

North American Youth Activities, LLC (dba Kidz Love Soccer)
 Seattle Region 2017-2018

Revenue Model Analysis

Class Name	Age(s)	Duration (hours)	Revenue, per player, per class		Avg # of players, per class		Total Average Revenue per class	
Mommy/ Daddy & Me		2 - 3.5	0.50	\$	8.40	15	\$	126.00
Tot Soccer		3.5 - 4	0.50	\$	8.40	15	\$	126.00
Pre Soccer		4 - 5	0.58	\$	8.40	15	\$	126.00
Soccer 1: Techniques and Teamwork		5 - 7	0.75	\$	8.40	15	\$	126.00
Soccer 2: Skills and Scrimmages		7 - 11	0.75	\$	8.40	15	\$	126.00
Session Total			3.08			75	\$	630.00

Avg # of players per session

Avg Revenue per session

6424

of Classes sold per year

1285

96,360

\$

809,424.00

of sessions per year (assuming 5 classes)

Total players registered per year

Total Revenue per year

Labor Cost Analysis (current)

Position	Coaching Hours per session	Coaches per session	Hourly Wage per session		Total Labor Cost per session	
Lead Coach	3.08	1	\$	17.00	\$	52.36
Support Coach	3.08	1	\$	14.00	\$	43.12
Total	6.16	2		\$31.00	\$	95.48

\$

122,672.70

Total Labor Cost per year

84.84%

Labor Cost Margin

Labor Cost Analysis (proposed)

Position	Coaching Hours per session	Coaches per session	Hourly Wage per session		Total Labor Cost per session	
Head Coach	3.08	1	\$	20.00	\$	61.60
Total	3.08	1			\$	61.60

\$

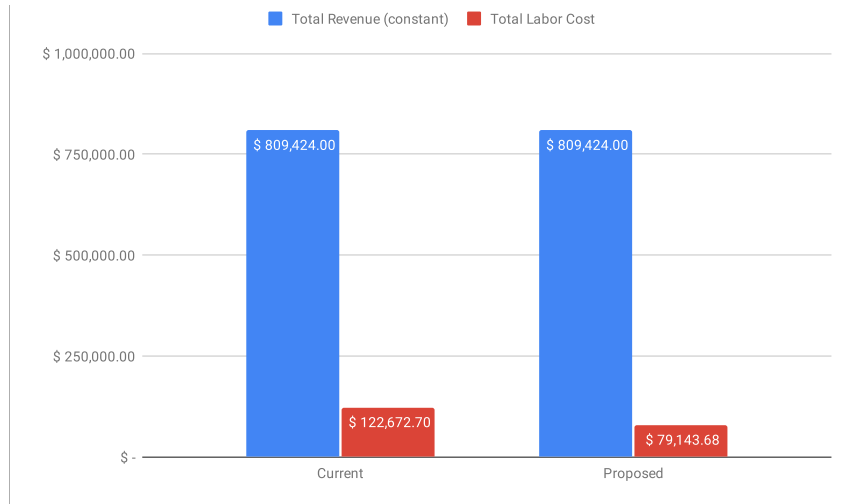
79,143.68

Total Labor Cost per year

90.22%

Labor Cost Margin

TOTAL	Current	Proposed	Gross Change	Percent Change
Total Revenue (constant)	\$ 809,424.00	\$ 809,424.00	0	0
Total Labor Cost	\$ 122,672.70	\$ 79,143.68	\$ 43,529.02	35.48%
Labor Cost Margin	84.84%	90.22%	5.38%	5.38%



Conclusions:

By decreasing the number of coaches per session from 2 to 1, and raising the average wage from \$15.50 to \$20.00 (+29%) we were able to both cut total labor costs by 35% and improve Margins by 5%

In this example we kept Revenue constant, however an increase in quality of coaching candidates will improve the quality and consistency of the product, and most likely lead to improved sales, especially repeat customers (parents) who now have built trust in the coach. Even in the event that we need to cap class size to maintain coach : player ratio.