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Enterprise Development

Muscle-Gym Business Plan

Limerick Institute of Technology

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# Business Plan Development of Muscle-Gym Mobile management Application

## Executive Summary

This business plan will show how a mobile appointment app will be designed, developed, and built for the Muscle-Gym training facility. After consulting with experts, it was deemed necessary to develop a mobile appointment application that can help customers and trainers keep in sync and help the users of the gym facility have first-hand information concerning any developments and news at the gym.

Therefore, the primary purpose of this plan is to enable the Muscle-Gym training facility to develop and deploy a mobile appointment application for its customers and trainers. With that already catered for, several other objectives of the business plan will include establishing sources of funding for the project and the timelines for which it will take to build the app. Further, it is crucial to establish the team required to build the application, the resources in terms of the computers needed and working space.

## Introduction and Background

*Muscle Gym training facility* is a facility owned by long-term friends who came together in college and said the need to establish a gym training facility because the nearest gym was 20 kilometres away. In this facility, we specialize in offering a well-equipped modern training space, state-of-the-art training equipment for exercise, swimming lessons, exercise lessons, and classes to our customers. We have experienced and reputable trainers who are certified with many years of expertise.

Currently, we are experiencing challenges in communicating with our customers, and of late, we have realized that many gym facilities in the neighbouring counties and towns have shifted to tech. In that regard, to give our customers the best and be as reliable as possible, offer convenience, and up to date information sharing, we have decided to develop a mobile application that incorporates all that is included in our schedules for the customers. Thus, we shall be able to transfer all our appointments to the app for our customers.

## Project Outline

Our business wants to develop a mobile application that makes it possible for our customers to book appointments with our trainers and their supervisors conveniently without being physically there, schedule activities, and make essential communications and announcements conveniently. Also, the application will leverage technology in our business to bring our customers closer and at reach with our trainers. In so doing, we hope that we will be able to gain a competitive advantage in the long run. Also, everyone among our customers has access to the internet with a smartphone. In a previous survey that we did where customers and members of the public were asked about the convenience of integrating the mobile application into our services, they suggested that it could be the best thing we could do to create a convenient schedule for our customers. So, in this business plan, we are proposing the development of a mobile application that will enable us to schedule how we manage our activities with our customers.

## Ownership, Management, and Employment

Muscle Gym training facility is owned by two long-term friends who came up with the idea while attending university. One of the co-owners is a tech start-up entrepreneur, while the other one is a software engineer with years of experience. He is the chief software architect for this project. The facility has been running and serving its customers for the last ten years with a well-established facility with state-of-the-art exercise equipment and professional staff.

We have a well-experienced manager with more than 15 years of experience managing training facilities, with a background profession in health. Our assistant manager is a trained physician who owns a nutrition consultancy facility in the opposite street to where we are located. With this wealth of experience in our leadership, we have made the Muscle Gym training facility the best in the region.

Our employees are professionals who have both professional and working experience in physical fitness. We have ten trainers who are all expert generalists in physical fitness and fifteen trainers with specialties in different training categories. Also, we have a full-time doctor who attends to our customers for first aid in case of an accident or health concern because sometimes physical training is a vigorous activity. Our trainers serve as advisors for our customers in all matters.

Our IT team consists of three professionals who manage the database of our facility containing our customers and all that pertains to us. However, we currently have a desktop version of our information management system, which has served us well but has not been able to keep our customers engaged.

## Market and Marketing Strategy

The current section of this business plan explains the current market overview, our projected share of the current market, target market, leading competitors, critical competitive advantages, marketing strategy, and distribution of our services.

## Current Market overview

Currently, the market overview in our physical fitness business segment is promising. According to data from Wellness creative Co (Wellnesscreatives.com, 2021), the fitness market is evolving incredibly. This is due to new business modes, training concepts, and trends in emerging consistency. As a result of the effects of Covid-19, the sector has shifted to online and virtual mainstream activities.

In terms of the global fitness market size currently, according to (Wellnesscreatives.com 2021), it is worthy estimated to be approximately $96.7 billion, whereby there are 210,000 clubs and over 184 million members the world over. There is the largest fitness market in the USA with a growth rate of 4.5% before covid with the industry revenue growth to estimated $35 billion and a growth rate of 8.4%. Currently, at least 64.2 million Americans belong to at least one training facility. There were recorded 94 visits per person. This is an excellent opportunity for our business.

## Projected share of the current market

Over the years, we have established a Muscle Gym training facility to a state-of-the-art fitness facility with the best trainers there ever are. With the expertise of our leaders and management team, we have been able to claim more than 87% of the available customers in our region. Our last year's statistics indicated that out of the available four thousand fitness enthusiasts within a radius of 10 kilometres, we have 3125 customers who visit our gym facility for various exercise activities every two weeks. With this in our region and our current involvement and dedication in customer satisfaction and consumer involvement, we firmly believe that we will grasp a gib number of these customers. Our customers have always cherished our services. We get customers from our customer recommendations. In the meantime, we have completed the construction and equipping of the new training facility that we have projected to serve at least one thousand customers in a week. This is an excellent gesture to our region's available physical fitness customers and beyond our market share.

## Target market

We are targeting to retain the customers we have had for years and keep on acquiring new customers. That is one of the side reasons we are advocating to have a mobile app for our services to increase the scope of our customer reach. Besides, our target customers have always been the young generation in their teens and late fifties. This is because younger people exercise more than older generations. Our customer base consists of 82% young people between 14 and 47 years while the rest are above 47 years. We target the working class who form at least 89% of our customers, which has been the trend in new customer acquisition.

## Main competitors

 Our business is advantaged. We started when there was no training facility around. Further, we ensured that our quality services, state-of-the-art training facilities, professional trainers, and fitness programs are the best both in the region and elsewhere. The only available competitor within the scope of our market reach has been in operation for seven years now, yet they have less than 100 customers. We are targeting to set the bar for the nearest training facilities in our new facility and acquire more customers. With the mobile app implemented, we believe that we are going to have a better competitive advantage.

## Key competitive advantages

The following are the key advantages that have made us outstanding:

* Well-established and equipped training facility.
* Exceptional and proficiently supported physical fitness training programs for our customers.
* Experienced and professional team who train our customers.
* State-of-the-art training equipment.
* Latest technological integration in training our customer.
* Long-term and well-established customer service reputation.
* Central location in town for the convenience of our customers as they leave for their jobs.

## Marketing strategy

To gain more customers and expand our services, we have recently revived and restructured our marketing strategy. We have established social media pages on Facebook and Instagram, and Twitter for more customers to get to know our services. Also, we have introduced physical fitness podcasts talking about the importance of fitness and the right fitness strategies to pull customers to visit our facility for more information and guidance. From these, we have been able to gain about 400 new members since the program started who said that they were motivated by or podcasts. Our services are well established with banners in every corner of town indicating what we do. To expand our market reach, we have decided to establish another training facility in the neighbouring town where the existing providers provide poor quality services. Also, our latest marketing strategy is the development of the mobile app for which this business plan is all about.

## Distribution

Our services are offered at our training facility, where customers come for physical fitness training, attend practical fitness classes, and interact with our trainers. After we develop the proposed mobile application for ease of management, we will establish better schedules and enable the customers to access all training content and tutorials from the application. With this, we shall have expanded our services distribution capability. With the new training facility being complete, we shall expand our scope of services distribution as well.

## Production

This section of the business plan deals with the product, capital expenditure, skills and number of staff, training requirements, and mobile application quality.

## Product

Theproduct being planned is a mobile application that will enable the Muscle Gym facility to schedule and book appointments with customers and keep customers engaged with the trainers.

## Capital expenditure

This is the projected expenditure required to have the application developed from design to implementation. The required amount of money is projected to be $100,000, including labor and everything needed for the project.

## Skills and number of Stuff

For this application to be actualized, a team of ten IT professionals is needed to work together from our facility. They have to be well skilled and with proven practical experience in project management, android development, IOS development, web development, and database development. They must all have finished college with at least two years of proven experience in the mentioned skill areas.

## Training requirements

Our training will target two groups. They are our trainers and employees and our customers. They will be trained on how to use the mobile application for booking and placing appointments and scheduling and allocating appointment time. One must have a smartphone running on android or IOS or physically present themselves at our facilities since before the launch of the application; we will schedule training sessions for our members to learn how to use the application.

## Quality of the Mobile application

This business plan proposes a working mobile application that does appointment booking for our customers and employees and includes every other service that we provide. It must have an intuitive and easy-to-navigate user interface for ease of use. Lastly, the application should be cyber-secure and 100% a stable software product.

## Financials

This section explains the financial assumptions and cashflows. For this project, the application is expected to boost financial revenue for the Muscle Gym training facility by enabling it to acquire more customers and have a broader scope of the financial collection. It is expected to bring in extra profits and shun the chances of making losses. Also, there is an expected extra cash flow into the business once more customers use the application to join our facility.

## Financial Assumptions

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table: Financial Assumptions. |  |  |  |  |  |  |  |  |
| General Assumptions |  |  |  |  |  |  |  |  |
| Plan Month | FY 2021 |  | FY 2022 | FY 2023 |  |  | FY 2024 | FY 2025 |
| 1 |  | 2 | 3 |  |  | 4 | 5 |
| Current Interest Rate | 9.00% |  | 9.00% | 9.00% |  |  | 9.00% | 9.00% |
|  |  |  |  |  |  |
| Long-term Interest Rate | 12.00% | 12.00% | | 12.00% | 12.00% | | | 12.00% |
| Tax Rate | 25.00% | 25.00% | | 25.00% | 25.00% | | | 25.00% |
| Payment Delays | 30 | 30 | | 30 | 30 | | | 30 |
| Sales on Credit | 15.00% | 15.00% | | 15.00% | 15.00% | | | 15.00% |
| Collection Period (days) | 40 | 40 | | 40 | 40 | | | 40 |
| Inventory on Hand (days) | 21 | 21 | | 21 | 21 | | | 21 |
| Inflation Rate | 5.00% | 5.00% | | 5.00% | 5.00% | | | 5.00% |
| Max Op. Capacity (Clients/Day) | 1000 | 1500 | | 1500 | 1500 | | | 1500 |
| Other | 0 | 0 | | 0 |  | 0 | | 0 |

## Profit and loss account

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Profit and Loss** |  | May-20 | Jun-20 | Jul-20 | | Aug-20 | | Sep-20 | Oct-20 | | Nov-01 | |  | Dec-20 | | |  | Jan-21 | | |  | Feb-21 | | | March-21 | | April-21 | |
| Sales |  |  |  |  |
|  | $26,540 | $32,034 | $41,890 |  | $50,780 |  | $54,355 |  | $56,035 | | $60,710 | | |  | $63,750 | | |  | $70,855 | | |  | $76,795 | | $80,750 | | $40,660 | |
| Direct Costs of Equipment |  | $13,801 | $16,658 | $21,783 |  | $26,406 |  | $28,265 |  | $29,138 | | $31,569 | | |  | $33,150 | | |  | $36,845 | | |  | $39,933 | | $41,990 | | $21,143 | |
| Other Production Expenses |  | $690 | $833 | $1,089 |  | $1,320 |  | $1,413 |  | $1,457 | | $1,578 | | |  | $1,658 | | |  | $1,842 | | |  | $1,997 | | $2,100 | | $1,057 | |
|  | ------------ | ------------ | ------------ |  | ------------ |  | ------------ |  | ------------ | | ------------ | | | ------------ | | | | ------------ | | | | ------------ | | | ------------ | | ------------ | |
| Cost of Services sold |  |  |  |  |
|  | $14,491 | $17,491 | $22,872 |  | $27,726 |  | $29,678 |  | $30,595 | | $33,148 | | |  | $34,808 | | |  | $38,687 | | |  | $41,930 | | $44,090 | | $22,200 | |
|  |  |  |  |  |  |  |  |  |  |  | |  | | |  |  | | |  |  | | |  |  | |  | |  | |
| Gross Margin |  | $12,049 | $14,543 | $19,018 |  | $23,054 |  | $24,677 |  | $25,440 | | $27,562 | | | $28,943 | | | | $32,168 | | | | $34,865 | | | $36,661 | | $18,460 | |
| Gross Margin % |  | 45.40% | 45.40% | 45.40% |  | 45.40% |  | 45.40% |  | 45.40% | | 45.40% | | | 45.40% | | | | 45.40% | | | | 45.40% | | | 45.40% | | 45.40% | |
| Expenses |  | $9,050 | $9,050 | $9,050 |  | $9,050 |  | $9,050 |  | $9,050 | | $9,050 | | |  | $9,050 | | |  | $9,050 | | |  | $9,050 | | $9,050 | | $9,050 | |
| Payroll |  |  |  |  |  |  |  |
| Sales and Marketing and Other |  |  |  |  |  |  |  |  |  |  | |  | | |  |  | | |  |  | | |  |  | |  | |  | |
|  | $1,500 | $1,200 | $1,200 |  | $500 |  | $500 |  | $500 | | $500 | | | $500 | | | | $400 | | | | $400 | | | $400 | | $400 | |
| Expenses |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | |  | | |  |  | | |  |  | | |  |  | |  | |  | |
| Depreciation |  | $833 | $833 | $833 |  | $833 |  | $833 |  | $833 | | $833 | | | $833 | | | | $833 | | | | $833 | | | $833 | | $833 | |
| Office Supplies |  | $100 | $100 | $100 |  | $100 |  | $100 |  | $100 | | $100 | | | $100 | | | | $100 | | | | $100 | | | $100 | | $100 | |
| Utilities |  | $550 | $550 | $550 |  | $550 |  | $550 |  | $550 | | $550 | | | $550 | | | | $550 | | | | $550 | | | $550 | | $550 | |
| Insurance |  | $750 | $750 | $750 |  | $750 |  | $750 |  | $750 | | $750 | | | $750 | | | | $750 | | | | $750 | | | $750 | | $750 | |
| Rent |  | $2,000 | $2,000 | $2,000 |  | $2,000 |  | $2,000 |  | $2,000 | | $2,000 | | | $2,000 | | | | $2,000 | | | | $2,000 | | | $2,000 | | $2,000 | |
| Payroll Taxes and Benefits | 29% | $2,625 | $2,625 | $2,625 |  | $2,625 |  | $2,625 |  | $2,625 | | $2,625 | | | $2,625 | | | | $2,625 | | | | $2,625 | | | $2,625 | | $2,625 | |
| Other |  | $300 | $300 | $300 |  | $300 |  | $300 |  | $300 | | $300 | | | $300 | | | | $300 | | | | $300 | | | $300 | | $300 | |
| Total Operating Expenses |  | ------------ | ------------ | ------------ |  | ------------ |  | ------------ |  | ------------ | | ------------ | | | ------------ | | | | ------------ | | | | ------------ | | | ------------ | | ------------ | |
|  | $17,708 | $17,408 | $17,408 |  | $16,708 |  | $16,708 |  | $16,708 | | $16,708 | | |  | $16,708 | | |  | $16,608 | | |  | $16,608 | | $16,608 | | $16,608 | |
|  |  |  |  |  |  |  |  |  |  |  | |  | | |  |  | | |  |  | | |  |  | |  | |  | |
| Profit Before Interest and Taxes |  | ($5,658) | ($2,864) | $1,611 |  | $6,347 |  | $7,970 |  | $8,732 | | $10,855 | | | $12,235 | | | | $15,561 | | | | $18,257 | | | $20,053 | | $1,852 | |
| EBITDA |  | ($4,825) | ($2,031) | $2,444 |  | $7,180 |  | $8,803 |  | $9,565 | | $11,688 | | | $13,068 | | | | $16,394 | | | | $19,090 | | | $20,886 | | $2,685 | |
| Interest Expense |  | $595 | $590 | $585 |  | $580 |  | $575 |  | $570 | | $565 | | | $560 | | | | $555 | | | | $550 | | | $545 | | $540 | |
| Taxes Incurred |  | ($1,876) | ($1,036) | $308 |  | $1,730 |  | $2,218 |  | $2,449 | | $3,087 | | | $3,503 | | | | $4,502 | | | | $5,312 | | | $5,852 | | $394 | |
| Net Profit |  | ($4,377) | ($2,418) | $718 |  | $4,037 |  | $5,176 |  | $5,714 | | $7,203 | | | $8,173 | | | | $10,504 | | | | $12,395 | | | $13,656 | | $918 | |
| Net Profit/Sales |  | -16.49% | -7.55% | 1.71% |  | 7.95% |  | 9.52% |  | 10.20% | | 11.86% | | | 12.82% | | | | 14.82% | | | | 16.14% | | | 16.91% | | 2.26% | |
|  |  |  |  |  |  |  |  |  |  |  | |  | | |  |  | | |  |  | | |  |  | |  | |  | |

## Cash Flow

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cash Flow** |  |  | May-20 |  | Jun-20 |  | Jul-20 | Aug-20 | |  | Sep-20 | |  | OCt-20 | |  | Nov-20 | | Dec-20 | |  | Jan-21 | |  | Feb-21 | | |  | Mar-21 | | Apr-21 | |
| Cash Received |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
|  |  |  |  |  |  |  |  |  |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
| Cash from Operations |  |  |  |  |  |  |  |  |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
|  |  | $22,559 |  | $27,229 |  | $35,607 | $43,163 |  |  | $46,202 | |  | $47,630 | |  | $51,604 | | $54,188 | |  | $60,227 | |  | $65,276 | |  |  | $68,638 | | $34,561 | |
| Cash Sales |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash from Receivables |  |  | $0 |  | $2,787 |  | $4,558 | $5,840 |  |  | $7,217 | |  | $7,992 | |  | $8,330 | | $8,896 | |  | $9,426 | |  | $10,309 | |  |  | $11,252 | | $11,935 | |
|  | $22,559 | $30,016 | $40,164 | $49,003 |  | $53,419 | | $55,622 | | $59,933 | | $63,084 | | $69,652 | | $75,584 | |  | $79,889 | | $46,496 | |
| Subtotal Cash from Operations |  |  |  |  |  |  |  |  |  |  |  |  |
| Additional Cash Received |  |  |  |  |  |  |  |  |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
| 8.50% |  | $2,256 |  | $2,723 |  | $3,561 | $4,316 |  |  | $4,620 | |  | $4,763 | |  | $5,160 | | $5,419 | |  | $6,023 | |  | $6,528 | |  |  | $6,864 | | $3,456 | |
| Sales Tax, VAT, HST/GST Received |  |  |  |  |  |  |  |  |  |  |  |
| New Current Borrowing |  |  | $0 |  | $0 |  | $0 | $0 |  |  | $0 | |  | $0 | |  | $0 | | $0 | |  | $0 | |  | $0 | |  |  | $0 | | $0 | |
|  |  |  |  |  |  |  | |  | |  | |  | |  | |  | |  |  | |  | |
| New Other Liabilities (interest-free) |  | $0 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| New Long-term Liabilities |  | $30,000 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| Sales of Other Current Assets |  | $0 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| Sales of Long-term Assets |  | $0 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| New Investment Received |  | $0 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| Subtotal Cash Received |  |  | $54,815 |  | $32,738 |  | $43,725 | $53,319 | |  |  | $58,039 | |  | $60,385 | |  | $65,094 | | $68,502 | |  | $75,675 | |  | $82,112 | |  |  | $86,753 | | $49,952 | |
|  |  |  |  |  |  |  |  |  | |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
| Expenditures |  |  | Sep-09 |  | Oct-09 |  | Nov-09 | Dec-09 | |  | Jan-10 | |  | Feb-10 | |  | Mar-10 | | Apr-10 | |  | May-10 | |  | Jun-10 | | |  | Jul-10 | | Aug-10 | |
|  |  |  |  |  |  |  |  |  | |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
| Expenditures from Operations |  |  |  |  |  |  |  |  | |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
|  |  | $9,050 |  | $9,050 |  | $9,050 | $9,050 | |  |  | $9,050 | |  | $9,050 | |  | $9,050 | | $9,050 | |  | $9,050 | |  | $9,050 | |  |  | $9,050 | | $9,050 | |
| Cash Spending |  |  |  |  |  |  |  |  |  |  |  |  |
| Bill Payments |  |  | $546 |  | $16,729 |  | $26,992 | $35,306 | |  |  | $40,340 | |  | $40,703 | |  | $41,239 | | $45,495 | |  | $47,092 | |  | $53,359 | |  |  | $56,897 | | $57,270 | |
|  | $9,596 | $25,779 | $36,042 | $44,356 | |  | $49,390 | | $49,753 | | $50,289 | | $54,545 | | $56,142 | | $62,409 | |  | $65,947 | | $66,320 | |
| Subtotal Spent on Operations |  |  |  |  |  |  |  |  |  |  |  |  |
| Additional Cash Spent |  |  |  |  |  |  |  |  | |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
|  |  | $2,256 |  | $2,723 |  | $3,561 | $4,316 | |  |  | $4,620 | |  | $4,763 | |  | $5,160 | | $5,419 | |  | $6,023 | |  | $6,528 | |  |  | $6,864 | | $3,456 | |
| Sales Tax, VAT, HST/GST Paid Out |  |  |  |  |  |  |  |  |  |  |  |  |
| Principal Repayment of Current Borrowing |  |  | $0 |  | $0 |  | $0 | $0 | |  |  | $0 | |  | $0 | |  | $0 | | $0 | |  | $0 | |  | $0 | |  |  | $0 | | $0 | |
|  |  |  |  |  | |  |  | |  | |  | |  | |  | |  | |  |  | |  | |
| Other Liabilities Principal Repayment |  | $0 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| Long-term Liabilities Principal Repayment |  | $500 | | $500 | | $500 | | $500 | |  | $500 | | | $500 | | | $500 | | | $500 | | $500 | | | $500 | | |  | $500 | | | $500 | | |
| Purchase Other Current Assets |  | $0 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| Purchase Long-term Assets |  | $30,000 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $0 | | |
| Dividends |  | $0 | | $0 | | $0 | | $0 | |  | $0 | | | $0 | | | $0 | | | $0 | | $0 | | | $0 | | |  | $0 | | | $17,892 | | |
| Subtotal Cash Spent |  |  | $42,352 |  | $29,002 |  | $40,103 | $49,172 | |  |  | $54,510 | |  | $55,016 | |  | $55,949 | | $60,464 | |  | $62,665 | |  | $69,436 | |  |  | $73,311 | | $88,168 | |
|  |  |  |  |  |  |  |  |  | |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |
| Net Cash Flow |  | $12,463 | | $3,736 | | $3,622 | | $4,147 | |  | $3,529 | | | $5,369 | | | $9,144 | | | $8,039 | | $13,010 | | | $12,675 | | |  | $13,442 | | | ($38,216) | | |
| Cash Balance |  |  | $22,463 |  | $26,199 |  | $29,821 | $33,968 | |  |  | $37,497 | |  | $42,866 | |  | $52,011 | | $60,049 | |  | $73,060 | |  | $85,735 | |  |  | $99,177 | | $60,961 | |
|  |  |  |  |  |  |  |  |  | |  |  |  | |  |  | |  |  | |  | |  |  | |  |  | |  |  |  | |  | |

## Balance Sheet

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Balance Sheet** |  |  |  | Sep-09 | Oct-09 |  | Nov-09 |  | Dec-09 |  | Jan-10 | | Feb-10 | |  | Mar-10 | |  | Apr-10 | |  | May-10 | | Jun-10 | | |  | Jul-10 | |  | Aug-10 | | |  |
| Assets | Starting Balances |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| Current Assets |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| $10,000 |  |  | $22,463 | $26,199 |  | $29,821 |  | $33,968 |  |  | $37,497 | | $42,866 | |  | $52,011 |  |  | $60,049 | |  | $73,060 | | $85,735 | |  |  | $99,177 | |  | | $60,961 |  |
| Cash |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |
| Accounts Receivable | $0 |  |  | $3,981 | $5,999 |  | $7,725 |  | $9,502 |  |  | $10,438 | | $10,851 | |  | $11,628 |  |  | $12,294 | |  | $13,497 | | $14,708 | |  |  | $15,568 | |  | | $9,733 |  |
|  |  |  |  |  |  |  |  | |  | |  |  |  | |  | |  | |  |  | |  |  |
| Inventory | $15,000 |  | $10,351 | | $12,493 | $16,337 | | $19,804 | |  | $21,198 | | | $21,854 | | $23,677 | |  | $24,863 | | | $27,633 | | | | $29,950 |  | $31,493 | | | | $15,857 | |  | |
| Other Current Assets | $9,000 |  | $9,000 | | $9,000 | $9,000 | | $9,000 | |  | $9,000 | | | $9,000 | | $9,000 | |  | $9,000 | | | $9,000 | | | | $9,000 |  | $9,000 | | | | $9,000 | |  | |
| Total Current Assets | $34,000 |  |  | $45,794 | $53,692 |  | $62,884 |  | $72,275 |  |  | $78,134 | | $84,571 | |  | $96,316 |  |  | $106,206 | |  | $123,190 | | $139,393 | |  |  | $155,238 | |  | | $95,551 |  |
| Long-term Assets |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| $50,000 |  |  | $80,000 | $80,000 |  | $80,000 |  | $80,000 |  |  | $80,000 | | $80,000 | |  | $80,000 |  |  | $80,000 | |  | $80,000 | | $80,000 | |  |  | $80,000 | |  | | $80,000 |  |
| Long-term Assets |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |
| Accumulated Depreciation | $0 |  |  | $833 | $1,666 |  | $2,499 |  | $3,332 |  |  | $4,165 | | $4,998 | |  | $5,831 |  |  | $6,664 | |  | $7,497 | | $8,330 | |  |  | $9,163 | |  | | $9,996 |  |
|  |  |  |  |  |  |  |  | |  | |  |  |  | |  | |  | |  |  | |  |  |
| Total Long-term Assets | $50,000 |  | $79,167 | | $78,334 | $77,501 | | $76,668 | |  | $75,835 | | | $75,002 | | $74,169 | |  | $73,336 | | | $72,503 | | | | $71,670 |  | $70,837 | | | | $70,004 | |  | |
| Total Assets | $84,000 |  |  | $124,961 | $132,026 |  | $140,385 |  | $148,943 |  |  | $153,969 | | $159,573 | |  | $170,485 |  |  | $179,542 | |  | $195,693 | | $211,063 | |  |  | $226,075 | |  | | $165,555 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| Liabilities and Capital |  |  |  | Sep-09 | Oct-09 |  | Nov-09 |  | Dec-09 |  | Jan-10 | | Feb-10 | |  | Mar-10 | |  | Apr-10 | |  | May-10 | | Jun-10 | | |  | Jul-10 | |  | Aug-10 | | |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| Current Liabilities |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| $0 |  |  | $15,839 | $25,821 |  | $33,962 |  | $38,983 |  |  | $39,334 | | $39,724 | |  | $43,932 |  |  | $45,317 | |  | $51,464 | | $54,939 | |  |  | $56,795 | |  | | $13,749 |  |
| Accounts Payable |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |
| Current Borrowing | $0 |  |  | $0 | $0 |  | $0 |  | $0 |  |  | $0 | | $0 | |  | $0 |  |  | $0 | |  | $0 | | $0 | |  |  | $0 | |  | | $0 |  |
|  |  |  |  |  |  |  |  | |  | |  |  |  | |  | |  | |  |  | |  |  |
| Other Current Liabilities | $0 |  | $0 | | $0 | $0 | | $0 | |  | $0 | | | $0 | | $0 | |  | $0 | | | $0 | | | | $0 |  | $0 | | | | $0 | |  | |
| Subtotal Current Liabilities | $0 |  |  | $15,839 | $25,821 |  | $33,962 |  | $38,983 |  |  | $39,334 | | $39,724 | |  | $43,932 |  |  | $45,317 | |  | $51,464 | | $54,939 | |  |  | $56,795 | |  | | $13,749 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| Long-term Liabilities | $30,000 |  | $59,500 | | $59,000 | $58,500 | | $58,000 | |  | $57,500 | | | $57,000 | | $56,500 | |  | $56,000 | | | $55,500 | | | | $55,000 |  | $54,500 | | | | $54,000 | |  | |
| Total Liabilities | $30,000 |  |  | $75,339 | $84,821 |  | $92,462 |  | $96,983 |  |  | $96,834 | | $96,724 | |  | $100,432 |  |  | $101,317 | |  | $106,964 | | $109,939 | |  |  | $111,295 | |  | | $67,749 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |
| Paid-in Capital | $101,500 |  | $101,500 | | $101,500 | $101,500 | | $101,500 | |  | $101,500 | | | $101,500 | | $101,500 | |  | $101,500 | | | $101,500 | | | | $101,500 |  | $101,500 | | | | $101,500 | |  | |
| Retained Earnings | ($47,500) |  | ($47,500) | | ($47,500) | ($47,500) | | ($47,500) | |  | ($47,500) | | | ($47,500) | | ($47,500) | |  | ($47,500) | | | ($47,500) | | | | ($47,500) |  | ($47,500) | | | | ($65,392) | |  | |
| Earnings | $0 |  | ($4,377) | | ($6,795) | ($6,077) | | ($2,041) | |  | $3,136 | | | $8,849 | | $16,052 | |  | $24,225 | | | $34,729 | | | | $47,124 |  | $60,779 | | | | $61,698 | |  | |
| Total Capital | $54,000 |  |  | $49,623 | $47,205 |  | $47,923 |  | $51,959 |  |  | $57,136 | | $62,849 | |  | $70,052 |  |  | $78,225 | |  | $88,729 | | $101,124 | |  |  | $114,779 | |  | | $97,806 |  |
| Total Liabilities and Capital | $84,000 |  |  | $124,961 | $132,026 |  | $140,385 |  | $148,943 |  |  | $153,969 | | $159,573 | |  | $170,485 |  |  | $179,542 | |  | $195,693 | | $211,063 | |  |  | $226,075 | |  | | $165,555 |  |
|  |  |  |  |  |  |  |  | |  | |  |  |  | |  | |  | |  |  | |  |  |
| Net Worth | $54,000 |  |  | $49,623 | $47,205 |  | $47,923 |  | $51,959 |  |  | $57,136 | | $62,849 | |  | $70,052 |  |  | $78,225 | |  | $88,729 | | $101,124 | |  |  | $114,779 | |  | | $97,806 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | |  | |  |  |  |  |  | |  |  | |  | |  |  |  | |  | |  |  |

## Funding Proposal

Muscle Gym must have at least 2000 well-established loyal customers who are fully subscribed to our services per month to gain funding from donors and partners. Also, donors and partners expect the facility to have made at least $200,000 in profits in the last half of the year and have the capacity to accommodate more customers, a growth sign and potential.

The current established source of funding for the development of this application is from the company's overtime profits which will stand for 50%. Further, owners' contribution who have already invested a quarter of the required capital while the remaining a quarter will be acquired from donors and partners who have pledged to contribute to this application's development.

## Appendices:

## SWOT Analysis.

## Strengths:

The strengths for Muscle Gym training facility include:

* Well-established and equipped training facility.
* Exceptional and proficiently supported physical fitness training programs for our customers.
* Experienced and professional team who train our customers.
* State-of-the-art training equipment.
* Latest technological integration in training our customer.
* Long-term and well-established customer service reputation.
* Central location in town for the convenience of our customers as they leave for their jobs.

## Weaknesses:

Muscle Gym training facility currently has the following business weaknesses:

* Lack of a well-established digital platform for customer engagement.
* A limited number of training onsite facilities.

## Opportunities:

The following are the opportunities that the Muscle Gym Training facility has to its advantage:

* Few or no available modern training gym facilities in the neighborhood, hence a chance to expand business presence.
* The available small-scale training facilities offer poor quality services, hence an advantage because of its exotic and quality service to customers.

## Threats:

The following threats face Muscle Gym training facility in its operation:

* The popularity of online fitness training streaming services might draw some customers away.

## PESTLE ANALYSIS

## Political influences

The government is encouraging people to exercise daily to live healthier lives. Hence many people are expected to sign up for fitness programs at Muscle Gym.

## Economic influences

The majority of the people who happen to be customers at Muscle Gym facility are financially stable in the working class, which is advantageous.

## Sociological influences

There is an increased concern for fitness worldwide, with media celebrities showing off their well-built bodies. This has motivated many people to value physical fitness and develop good health habits, hence signing up for fitness programs.

## Technological influences

Due to technological advancement, many fitness applications have been built to track one's physical activity and suggest what one needs to do to keep fit. Such include wearables with sensors that detect the rate of heartbeat to determine how one is exercising. Moreover, people can access fitness information over the internet and locate training facilities on Google Maps.

## Legal factors

The law requires a training facility to be licensed and well audited to ensure the safety of citizens as they train as well as the professionalism of trainers. Also, the training facilities are required to pay taxes promptly by the law. Mobile applications being developed to lease with customers should be secure to avoid leaking customers' sensitive data.

## Environmental factors

Environmental protection agencies expect training facilities to comply with environmental preservation regulations by adhering to proper litter disposal to avoid polluting the environment.

## Questionnaire

The following questions are tailored to help us collect data based on your preference of our proposed development of an appointment booking mobile application. We kindly request you to provide us with sincere information to help us serve you better.

1. Do you prefer booking appointments with our instructors on Onsight or online?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Would you prefer us to introduce a mobile application that lists all our services?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Do you have access to the internet always in your home or workplace?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Do you have a smartphone?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Do you prefer a smartphone or a tablet computer to access the internet?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## Business Model Canvas