

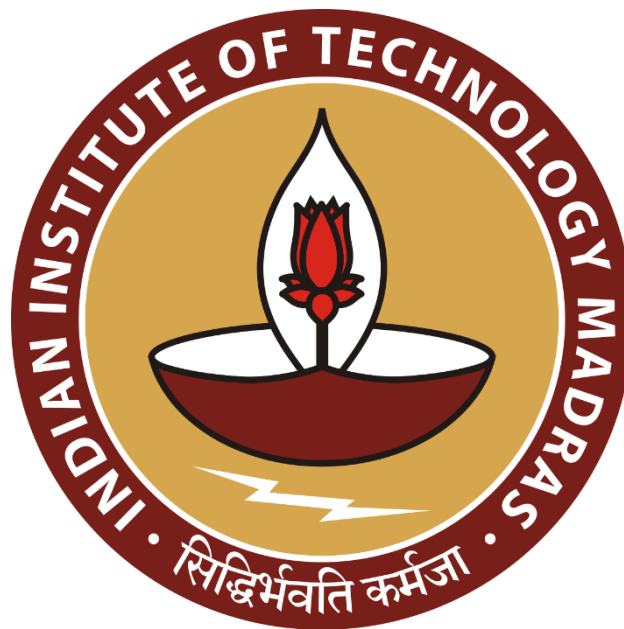
Enhancing Gym Business Sustainability: Overcoming Challenges and Boosting Customer Engagement

A Proposal report for the BDM capstone Project

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1 Executive Summary

The project is focused on Mr. Amit Chaudhary, owner of a gym named **Muscle Factory Gym** located in the village of Bandarsindari, Ajmer, Raj.,305817. Situated near a college, his gym caters to B2C segments, primarily serving college students and the local community seeking fitness and wellness solutions.

The business initially thrived on a steady flow of customers due to the inadequate facilities at the college gym. However, after the college established a new gym, Mr. Chaudhary's customer base plummeted, leading to reduced profitability and sustainability concerns. Moreover, the absence of prior experience in the gym industry further exacerbates the challenges he faces.

Our approach involves leveraging data-driven strategies to address the challenges faced by Mr. Chaudhary's gym. By conducting a comprehensive analysis of customer preferences, optimizing operational efficiency, and introducing personalized training programs, we aim to enhance customer engagement and retention. Additionally, implementing strategic marketing initiatives and forging partnerships with the college could help attract a wider audience.

The expected outcome helps Mr. Chaudhary's gym regain its customer base, increase revenue, and achieve sustainable growth. By effectively managing the transition from competition to collaboration with the college gym, the project seeks to establish a thriving fitness centre that caters to the diverse needs of the community and college students while bolstering Mr. Chaudhary's business acumen and success.

2 Organisation Background

Amit Chaudhary, the proprietor of the business under consideration, has established a significant presence within the college environment over the past decade. Operating a general store situated outside the college, he has catered to the needs of both the college community and the local residents. Additionally, Mr. Chaudhary has strategically expanded his operations by owning two shops within the college premises – one functioning as a general store and the other as a bakery.

Observing a potential business opportunity stemming from the inadequate gym facilities at the college, Mr. Chaudhary ventured into the fitness industry, establishing a gym business. Despite lacking prior experience in the gym sector, his entrepreneurial spirit led to an initial influx of customers, particularly college students, drawn by the convenience and proximity of the gym.

However, the positive trajectory witnessed a downturn when the college responded to the need for improved gym amenities and constructed a new gym within its premises. The new competition posed a significant challenge to Mr. Chaudhary's gym, resulting in a noticeable decline in customer numbers and subsequent revenue.

This organization's unique blend of businesses, comprising general stores and a bakery cum canteen, reflects Mr. Chaudhary's multifaceted approach to providing essential services to both the college community and the surrounding locality. The challenge at hand lies in strategically navigating the competitive landscape to ensure the gym business regains its prominence and sustains growth, while also harmonizing with the existing ventures to create a comprehensive ecosystem of services.

3 Problem Statement

- **College Gym Competition**
Amit Chaudhary's gym faces stiff competition from the college's new gym, resulting in declining customer numbers and revenue.
- **Inexperienced Gym Management**
Amit Chaudhary's lack of prior gym business experience hampers effective management and growth strategies, contributing to customer attrition.
- **Single Customer Dependency**
The gym's heavy reliance on college students leaves it vulnerable to fluctuations in customer base, impacting sustainability.

4 Background of the Problem

The identified problem within Amit Chaudhary's gym business stems from a combination of internal and external factors that have contributed to its declining customer base and revenue.

Internally, Amit's lack of experience in the gym industry has led to challenges in devising effective customer retention strategies, marketing initiatives, and operational management. The absence of expertise hampers his ability to adapt to changing market dynamics and implement best practices.

Externally, the emergence of a new gym within the college premises has created a formidable competitive landscape. The college gym's upgraded facilities and convenience factor have lured away a significant portion of Amit's customer base, particularly the college student segment. This direct competition has resulted in a drop in footfall and revenue for his gym.

Moreover, the gym's over-dependence on college students as the primary customer segment makes it susceptible to shifts in student enrolment and preferences. The closure of the college gym and subsequent competition underscores the need for diversification to ensure a more balanced and sustainable revenue stream.

In summary, Amit Chaudhary's gym business faces a multi-faceted challenge stemming from his inexperience in the gym industry, intensified competition from the college gym, and a reliance on a single customer segment. Addressing these internal and external factors is crucial to revitalizing the gym's fortunes and establishing a more resilient and profitable business model.

5 Problem Solving Approach

A. Details About the Methods Used with Justification

Step 1: Define the Problem

- Identifying the challenge faced by Amit Chaudhary's gym business.
- Determining the timeline of when the decline began and its duration.

Step 2: Clarify the Problem

- Evaluating the available data on customer demographics, preferences, and gym utilization.
- Ensuring a thorough containment of the issue within the gym's operational context.

Step 3: Define the Goal

- Formulating a clear and measurable end goal aimed at addressing the decline in customer numbers and revenue.
- Gaining a concise understanding of the specific achievements or improvements anticipated as a result of addressing the problem.

Step 4: Identify the Root Cause of the Problem and Develop the Action Plan

- Identifying potential underlying causes that have contributed to the decline in the gym's customer base and revenue.
- Creating a comprehensive action plan that outlines the necessary steps to address the root cause and prevent its recurrence.

Step 5: Execute Action Plan

- Implementing the action plan to mitigate the root cause and restore the gym's customer base and revenue.
- Ensuring that each action is carried out as planned and that relevant stakeholders are involved in the execution.

Step 6: Evaluate the Results

- Regularly monitoring and collecting data to assess the impact of the implemented actions.
- Determining whether the desired goals have been achieved and whether there has been a positive shift in customer numbers and revenue.

Step 7: Continuous Improvement

- Exploring ongoing opportunities for improvement beyond the initial action plan.
- Establishing mechanisms to prevent similar challenges in the future by consistently monitoring data and identifying potential issues.

B. Details About the Intended Data with Justification

1. Customer Feedback Data:

- **Intended Data:** Collected feedback from gym customers regarding their experiences, preferences, and suggestions.
- **Justification:** Customer feedback provides insights into satisfaction levels, identifies pain points, and guides improvements in services, facilities, and overall customer experience.

2. Revenue Data:

- **Intended Data:** Records of the gym's revenue over a defined period, including membership fees, class fees, and any other income sources.
- **Justification:** Revenue data offers a clear picture of the gym's financial health, aiding in assessing the effectiveness of strategies, measuring profitability, and identifying trends.

3. Expenditure Data:

- **Intended Data:** Documentation of the gym's expenses, encompassing staff salaries, utility bills, maintenance costs, marketing expenses, and other operational expenditures.

- **Justification:** Expenditure data enables a comprehensive view of the gym's cost structure, facilitating expense control, budgeting, and optimizing resource allocation.

C. Details About the Analysis Tool with Justification

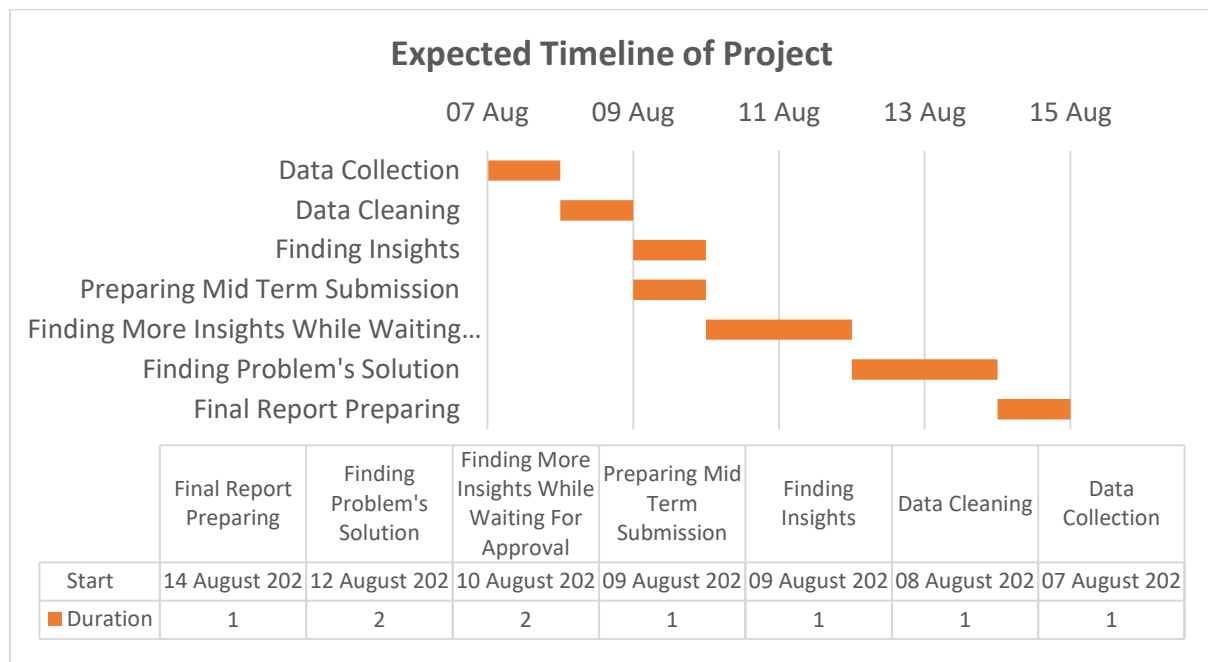
- **MS Word:** For creating detailed project documentation, reports, and problem statements.
- **MS. Excel:** For data collection, analysis, and creating financial models.
- **MS. PowerPoint:** To create visual presentations to communicate project progress, findings, and recommendations.
- **SWOT Analysis:** To analyse gym's strengths, weaknesses, opportunities, and threats to inform strategy.
- **Mind Maps:** To brainstorm ideas, map out project steps, and visualize connections.
- **Pareto Analysis:** To prioritize issues by identifying and addressing the most significant contributors.

6 Expected Timeline

- **TimeLine**

Task	Start	End	Duration in days
Data Collection	07 August 2023	08-08-2023	1
Data Cleaning	08 August 2023	09-08-2023	1
Finding Insights	09 August 2023	10-08-2023	1
Preparing Mid Term Submission	09 August 2023	10-08-2023	1
Finding More Insights While Waiting For Approval	11 August 2023	13-08-2023	2
Finding Problem's Solution	13 August 2023	14-08-2023	1
Final Report Preparing	14 August 2023	15-08-2023	1

- **Gantt Chart**



7 Expected Outcome

Major expected outcomes of the proposed approach for Amit Chaudhary's gym business are:

- Increased Customer Engagement and Retention through Personalized Services.
- Enhanced Competitiveness through Unique Gym Offerings and Marketing Strategies.
- Diversified Customer Base for Greater Revenue Stability.
- Data-Driven Operational Efficiency and Cost Optimization.