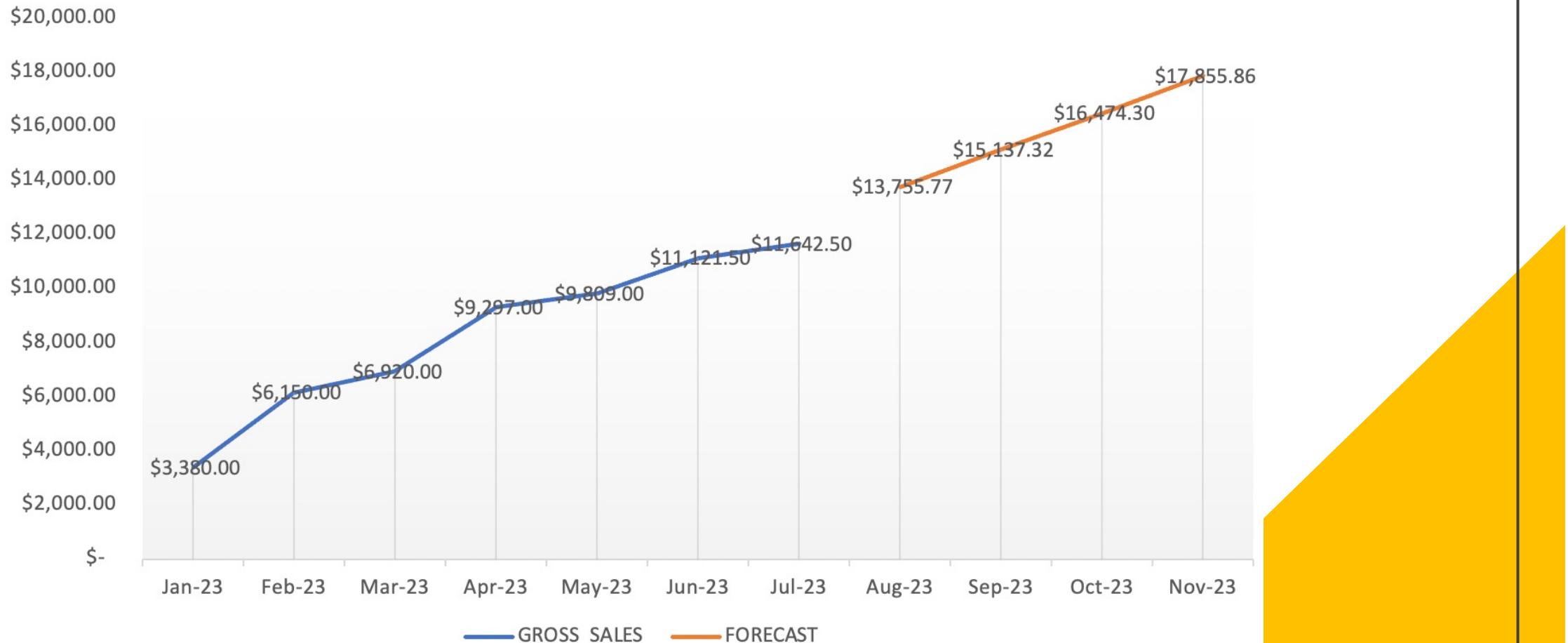
Customer Experience Survey - Analysis

- Results show that 31% of reasons are related with the establishment's friendly 'atmosphere' or 'environment'.
- Most participants vaguely described to feel more comfortable at the *Olympic Fitness* due to the 'good' vibes regardless of the membership prices, gym's size or how much equipment does it currently offer.
- Other positive attributes are associated with being at a great location (with plenty of parking spots), the establishment being old school style, having the essential equipment or the fact that it's never too crowded.

Churn Rate – July 2023

- When comparing the number of current clients, the *Olympic Fitness* had a total number of 106 customers in July and lost 6 clients (as in July as well) that were enrolled during January through June, therefore the churn rate was 5.7%!
- A low churn rate reflects a high client retention, because most members that joined during January through July have stayed.
- This percentage certainly reflects the positive responses from the customer experience survey and demonstrates that members are happy with the *Olympic Fitness'* services.
- As expected, the churn rate will change in the upcoming months.

Forecasting Gross Sales (Aug. – Nov.)



Conclusion & Instagram

- The overall remodeling process of the business and re-investing in new equipment have proven to be quite effective as there's consisted increment in new members every month and there's a low churn rate.
- We forecast the gym's sales to continuously increase for the next upcoming months except for December as the business closes from Mid-December until January.
- The next big milestone will be to fix the back patio's pavement and set up a crossFit zone for members because the goal is to continue expanding and improving services.
- My support as a volunteer analyst will continue in the nearby future as projects get planned and implemented. In addition, all the current progress has been achieved thanks to every volunteer and the business owners.
- Reference - <https://www.instagram.com/olympic.fitness.tj/>