



# SSS performance modeling

## Franchisee based fitness chain

Built a comprehensive model to analyze the growth of the business using same store sales which included key traffic and revenue related metrics

# Same store sales (SSS) growth model for a fitness chain

## Situation

- Company did not have a streamlined tool to view the growth of the business on SSS (Same Store Sales) basis
- Created a sustainable Excel model to determine the SSS growth of various traffic and revenue metrics by region, DMA, market type and vintage (year of opening)

## Accordion Value Add

- Built a comprehensive and dynamic reporting tool to evaluate the growth of the business on SSS basis for various periods such as by month, Last 3 Months (L3M), Quarter, Year till Date (YTD), Last Twelve Months (LTM) and Full year
- Included key traffic and revenue metrics (such as New, Active customers, Visit frequency, Revenue per customer etc.) by studio to provide visibility for the corporate team to identify specific actions required to be taken in each studio
- Incorporated outputs to analyze the performance during 12-month and 24-month ramp up period of studios to enable the corporate team to track the performance of a new studio with similar studios' historical ramp up

## Impact

- The model helped the client build franchise scorecards to evaluate the performance of each franchise studio on a weekly and monthly basis
- The model provided the visibility to compare the performance with the targeted performance for each studio

# SSS growth model for a fitness chain

Revenue per unique				
Vintage	Aug-14	Sep-14	Oct-14	Nov-14
2011	\$ 100	\$ 105	\$ 95	\$ 100
2012	\$ 80	\$ 90	\$ 90	\$ 95
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
Average	\$ 90	\$ 95	\$ 93	\$ 98

  

Uniques per studio				
Vintage	Aug-14	Sep-14	Oct-14	Nov-14
2011	350	320	315	320
2012	320	360	350	345
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
Average	325	340	333	332

  

Visits per studio				
Vintage	Aug-14	Sep-14	Oct-14	Nov-14
2011	1,900	1,900	1,950	1,750
2012	1,600	1,990	2,000	1,800
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
Average	1,750	1,940	1,983	1,775

A timeline view of traffic & revenue metrics by vintage

Consolidated view of traffic & revenue metrics' growth for a user-selection of store attributes

User-selection to select stores of market class, DMA, Class, Region and Vintage

Selections				
Market Class	All			
DMA	SEATTLE-TACOMA			
Class	All			
Region	All			
Vintage	All			
Monthly				
Overall Metrics (YOY % 'Same-Store)	Jan-13	Feb-13	Mar-13	
# stores considered in each period	2	2	2	
Sales Growth	20.0%	19.0%	22.5%	
Service Revenue Growth	25.0%	24.0%	27.5%	
Product Revenue Growth	-11.0%	-12.0%	-8.5%	
Visits Growth	22.0%	21.0%	24.5%	
Revenue per Visit Growth	-1.5%	-2.5%	1.0%	
Product revenue per visit growth	-30.0%	-31.0%	-27.5%	
Service revenue per visit growth	7.5%	6.5%	10.0%	
Uniques Growth	10.0%	9.0%	12.5%	
Revenue per Unique Growth	7.2%	6.2%	9.7%	
Vists per unique growth	15.0%	14.0%	17.5%	
Active Growth	28.0%	27.0%	30.5%	
New Visits Growth	-2.7%	-3.7%	-0.2%	
Existing users growth	7.2%	6.2%	9.7%	
Service revenue per unique growth	4.3%	3.3%	6.8%	
Product revenue per unique growth	-9.2%	-10.2%	-6.7%	

# SSS growth model for a fitness chain

User-selection of traffic & revenue metric

Metric Selection			Total Sales					
KEY PERFORMANCE INDICATORS (\$)								
			MTD			L3M		
Key metrics			Actual	B/(W) Plan	B/(W) PY	Actual	B/(W) Plan	B/(W) PY
Net Sales			100,00,000	na	12.6%	320,00,000	na	13.7%
SSS% (13+)			80,00,000	na	-10.7%	255,00,000	na	-7.6%
SSS% (24+)			65,00,000	na	-10.2%	205,00,000	na	-8.2%
BY MARKET CLASS (\$)								
			MTD			L3M		
Market Type	Store Count	In SSS Base	13+ AWS	vs. System	SSS	13+ AWS	vs. System	SSS
Primary	90	63	7,700	28.0%	-7.6%	8,000	30.0%	-9.6%
Secondary	200	172	5,750	94.0%	-7.3%	6,100	86.0%	-6.4%
Tertiary	55	50	5,150	75.0%	-4.4%	5,400	82.0%	-2.9%
Total	345	285	6,005	100.0%	-6.8%	6,396	100.0%	-6.6%
BY CLASS (\$)								
			MTD			L3M		
Market Type	Store Count	In SSS Base	13+ AWS	vs. System	SSS	13+ AWS	vs. System	SSS
Hyper-Urban	20	16	18,200	78.2%	-6.7%	11,597	181.3%	-5.1%
Urban	40	35	6,500	15.0%	-8.7%	6,735	105.3%	-9.3%
Suburban	200	175	6,000	90.0%	-8.4%	6,361	99.5%	-7.6%
Suburban Fringe	150	105	5,300	8.0%	-4.3%	5,655	88.4%	-4.9%
Rural	15	9	6,200	15.0%	3.0%	5,974	93.4%	2.0%

Consolidated view of the selected metric by store attributes (Market class, DMA etc.) for various periods – MTD, L3M, LTM etc.