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**Due Date:**   October 17 2014 **Assessment Item #:**1

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**Examiner’s Comments:**

**Title: Business Plan for a Multifunctional Gym**

**Group members: Anthony Guevara**

**Shawn Maftounian**

**Henrik Mues**

**Timothy Buckler**

**Prepared for: Simon M’zungu**

**Date: Fri Oct 17, 2014**



**Executive Summary**

**The company and industry**

TASH, a multifunctional gym focused on health can be described as a service facility that is intended to provide physical health care exercises with the help of specialized equipment and experienced trainers. Currently health care and fitness is still in the growing stage in Australia, especially in Melbourne. Due to several statistics, the number of people who register in different gyms is still increasing. In most cases sporty people have more than one membership in different facilities and have to travel around for why TASH will provide 5 of the core Australian sports that they all are related to each other and definitely will attract people such as 1-Swimming 2-Grappling mats (Wrestling - Judo - Jiu-jitsu) 3-Rings (Boxing -Kickboxing- Muay Thai) 4-Crossfit 5-Gymnasium. Professional customer service, a well-designed facility and specialized equipment are only a few more aspects which help athletes to reach their full potentials and their highest level of performance.

**Market Opportunity**

The initial center will be located in what is thought of as the sporting capital of Australia, Melbourne. As the facilities will be quite large, a rather big parcel of land will be required, which will limit our closeness to the city center, but will still be a good proximity for the public and will be located in a urban area. TASH grants access to all people 16 and over who are looking to improve their health or maintain a level of fitness through lifestyle choices independent of their race, ethnicity, income or gender. As our idea is to adapt and improve other services, our first customers are likely to be those who are not able to go to many different places to do the activities and seek the services they require. We are targeting this problem in the market that people have.

**Business Concept**

This business concept has been developed by experienced athletes, through questionnaires

in athlete’s communities and professionals for the need of a professional facility in Australia.

There was a need of consideration on these particular sports that TASH is offering , with the professional training , classes , equipments and the area that athletes feels more comfortable to do their training with an innovative and creative strategies for the further development of athletes to represent TASH and Australia nationwide and internationally.

**Target Market**

It takes a certain kind of person to join and participate in gym activities. That is why market research was performed to analyse the potential market and ensure the gym would be located in a prime location to allow maximum growth and user subscriptions.. Melbourne is Australia’s second largest city but it has a larger growth rate than Sydney. Melbourne is expected to overtake Sydney’s population in the near future and therefore has been selected as the first area to build the multifunctional gym. Lower middle class and upper-class citizens are the main targeted market.

**Marketing Plan**

The marketing plan of this business is through SMART strategies and our product strategy is quite clear that we want to provide the best quality facility in terms of professional services provided for athletes. A mixture of price strategies has been used such as price discrimination and competitive pricing. For promotion strategies we are focusing on Customer Referral Incentive Program to encourage people to become a member of our facility and bring their friends and families.

**Operational Plan**

Tash being in the health and fitness industry is not restrained by and industry specific rules and regulations, but will be bound by workplace health and safety legislation. It will operate using industry best practices and suggested industry guidelines. This will be done by having senior management working closely with staff and having qualified personnel working in specific areas, i.e. swimming instructors in the pools and personal trainers in the gym.

**Financial Plan**

Tash will secure finance from a number of sources, these include;

* Business angels/venture capitalists
* Bank Loan
* Owners investment
* Government investment
* Sponsorship deals

The capital raised will be put towards the construction and development of the Tash health and fitness complex, initial marketing, purchase of equipment and appliances and other start up costs. Financial analysis has been prepared and it has been found that Tash will make a substantial profit within the first year of operation.

**Implementation Schedule**

This section lists all the major tasks that need to be completed in order to get the gym up and running. This includes everything from the construction stage all the way to hiring staff members. The table consists of 4 columns, the first column is the name of the tasks, the second column is who is in charge of completing the task, the third column is the expected start date, and finally the fourth column is the expected ending date. All of the tasks are listed in a Gantt chart and separated based on likeness of task. For example, marketing tasks are grouped together and marked in purple, while building and construction related tasks are grouped and marked in orange.

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# 1. The Industry, Company and Products

## 1.1. The Industry

· **Industry structure**

A health club can be described as a service facility that is intended to provide physical

health care exercises with the help of specialized equipment and experienced trainers, It serve male and female customers, older than 18 years old customers, low or high income customers and customers from all cultures. The environment is made casual to provide customers comfortable experience that helps them performing bodybuilding and other exercises with ease.

· **Life cycle stage**

1. Introductory phase: high initial entry costs (pay for land area, buildings, equipment, water, energy, salaries, insurances, safety, IT etc.)

2. Growth phase: increasing number of customers, TASH gets popular

3. Major phase: customers of competitors change to TASH, high market share

4. Decline phase: new competitors copy or improve the concept of TASH, higher competition, customers leave TASH → stay innovative, be customer- orientated: Trainers have to listen to the clients what additional services or goods they expect to ensure their well- being

Currently Health care and fitness is still in the growing stage

· Analyse Porter’s five forces to assess industry attractiveness

**Barriers to entry**

The main barrier of entry to this field is initial funding. To create a multifunctional gym a large amount of money is required to purchase the specialised equipment, land, and building construction.

The company does not have the advantage of a trusted brand name. Obtaining initial customers will be a challenge but will be obtainable with time, proper advertising initiatives, and word of mouth distribution.

**Existing competitive rivalry:**

YMCA Australia: more family and children orientated, local competitors which are specialised just in one sector.

PCYC Australia: varied range of sport, main focus is for youth. However there is no specific thoughts have been through for the accomplished young athletes, they only offering a wide range of sports classes with a lower level of professionalism

**Threat from substitutes:**

Although TASH is a multifunctional gym that provides most needs of an athlete, However, some athletes might prefer to be in an environment that only his or her sport is practised this is a physiological concept so they will go to their own regular gym to train their own sport.

**Bargaining power of buyers**

The buyers (potential clients) will have different options available to them for memberships at discounted prices. For those under the age of 18, a cheaper monthly membership price will be offered (category: Child). Students will also be offered discounted prices similar to that of a Child membership (category: Student). Senior citizens (65 or older) will be offered discounted prices when using the gym services (category: Senior).

**Bargaining power of suppliers**

The gym will require initial equipment purchases, in addition to parts for maintenance, and access to catalogues for future equipment upgrades. A good relationship with different suppliers will be paramount as some of the equipment required for purchase is more specialized for certain sports such as the cross fit and wrestling.

Suppliers will have the power to set less competitive rates as specialised suppliers are more difficult to find.

* **Political** factors are basically to what degree the [government](http://en.wikipedia.org/wiki/Government) intervenes in the economy. Specifically, political factors include areas such as [tax policy](http://en.wikipedia.org/wiki/Tax_policy), [labor law](http://en.wikipedia.org/wiki/Labor_law), [environmental law](http://en.wikipedia.org/wiki/Environmental_law), [trade restrictions](http://en.wikipedia.org/wiki/Trade_restriction), [tariffs](http://en.wikipedia.org/wiki/Tariffs), and political stability. Political factors may also include goods and services which the government wants to provide or be provided ([merit goods](http://en.wikipedia.org/wiki/Merit_good)) and those that the government does not want to be provided ([demerit goods](http://en.wikipedia.org/wiki/Demerit_good) or merit bads). Furthermore, governments have great influence on the [health](http://en.wikipedia.org/wiki/Health), [education](http://en.wikipedia.org/wiki/Education), and [infrastructure](http://en.wikipedia.org/wiki/Infrastructure) of a nation.
* **Economic** factors include [economic growth](http://en.wikipedia.org/wiki/Economic_growth), [interest rates](http://en.wikipedia.org/wiki/Interest_rate), [exchange rates](http://en.wikipedia.org/wiki/Exchange_rate) and the [inflation rate](http://en.wikipedia.org/wiki/Inflation_rate). These factors have major impacts on how businesses operate and make decisions. For example, interest rates affect a firm's [cost of capital](http://en.wikipedia.org/wiki/Cost_of_capital) and therefore to what extent a business grows and expands. Exchange rates affect the costs of exporting goods and the supply and price of imported goods in an economy.
* **Social** Melbourne is a health conscious area, this is made evident with the large number
* Factors include the cultural aspects and include health consciousness, population growth rate, age distribution, career attitudes and emphasis on safety. Trends in social factors affect the demand for a company's products and how that company operates. For example, an aging population may imply a smaller and less-willing workforce (thus increasing the cost of labour). Furthermore, companies may change various management strategies to adapt to these social trends (such as recruiting older workers).

**Environmental forces and trends**

There is a growing trend in the national and international environments for people to become more health conscious. With obesity rates ever increasing, due to a number of reasons including people becoming less active and the growing availability of fast and unhealthy foods, the need to improve people’s physical health is becoming more important.

Further, as can be seen from recent major international sporting events, such as the Olympics, commonwealth games, football and rugby world cups, etc. Australia’s famous sporting prowess of the past seems to be lacking as results in such competitions become worse. The health and sporting environment in Australia seems to be in a lull, and initiatives need to be taken to change this.

## 1.2. The Company

· **New venture background**

This is a Multifunctional facility that is been through a questionnaire between athletes with new ideas that how they can train better with what equipment and what sports are related to another so we can have a facility that is professionally well designed to help athletes to reach their full potentials and their highest level of performance.

· **Vision – envisioned future and reason for being**

The Vision is to attract people from the beginning level to elite and to be the best facility to train in Australia.

· **Mission**

Offer to the customer’s professional service; create a well- being for their stay in the centre. As many as possible courses in different sports, primarily forms of sports Australian citizens prefer. Develop a program for the customers that they are willing to spend more hours as general in the centre, including fitness, food, relaxing, consulting. Create a positive impression about the centre that customers recommend it to their friends.

· **Culture**

How to operate internally including values and leadership styles, respect the customer, mutual respect between the trainers. Trainers should be examples to the clients, well trained body, large specific knowledge, highly motivated, healthy lifestyle.

## 1.3. The Business Concept

**Value Proposition**

The benefit to customer is that an athlete no longer need to have 4 different memberships in different facilities and travel around, this facility will provide 5 of the core sports that they all are related. As an example a grappler or a wrestler can train his sport, on top of that he/ she can train cross fit or swimming with it which will increase their performances their specific field.

**Customer definition**

Our range of customers is vast from the teenage age group to seniors and elderly.

**Product offered**

In Australia there is not a single facility fully dedicated to progress of an athlete’s, they only offer simple services such as classes and coaches to teach them. However in this multi-functional facility the main goal is to provide for athletes to start with best equipment’s to develop them to be an icon in that specific field, TASH will find them sponsors and will be the first sponsor for the accomplished athletes nationally and internationally

**Distribution channel**

Once a customer is registered the marketing department informs him or her about benefits by email (Once a month). Trainers have to consult the customers during their stay in the centre.

## 1.4. The Product(s)

The product offered are gym memberships allowing access to gym services with additional options for extra features. Members of the public are invited to join the multifunctional gym for an initial membership cost and then subscribe monthly. Addition services will be offered on top of the membership cost, these include: personal training, group fitness classes, and competitive training (high level coaching). Spa services will be another optional section offering massages, ice baths, and diet planning. An extra unique selling point that our business will offer is virtual classes, which our member will be able to access online and use at home.

· **What problem does it solve?**

Customers do not have to specialise in one kind of sports. E.g. one day they can exercise in the gym and afterwards relax in the park, the other day they exercise in the pool and have a healthy breakfast in the restaurant afterwards. Customers, who prefer one form of sport, e.g. swimming, do not have to sign up in another sport centre if they casually want to exercise in a gym

· **What is unique about it?**

Customers pay a fair price for the access to many different forms of sport, including professional consultancy. Furthermore they do not have to change the place for eating, relaxing or exercising another form of sports.

## 1.5. Entry and Growth Strategy

As the sport industry is growing day by day there is no crucial time , anytime we introduce this gym to people the market will be there because of the innovations with new ideas and the world class equipment that is offered in this facility.

As our members grow larger after a few years that the name of this new sport business get popular and everyone knows about it, the future plan is to open another facility under the same name but different sports.

# 2. Market Research and Analysis

## 2.1. Market Segmentation and Target Mark

**Geographic:**

The initial centre will be located in what is thought of as the sporting capital of Australia, Melbourne. As the facilities will be quite large, a rather big parcel of land will be required, which will limit our closeness to the city centre, but will still be a good proximity for the public and will be located in a urban area

**Demographic:**

The demographic we would be appealing to would be quite large and diverse, as the centre, being multifunctional, is going to cater to/for many different things. It is likely to be males and females 16 and over

**Psychographic:**

People who are looking to improve their health or maintain a level of fitness. People who enjoy participating in a variety of sports activities.

**Who is the first customer?**

As our idea is to adapt and improve other services, our first customers are likely to be those who are not able to go to many different places to do the activities and seek the services they require. We are targeting this problem in the market that people have.

. After the gym gains a moderate number of gym subscribers the target market will be focussed more on customer acquisition.

The target market is different for different age groups. For example activities such as cross fit will be more popular with young adults but might not be exciting for teenagers.

**Justify attractiveness**

This Multi-functional sport facility will attract people because of these factors:

* Novelty
* Best quality equipment
* It runs by educated , successful and professional athletes for athletes
* High quality services
* find sponsors for athletes and TASH will be one of the first sponsors as well

**Geographic Segments**:  
Age: 16 to 65+

Gender: Male and Female  
Race: All races  
Ethnicity: All Ethnic backgrounds  
Income: Having access to a gym is a luxury and not necessarily affordable to everyone. Typically lower income families will not be able to afford gym memberships as it is not an essential item. Therefore we are targeting people making near the median salary (or more). In Australia the median salary amongst all states was [$57 400](http://www.abs.gov.au/ausstats/abs@.nsf/mf/6310.0).  
Education: Education is not a dividing factor. Both educated and non-educated individuals are expected to use the gym services available.   
Occupation: White collar workers, and blue collar workers.  
Family size: 2-4  
Religion: Any religion  
Social class: Lower-middle to upper class  
  
**Psychographic Segments**:  
Personality attributes: disciplined, competitive, athletic, sporty.

Motives: Self-improvement, competitive edges, weight loss, weight gain, body maintenance, aesthetics.

Lifestyle: People interested in their physical health and improving themselves.  
  
**Demographic Segments**:  
Region: Melbourne, Australia  
Urban suburban: Urban to suburban

City size: 4.077 million

County size: 23.13 million

State size: 5.791 million

Climate: temperate climate with warm to hot summers, mild and sometimes balmy springs and autumns, and cool winters.

Terrain: Relatively flat in the city

**Behaviour Segments**:

Volume usage: Regular usage throughout the week, depending on how active the individual is this can vary up to twice a day for highly active people.

Benefit expectation: Unlimited access to gym facilities and sports related activities

Brand loyalty: Once the business becomes more established and the general public is more confident with what we are offering then brand loyalty will become more important. As a start-up this factor is less important during the early stages and customer retention will play a role in a more mature product.

Price sensitivity: Base membership costs will not likely fluctuate and remain constant. More specialized classes for example Cross fit will be competitively priced but remain relatively stable.

## 2.2. Market Size and Market Trends

The 2011 census information shows that there were 1,796,882 people aged 20-49 in the greater Melbourne region. We understand that for various reasons we will not be able to service all of these people as they will not fit within our target demographic and geological region. The Australian Bureau of statistics state that in 2009/10 around 47% of people was regularly participating in sport of physical recreation, which are the people we will be targeting. Taking this into consideration, within 3 years we are hoping to service at least 10% of this number, putting membership somewhere around 84,000.

According to the 2011 census there are 2,776,852 people aged 10-19 in Australia. Reducing this to the roughly 28% of people in that age group who regularly participate in sports and physical activities and then taking the top 5% of that number, leaves 38,875 young people that could be targeted for possible development programs.

**· Target market growth potential**

Melbourne’s growth and population is increasing at a steady rate, increasing by 11% between 2008-2013, with the age group of 0-14yrs increasing by 9% and 15-64yrs increasing by 9.7% and an overall population growth of 416,500.

· Market trends

An industry report in to gyms and health clubs in Australia by IbisWorld puts the industry growth rate at 3.3% for 2014 and being worth $1 billion.

## 2.3. Competitor Analysis

**Direct competitors**: serve similar customer with similar resources

The most direct competitor in Australia at the current time is the YMCA, which serves as a multifunctional gym, but not to the extent of TASH and without the professionalism dedicated to each activity and sport.

PCYC Australia also showing good development in multi-functional gym but again lacks of professionalism and lack of focus on specific sports for the further developments

**Indirect or substitute**: Indirect or substitutes could be any other single sport facilities that can offer one or at most two of the TASH sports or other recreational activities.

**Emerging or potential**: The emerging or potential competitors could be the facilities that are under construction for big events such as Commonwealth which Australia is the host for 2018, mega events such as Olympic in the future , they also will be built by best materials and highest quality equipments.

· **Strengths, weaknesses and marketing strategies of main competitors**

* Strengths :

1. PYCY and YMCA both are heavily focused on youth and outdoor programs which can be fun for young children which will make them more interested in participating in sports and develop the further.
2. Low cost memberships that they offering is a good strategy to attract as many people/families as they can.

* Weakness :

1. In both PYCY and YMCA unfortunately they are not specifically focused on individuals they just provide programs for and age group to make them more participative , but when the individuals get interested , train hard and win tournaments no one will pay attention to them , then they will lose their motivation.
2. Just offering simple classes with a medium quality equipments which in some sports they have only basic equipments.

· **Core competencies required to survive industry competition**

The core competencies to Survive in this industry is Innovation , Creativity , having an up to date information about trends in sports that we are offering , athletes friendly environment and best quality of services and equipments.

## 2.4. Estimated Market Share

· **Estimate market shares of main competitors**

The Australian Bureau of statistics state that in 2009/10 around 47% of people was regularly participating in sport of physical recreation. If we consider YMCA and PCYC as direct competitors the estimated market share of YMCA is about 66.6 % and of PCYC is about 33.3 % because YMCA is very famous in North and South America and people are rather familiarized with YMCA than with PCYC.

## 2.5. Market Evaluation Research

Hiring third party industry professionals (such as trainers) to participate in questionnaires in regards to the gym and the different services offered. This will give the company a better understand if the products being offered are in line with the target market. The public is also welcome to participate in the questionnaires with gym membership discount incentives.

# 3. Marketing Plan

## 3.1. Marketing Goals and Objectives

· **Marketing goals**

1. In Australia we focus on word of mouth promotion which is one of the most powerful way of promoting
2. TV and Radio advertisement
3. Social media , Facebook , twitter , Google plus , Instagram
4. flyers , newspapers and mails
5. invitations for big events , openings , Competitions

Specific:

It specifically focused on athletes or people who are interested in sports and want to start, develop or maintain their healthy lifestyles , which includes children , juniors, adults and seniors.

Measurable:

It will be measured by how many members we have and how many professional athletes we have to present the country in international contests

Attainable:

It is attainable through creativity, innovative strategy and right management

Relevant:

All strategic goals are aligned to gain profit and brand awareness and also developed athletes to represent Australia and TASH in international contests

Time Framed:

Goals are clearly defined and by the 5 years in time we would be the best multi-functional facility in Australia and have at least 3 professional athletes to represent us.

## 3.2. Product Strategy

The product strategy and the management concept of this multi-functional gym is completely innovative compare to other competitors by offering the professional world class services, classes, environments and equipment all in a single convenient location.

Additionally, we plan on offering online fitness classes, a unique feature that other competitors are currently not offering. Customers who are unable to attend classes can now participate over their smart phones and receive live feedback from instructors. If a class is unable to be physically attended, recordings are made available online for later viewing.

· **Branding strategy:**

After few years of successfully operating this facility, by the high demands of customers we will try to identify other sports that need to be invested in and build a facility for in Australia and after a decade if the operations were successful and we had 10 multi-functional facilities we will start moving one step further and invest internationally in U.S and different countries.

**Brand elements:**

Name: T A S H = Timothy, Anthony, Shawn, Henrik 🡪 4 main stake holders

URL: http:// [www.TashHealthClub.com.au](http://www.TashHealthClub.com.au)

Logo:



## 3.3. Pricing Strategy

We will be using a mix of price discrimination and competitive pricing. Different prices will be offered to different age groups, for example senior and child. Cheaper prices will also be offered to students, taking in to account their lower economic position. The various prices offered will all be at a competitive price, but do include a premium as to account for the extra services offered and convenience of having everything in the one facility.

The options we will be offering will include;

* regular - $45/fortnight
* senior - $35/fortnight
* student - $35/fortnight
* child - $30/fortnight
* fight card - $20/fortnight
* recreational card - $25/fortnight
* lifting card - $20/fortnight
* casual session - $15

## 3.4. Promotion Strategy

Customer Referral Incentive Program

The customer referral incentive program is a way to encourage current customers to refer new customers to your store. Free products, big discounts and cash rewards are some of the incentives you can use. This is a promotional strategy that leverages your customer base as a sales force.

**Outline promotion objectives:**

Customers should be convinced of TASH and recommend it to their friends to get discounts. The total number of customers would rise faster and there will be an obvious win-win situation for both parties (TASH and Customers). We do not have to spend a big part of our capital in advertising because our clients do it for free.

**Push or pull strategy or a combination of both?**

Definitely a combination of both

Pull: Getting the customer to you:

* Customer relationship management
* Sales promotions and discounts
* Word of mouth referrals

Push: It is not enough to wait for customers, especially in the initial phase

* TASH has to be present on sport exhibitions, sport conventions
* Direct selling to customers in showrooms or face to face
* Negotiation with business partners like manufacturers of our equipment, health institutions, food supplements producer

## 3.5. Marketing Budget

An initial budget of $25,000 will be put aside for initial marketing, which will include radio and television commercials, flyers and posters as well as volunteers spreading our name through word of mouth.

## 3.6. Marketing Plan Evaluation

**Key performance indicators (KPIs)**

* Suggestion box for people to leave feedback
* Inviting professionals to try out our gym services and getting feedback from them
* Internal observations through managers and responsible employees

# 4. Operational Plan

## 4.1. Legal Structure

There a no specific legal obligations for TASH, as a business owner you have responsibilities regarding health and safety in your workplace. You need to ensure that your business doesn't create health and safety problems for your employees, customers or the public.

Under work health and safety (WHS) legislation you are obliged to provide:

* safe premises
* safe machinery and materials
* safe systems of work
* information, instruction, training and supervision
* a suitable working environment and facilities.

## 4.2. Manufacturing / Production Plan / Service Delivery Plan

TASH will follow this service execution model to enter in the health club market. 2015: January, Choosing location, February Website development, March Hiring training and admin staff, April to June Advertisement, July Opening of Health Club

## 4.3. Human Resource Plan

**4.3.1. Organisational Structure**

four owners: T, A, S, H who are working close to one experienced manager who will lead the company with 4 more managers, several trainers, at least 3 for each section or one for each sport, it makes no sense if a swimming trainer is responsible for both swimming and gym, dependable of the demand on each section we would be able to moderate the number of trainers.

**4.3.2. Key Management Positions and Responsibilities** A number of managers who are working different teams. One of them is responsible for customer issues if a trainer can`t handle it, the second one is responsible for maintenance, water and power supply, the third one is specialised in accounting and is responsible for all financial issues and the last one is responsible for marketing and promotion.

**4.3.3. Key Staff Positions and Responsibilities** In each section one trainer has more responsibility than the others who are on the same level, he is the person who links staff and management.

**4.3.4. Remuneration Plan**

For the remuneration plan we have developed a number of strategies such as Employee of the month with a criteria of how helpful and how effective that employee worked throughout a month which customers can pick their favourite ones by putting their name in the special box that will be provided . The reward will be $200 on top of the month salary.

## 4.4. Business Premises Plan

This Facility is situated in Melbourne and has an availability of parking and the facility has its own parking garage, it is located in one of the suburbs with open natural spaces. It is a clean environment this area adds more specialty to the facility with a nice view surrounded by greens in a vast diameters.

(Interior design: different areas → separation between gym, courts, pools, restaurant, air condition in all rooms) (Exterior design: modern glass facade (people can see how we work from outside → arouse their interest), lighting TASH sign, several entries

· Outline equipment requirements → high quality, long lasting, simple maintenance work

## 4.5. Professional Advisors

Bank manager because we have to find someone who will grant a high credit

Because of the very high investment we need an accounting advisor who calculates

the number of clients we need to cover at least the variable costs, Furthermore he

Should forecast how many years we need to repay the credit to a bank including

interests.

## 4.6. Critical Risks and Contingency Plan

Breakdown of the whole air condition system, problems with the electricity → unlikely because there is a stable power supply, consequences: It`s getting hot and unpleasant, clients would leave the premises immediately and claim about the malfunction, mitigating the risk: open the windows, use of fans.

Breakdown of the water supply system, clients cannot take a shower or wash their hands after doing some exercises → very unlikely, stable water supply, to prepare for such a risk it would be advantageous to have a separate water container somewhere in the premises, maybe in the basement.

Injury, client is injured while using our equipment→ we run the risk of paying higher insurance premiums if you have multiple claims on your insurance → unlikely to moderate likely: If clients overestimate themselves injuries are probable → frequent conversations between trainer and clients could minimize this risk, offering your clients mandatory training sessions before they use any of your equipment To help offset the medical costs resulting from an injury in your gym, you must carry liability insurance.

Thefts caused by Insufficient supervision in locker rooms, it only takes one bad apple to assault someone or cause of damage or disruption. Making sure a staff member is present or conducts a security check at regular intervals. Unlikely → because clients can close the lockers with keys so that they can supervise their personal blongings on their own.

Slip and fall injuries in the shower facilities, Where there is water, there is always the risk of a slip and fall injury, unlikely → Ensure adequate drainage of all shower areas, including walkways between showers and other facilities. Have staff keep an eye out for soap spillage or other liquids which might make walkways slippery.

Free weights, unlikely --> instructions on proper lifting techniques and warning signs requiring a spotter for certain types of lifts are clearly posted near the free weights.

## 4.7. Operations Budget

The full Budget, Cost, Expenses, usage of capitals and expenses has been shown in the following charts in next section.

# 5. Financial Plan

## 5.1. Sources of Capital and Capital Requirements

As the project is going to require a large capital outlay, initial capital is going be obtained from several different sources. The majority of capital will be sourced through business angels/initial investors and bank loans. Lastly as the facility is going to be promoted as a national sporting institution and development school, there will be capital injection from the government, through its grants and subsidies initiative, more specifically through its equity financing.

|  |  |
| --- | --- |
| Source of Capital | Amount received |
| investors/angels | 750,000 |
| bank loan | 1,000,000 |
| owners investment | 250,000 |
| government equity financing | 375,000 |
| total | 2,375,000 |

## 5.2. Uses of Capital

|  |  |
| --- | --- |
| Use of capital | Amount used |
| development and construction | 1,500,000 |
| equipment and appliances | 300,000 |
| personnel | 200,000 |
| promotion | 25,000 |
| insurance | 100,000 |

## 5.3. Sales Forecast

## 

## 5.4. Cost of Goods Sold Forecast



## 5.5. Expenses Forecast (12 months)

## 

## 5.6. Proforma Income Statement for the first year

## 

## 5.7. Proforma Cash-Flow Analysis (12 months):

## 

## 5.8. Proforma Balance Sheet at the End of First Year

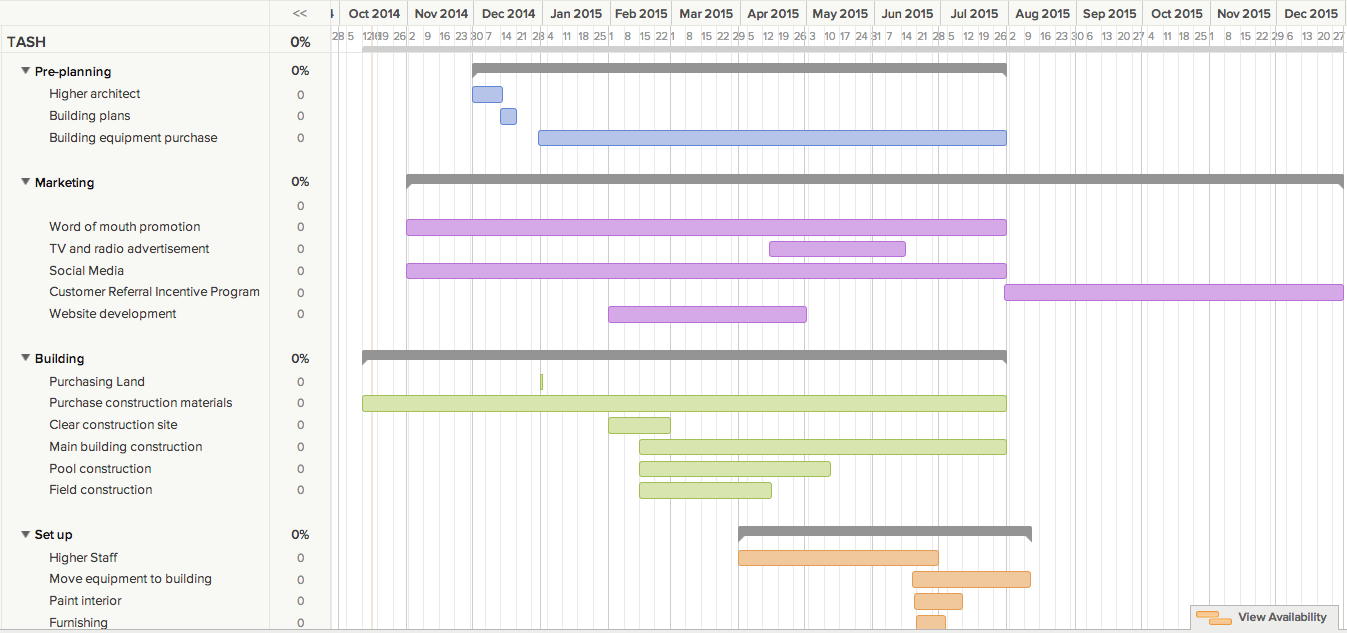
# 6. Implementation Plan

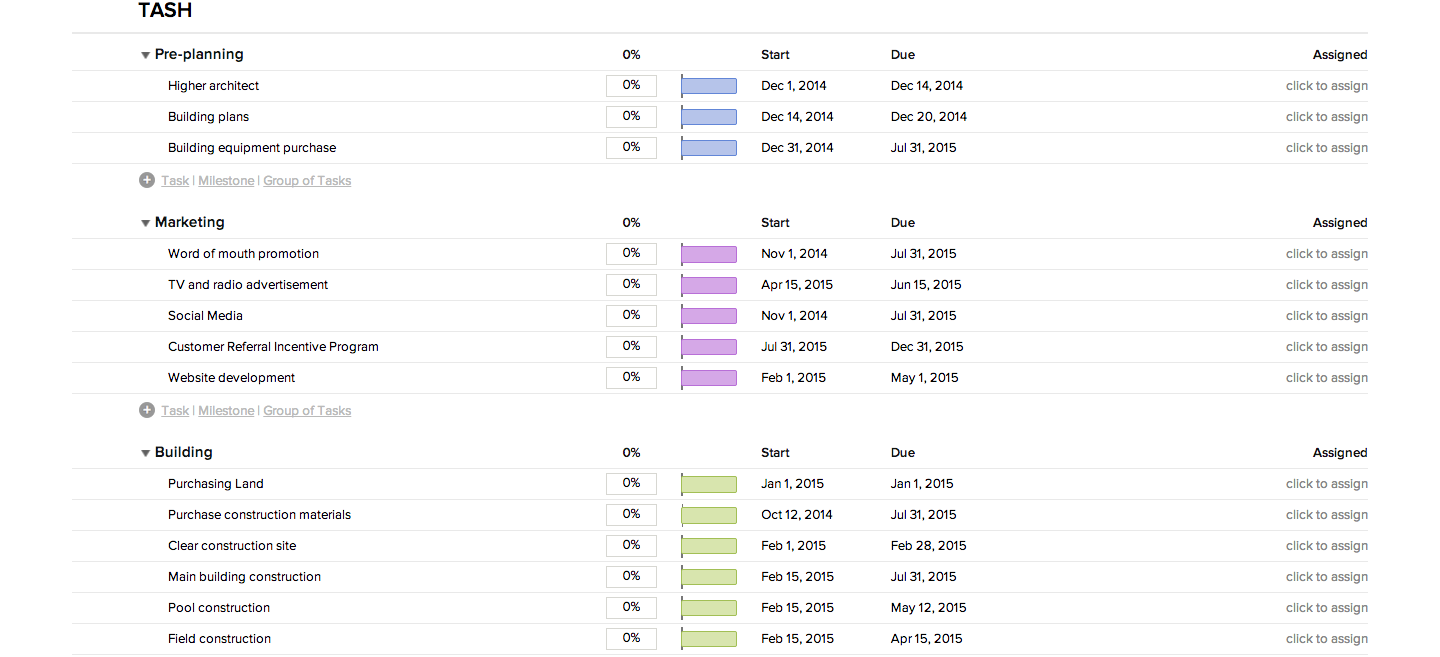
## 6.1. Key Activities

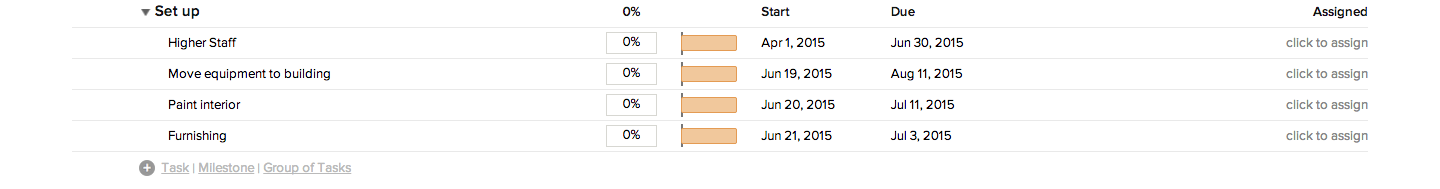
|  |  |  |  |
| --- | --- | --- | --- |
| Task | Assignee | Start Date | End Date |
| Word of mouth promotion | Henrik | 1 November 2014 | 31 July 2015 |
| Tv and Radio advertisement | Henrik | 15 April 2015 | 15 June 2015 |
| Social media , face book , twitter , Google plus , Instagram | Henrik | 1 Novebmer 2014 | 31 July 2015 |
| Customer Referral Incentive Program | Henrik | 31 July 2015 | 31 December 2015 |
| Website development | Henrik | 1 February 2015 | 1 May 2015 |
| Choose location | Shawn | 1 January 2015 | 31 January 2015 |
| Hiring training and admin staff | Shawn | 1 April 2015 | 30 June 2015 |
| Opening of Health Club | Shawn, Henrik, Timothy, Anthony | 1 November 2014 | 31 July 2014 |
| Higher architect | Shawn | 1 December 2014 | 14 December 2014 |
| Building plans | Anthony | 14 December 2014 | 20 December 2014 |
| Building equipment purchase | Anthony | 31 December 2014 | 31 July 2014 |
| Purchase construction materials | Anthony | 12 October 2014 | 31 July 2015 |
| Clear construction site | Anthony | 1 Feb 2014 | 28 Feb 2014 |
| Main building construction | Anthony | 15 Feb 2015 | 31 July 014 |
| Pool construction | Timothy | 15 Feb 2015 | 12 May 2015 |
| Field construction | Timothy | 15 Feb 2015 | 15 April 2015 |
| Higher Staff |  |  |  |
| Move equipment to building | Timothy | 1 April 2015 | June 30, 2015 |
| Paint interior | Shawn | 1 April 2015 | 30 June 2015 |
| Furnishing | Shawn | 21 June 2015 | 3 July 2015 |

## 6.2. Action Plan / Implementation Schedule

GANTT chart







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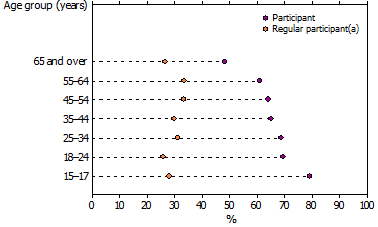
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# Appendices

**2011 census data**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| [Age](http://www.censusdata.abs.gov.au/ausstats/abs@.nsf/Lookup/2901.0Chapter20702011) | Greater Melbourne | % | Victoria | % | Australia | % |
| *People* |  |  |  |  |  |  |
| 0-4 years | 259,633 | 6.5 | 344,733 | 6.4 | 1,421,050 | 6.6 |
| 5-9 years | 241,926 | 6.0 | 326,121 | 6.1 | 1,351,921 | 6.3 |
| 10-14 years | 237,623 | 5.9 | 327,939 | 6.1 | 1,371,054 | 6.4 |
| 15-19 years | 253,093 | 6.3 | 345,339 | 6.5 | 1,405,798 | 6.5 |
| 20-24 years | 299,851 | 7.5 | 375,108 | 7.0 | 1,460,673 | 6.8 |
| 25-29 years | 317,214 | 7.9 | 388,669 | 7.3 | 1,513,236 | 7.0 |
| 30-34 years | 300,750 | 7.5 | 372,214 | 7.0 | 1,453,775 | 6.8 |
| 35-39 years | 300,695 | 7.5 | 383,415 | 7.2 | 1,520,138 | 7.1 |
| 40-44 years | 300,546 | 7.5 | 391,197 | 7.3 | 1,542,879 | 7.2 |
| 45-49 years | 277,826 | 6.9 | 372,367 | 7.0 | 1,504,142 | 7.0 |
| 50-54 years | 257,500 | 6.4 | 354,110 | 6.6 | 1,447,404 | 6.7 |
| 55-59 years | 224,772 | 5.6 | 317,438 | 5.9 | 1,297,244 | 6.0 |
| 60-64 years | 204,070 | 5.1 | 293,812 | 5.5 | 1,206,116 | 5.6 |
| 65-69 years | 154,138 | 3.9 | 224,911 | 4.2 | 919,319 | 4.3 |
| 70-74 years | 121,443 | 3.0 | 177,316 | 3.3 | 708,090 | 3.3 |
| 75-79 years | 96,854 | 2.4 | 140,338 | 2.6 | 545,263 | 2.5 |
| 80-84 years | 78,810 | 2.0 | 114,020 | 2.1 | 436,936 | 2.0 |
| 85 years and over | 73,236 | 1.8 | 104,995 | 2.0 | 402,681 | 1.9 |
|  |  |  |  |  |  |  |
| Median age | 36 | -- | 37 | -- | 37 | -- |

**PARTICIPATION IN SPORT OR PHYSICAL RECREATION WITHIN THE LAST 12 MONTHS - 2009-2010**



|  |  |  |
| --- | --- | --- |
|  |  |  |
|  | **Melbourne** | **Sydney** |
| **Population, 2013** | **4.35 million** | **4.76 million** |
| **Population increase, 2008-13** | **416,500** | **347,500** |
| **Population growth, 2008-13** | **10.6%** | **7.9%** |
| **Growth in 0-14 year olds, 2008-13** | **9.0%** | **6.8%** |
| **Growth in 15-64 year olds, 2008-13** | **9.7%** | **6.5%** |
| **Growth in 65+ year olds, 2008-13** | **17.9%** | **17.2%** |
| **Median age** | **36.1** | **36.1** |