

# Fitness Center Proposal

UC Consulting Team

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Why UC Consulting



# Meet the Team



Delivery Lead:  
Danae Vassiliadis (Data Strategy Sr. Manager)



Project Lead:  
Forough Mofidi (Data Strategy Manager)



Data Science Consultant:  
Angy Wu Feng



Data Analyst:  
David Zhu



Modeling SME:  
Ankit Gubiligari







# Executive Summary

# Our Understanding

We would work with Fitness Club to re-define the objectives and outcomes to achieve the long-term vision for Consumer Retention and Engagement



## Objectives

- Implement solution for :
  - Identifying different Customer groups
  - Customer segmentation
- **Clearly define roles and responsibilities** to execute future state processes
- **Short term objectives:**
  - Maximize customer retention
  - Improve customer engagement
- **Long term objectives :**
  - Customer loyalty and customer satisfaction
  - Enhanced reporting capabilities



## Key Outcomes

- Increased customer satisfaction
- Customer loyalty
- Decreased in churn rate
  - For high-valued customers by ~ 10% within 3 months
    - Projected return in 12 months of 10% increase of retention:  
**1.5M\$**
  - For low-customer-stickiness by ~ 8% in 6 months



## What We Bring

- **Analytics Capability**
- **Acceleration Experience:** Ability to leverage our prior experience and learnings from similar large-scale implementation projects
- **Experienced Team:** Global team with implementation experience of predictive models
- **Experts:** Subject matter experts on AI, strategy and marketing for delivery



**Agile approach** to enhance customer retention/engagement management capabilities to achieve a real-time & integrated process



A photograph of a modern gym interior. In the foreground, there is a black metal weight rack filled with various sizes of black and silver weight plates. To the right, several pieces of exercise equipment, including treadmills and elliptical machines, are visible. The gym has large windows on the left side, letting in natural light. The ceiling is dark with exposed wooden beams and several large, modern pendant lights. The overall atmosphere is clean and professional.

# Proposed Solution

# Next Best Offer: Customer Retention Model

The Next Best Offer model predicts the next action a customer will likely take based on their previous behavior. With the NBO model, we can offer customers their most valued activity or experience based on their preferences or needs, leading to long-term retention.

## Define Retention Goals

- Identify customer universe of analysis
- Set different retention goal for each customer segment
- For low customer stickiness group, we can set the goal of reducing churn rate by 8% in six months.

## Segment Customer

- Use customer segmentation based on relevant criteria, such as demographics, past behaviors, renewal status, or customer stickiness
- Identify different customer groups with their preferences or needs
- Prioritize our focus based on their lifetime value and retention rate

## Data Collection & Feature Engineering

- Request access to additional data for modeling, such as customer demographics, past behaviors, and marketing strategies (promotions, discount offers, referral programs)
- Identify relevant features or thresholds that would be used as predictors when modeling

## Evaluation

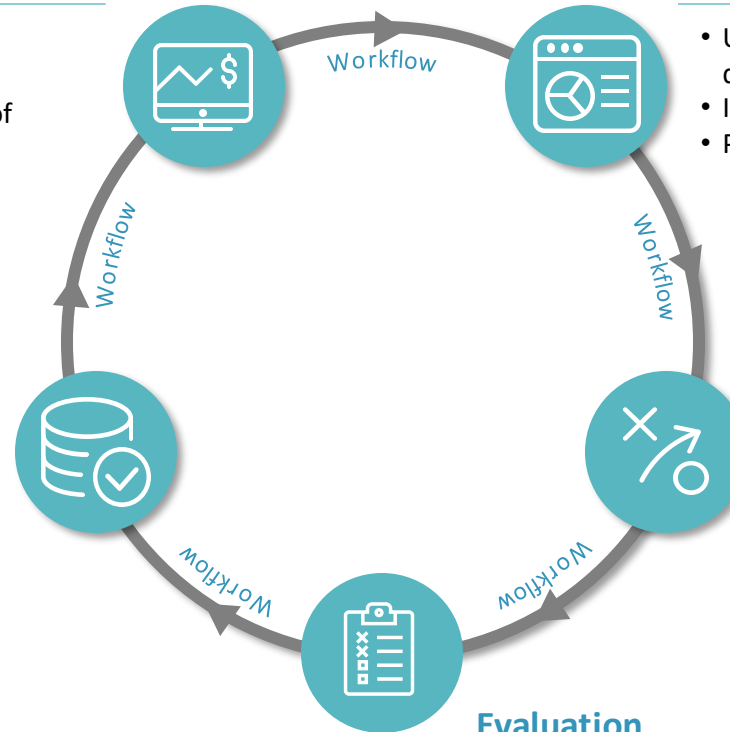
- Apply metrics to evaluate the model's performance
- Use hold-out and cross-validation to avoid overfitting
- Report on model evaluation via technical and business metrics

## Deployment

- Reduce organizational and technical silos using the right deployment frameworks, tools, and processes
- Deploy the NBO model in the live environment
- Monitor its performance over time

## Continual Improvement

- Improve the model based on the most recent findings and insights by continuously evaluating its effectiveness
- Identify areas of improvement and make adjustments as needed







# Approach and Methodology



# Next Best Offer Agile Model

Assessment  
8-12 weeks

Iterative Sprints  
7-9 Months

## VALUE DISCOVERY

## ITERATE

## TRANSFORM-SCALE



### VALUE DISCOVERY

- **Assessment of:**
  - Data and Reporting Current State
  - Customer Demographics
  - Marketing Landscape
- Interviews with **business stakeholders** to understand **business priorities**
- Identification of **customers universe of analysis**
- **Key data** sources assessment



### INSIGHTS GENERATION & MODEL ITERATION

- **Customer Segmentation**
- Variable selection & **Feature Engineering**
- Iterative sprint planning and execution; 3-4 weeks in duration
- Rapid **Prototyping**, Next Best Offer Design, Build and Test
- Automated jobs and **well-defined workflows**
- Model evaluation: **stability & validation**
- Model Integration



### DEPLOYMENT AND SCALING

- **Model Deployment and Enhancements**
- Continued Model Evaluation: **stability & validation**
- **Training and Transition Plan**
- Solution **Go-Live**
- Continuous Improvements

#### ACTIVITIES



- Insights and Interview Report
- Implementation Roadmap and Sprint Plan



- Test Scenarios and Testing Scripts
- Testing Strategy
- Next Best Offer Model Demo/ Prototype (POC)
- Training Material and User Guide



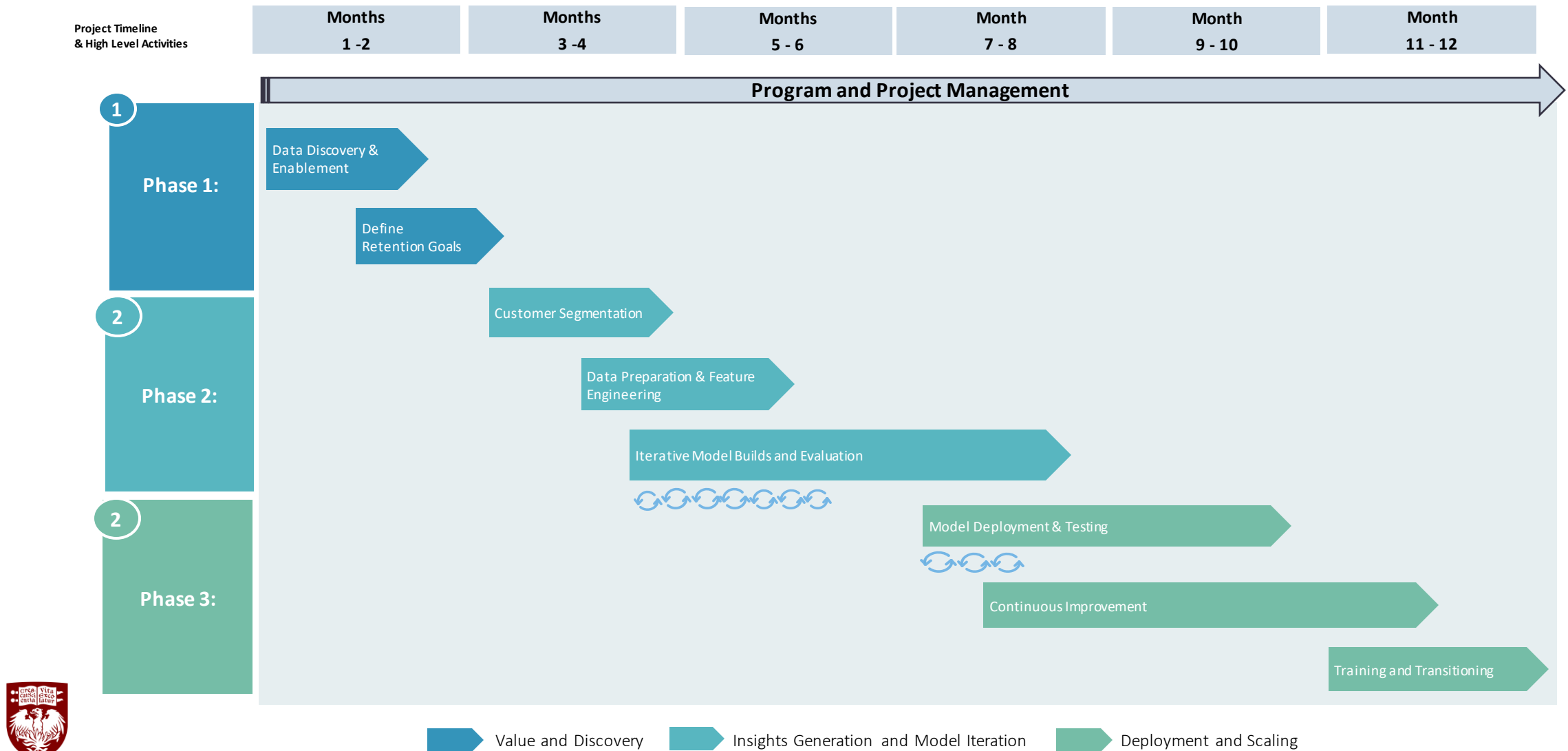
- User Acceptance of Model Integration
- Deployment Plan
- Knowledge Transfer Plan

#### KEY DELIVERABLES



# Proposed Timeline

Based on our understanding of the scope outlined in our approach, we propose a 12 month implementation timeline split into three phases: 1 – Value and Discovery; 2 – Insights Generations & Model Iteration; and 3 – Deployment and Scaling .





# Team Organization & Governance



# UC Consulting Program Roles and Responsibilities

Project Roles	Commitment	Resource Titles	Key Roles and Responsibilities
<b>Delivery Lead</b>	8 hours per week (as needed) (20% Allocation)	<ul style="list-style-type: none"> <li>Data Strategy Senior Manager</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with data scientists and analysts to define the data strategy for the project.</li> <li>Ensure clean collection/analysis of relevant data to understand customer churn factors.</li> <li>Manage the delivery of project outputs, including reports, presentations, and actionable recommendations.</li> </ul>
<b>Project Lead</b>	20 hours per week (50 % Allocation)	<ul style="list-style-type: none"> <li>Data Strategy Manager</li> </ul>	<ul style="list-style-type: none"> <li>Define objectives, scope, and goals of project, ensuring with alignment of fitness center's vision.</li> <li>Allocate human and technical resources effectively to ensure the successful execution of the model to create strategic recommendations.</li> </ul>
<b>Core Project Team Members</b>	40 hours per week (100% Allocation)	<ul style="list-style-type: none"> <li>Data Science Consultant</li> <li>Strategy Analyst</li> <li>Data Analyst</li> </ul>	<ul style="list-style-type: none"> <li>Develop a comprehensive data strategy/model that encompasses data collection (information we need), storage, processing, and analytics.</li> <li>Foster a collaborative and innovative work environment, encouraging the sharing of information and teamwork amongst team members.</li> </ul>
<b>Subject Matter Advisors (SMAs)</b>	2-4 hours a week (As Needed)	<ul style="list-style-type: none"> <li>ML /AI SMAs</li> </ul>	<ul style="list-style-type: none"> <li>Provide expert guidance and insights to other team members, stakeholders, and key decision makers.</li> <li>Quality Control: maintain the high quality of materials, data, and processes within their area of expertise</li> </ul>
<b>Functional Lead</b>	2 Hours per week	<ul style="list-style-type: none"> <li>Strategy Manager</li> </ul>	<ul style="list-style-type: none"> <li>Develop financial strategies to improve budgeting, financial reporting, and future investments for the business.</li> </ul>





# Why UC Consulting

# Leaders in Value Creation



**End-to-End Solution Approach:** Our expertise in end-to-end solutioning highlights the need for holistic thinking and has been **recognized by the IDC** (International Data Corporation)



**AI Implementation Expert Access:** Global Team with AI Subject Matter Experts to provide invaluable delivery strategy experience



**Agile Transformation Capabilities:** Integrating Agile practices to continuously improve ways of working across your business for **over 15 years**



**Acceleration Experience:** Ability to leverage our prior experience and learnings from similar large-scale implementation projects with **Fortune 500 Companies**





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# Appendix

## Cost Breakdown Structure:

Project Role	Hours/Wk	Hourly Salary	Total Individual Cost
Delivery Lead	8	\$250/hr	\$98,000/yr
Project Lead	20	\$200/hr	\$196,000/yr
Data Science Consultant	40	\$100/hr	\$196,000/yr
Strategy Analyst	40	\$100/hr	\$196,000/yr
Data Analyst	40	\$100/hr	\$196,000/yr
2 Subject Matter Advisors	4	\$250/hr	\$98,000/yr
Strategy Manager	2	\$150/hr	\$14,700/yr
Total Project Cost		\$994,700	