



3 YEAR BUSINESS PLAN V8

Fusion Gym

*Address a critical gap in the rapidly expanding
fitness market.*

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EXECUTIVE SUMMARY

In Wantage, Oxfordshire we have identified a significant market gap for a low-cost 24/7 gym. Fusion Gym seeks to fill this gap by offering, affordable, round the clock fitness services, whilst ensuring that the needs of the diverse local demographic are met. The current market is forcing customers to travel to other towns or pay uncompetitively high prices. Additionally, customers are constrained with limited opening hours, heavily limiting their access especially on weekends. We aim to fill these market gaps by opening Fusion Gym; a 24-hour gym capable of operating unmanned throughout the night and weekends. Our high-quality services will be offered at a third of the price of the competition, yet we will still achieve high profit margins.

With an estimated market growth of 81% in Wantage (see page 9), we are positioned to capture this opportunity. The UK market for low-cost, 24-hour gyms has a 10-year Compound Annual Growth Rate of 23.86% (see page 11), indicating a clear consumer preference for our business model.

COMPETITION vs FUSION GYM

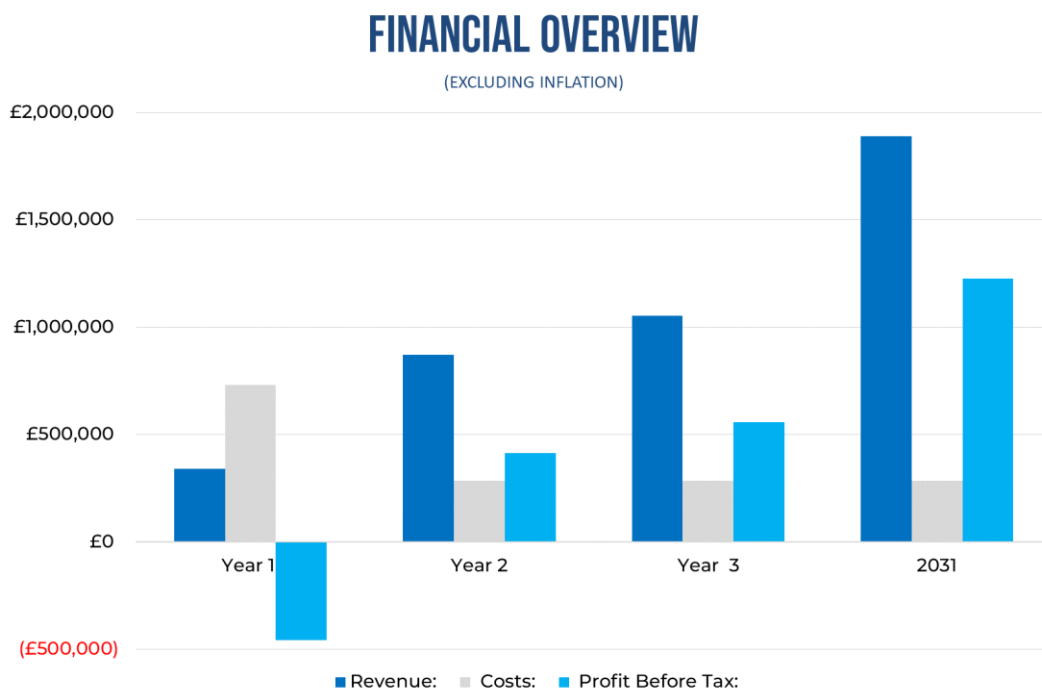
COMPETITION	FUSION GYM
 Closes at 4-9pm	 24/7
 Costs £40-£80	 From £16.99
 Small, limited equipment	 11,000SQ/FT, Variety of Equipment
 15 Classes a week	 Over 50 Classes Weekly

Fusion gym will be in the heart of Wantage, a town with rapid growth from housing developments. The gym will be in the centre of the town's retail park providing easy access for all transportation with a large car park and prime location for brand awareness with foot traffic exceeding 2,500 an hour.

·We will utilize a variety of selling and marketing strategies to maximize our reach in a range of creative ways.

·We will focus on continually reviewing all our operations to constantly evolve and adapt to maximize our returns on every £ spent and every minute of operations. Our services will be improving and changing in response to feedback and data we collect.

Our startup costs will be £550,000, with repayment expected within 30 months of investment. By 2031, with the rapid growth of the Wantage population we project a membership count of 5,700 and a revenue of £1,890,000, with an operating profit margin of 60%.

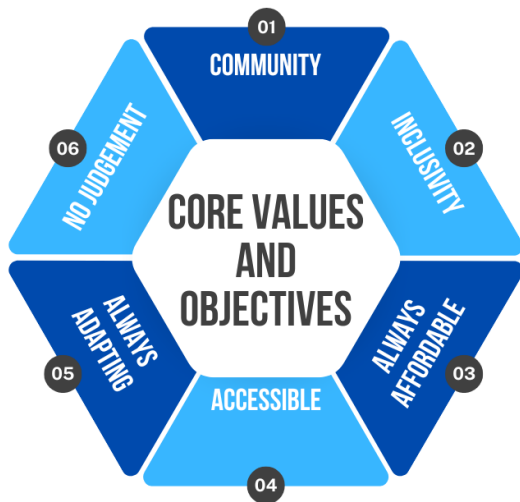


Over the course of the following 7 years, our average EBITDA will be £750,000 per annum providing an annual ROI of 136%. In 2031 we will make a profit of £1,226,000 making a yearly return of 223%.

Key Advantages:

- 24/7 access, unlike any local competition, meeting the needs of various schedules while reducing operating costs.
- Prime location in Wantage's town centre, ensuring high visibility and accessibility.
- Strategic marketing and continuous operational improvements to maximize returns.

1. COMPANY OVERVIEW



1.1 Section Overview

With a rapidly growing population, Wantage needs a corresponding

increase in gym capacity to keep pace. Fusion Gym is committed to creating an inclusive fitness environment that caters to all demographics. Our state-of-the-art facility will host over 50 group classes weekly, designed to engage both gym enthusiasts and newcomers. Our message of inclusivity will be deeply imbedded in all business practices from our marketing to branding. Fusion gym will be solving the short falls of the current market whilst offering the features and equipment the customer base requires.

1.2 Nature of Our Business

Fusion Gym will be a new 11,000sq ft gym in the centre of Wantage Oxfordshire. The gym will be a cardio heavy gym with a range of state-of-the-art equipment. We aim to host over 50 group classes a week to encourage non-gym goers to sign up and experience our inclusive classes.

Our focus is to constantly be in a state of evolution and improvement to offer the best possible services. Fusion gym will be community focused on terms of, staff, members and being integrated within the outside community.

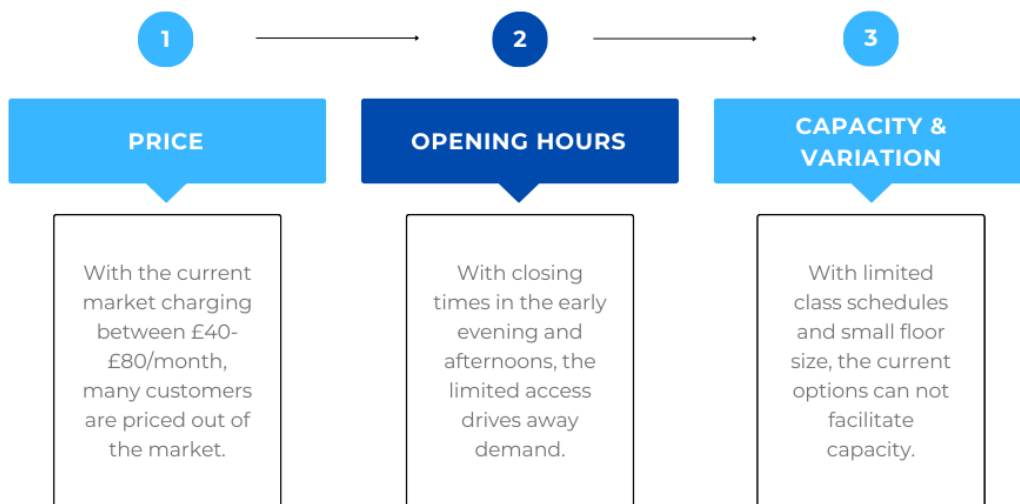
As service-based business customer feedback will underpin the building blocks of our company. We will strive to collect as much customer feedback as possible and utilize it to constantly improve. To achieve this, we will have an anonymous feedback box in the gym as well as a feedback section in the app along with an email facility. Feedback will be continuously recorded to allow us to monitor our progress. Fusion gym will continue improving and expand into what we deem to be strengths, on the other hand all negative feedback will be quickly acted upon where possible. Customers' opinions will always be the number one factor affecting decision making.

2. THE PROBLEM & SOLUTION

2.1 Section Overview

The idea of opening a gym in Wantage originated from the recognition of hearing complaints from local people of there being a substantial gap in the market leaving Wantage and Grove residents with no easily accessible option for a health club. Fusion Gym is here to solve all these issues in one.

2.2 Problem A, the current options



2.2.1 The Price Problem

A key friction point for potential customers is the price. Current gym memberships in Wantage range from £40-£80 per month, making fitness inaccessible to many. For example, in Grove, 25% of children are living in poverty households¹, by having limited disposable income, they are ruled out from having the option to attend one of Wantage's highly priced gyms.

House prices in Wantage have increased below the national average, this is encouraging lower income earners to Wantage making it more difficult to expand as a luxury high priced business, but easier for budget low-cost companies. By offering memberships starting at £16.99, Fusion Gym will provide an affordable solution that meets the community's needs. We will ensure the gym is affordable for anyone and everyone that wants to exercise.

Evidence²

“The gym membership costs in Wantage are generally on the high side so would be a luxury for most.”

“The current options are all very small and way overpriced. I personally welcome a new, bigger, cheaper 24/7 gym.”

“I’m desperate for something closer because I need it to be affordable”.

2.2.2 The Opening Hours Problems

Customers want to use gyms at different times as everyone has unique and changing schedules therefore a gym needs to be flexible; closing at 8pm weekdays and before 4pm on weekends is restrictive and simply not enough for customers. With our staff-less gym model we will remain open for access 24hrs a day 7 days a week.

Evidence³

“Really need a 24/7 one, we are currently driving to Abingdon in the evenings”.

“Affordable good quality gym without restricted opening hours is what I need, there’s a frustration for me about gym hours as work means I need to work out beyond the opening hours of most of the Wantage gyms!!”

“Not open Saturday or Sunday evenings. Not all of us have fun lives. Some of us just want to go to the gym on a SATURDAY”.

2.2.3 The Variety and Size Problem

All members have different preferences for workouts; classes and machines, therefore a gym is required to have a variety of options and multiples of popular machines. A gym that doesn’t have the required equipment will result in high turnover. On top of this a gym that becomes overcrowded at popular times is problematic. These are both problems the current gyms in Wantage deal with. To

resolve this issue, Fusion Gym will be 11,000sqft with a wide range of equipment, allowing for up to 200 members to use the facility at any one time.

Evidence⁴

“Need for additional fitness provision: The existing fitness suites at Wantage and Faringdon Leisure Centres are relatively small; Faringdon Leisure Centre is already operating at capacity. Increasing capacity will facilitate increased levels of physical activity, and generate increased revenue.”

2.2.4 Conclusion

We aim to remove all these obstacles to provide the consumers with a seamless experience without a single factor that will put a barrier between us and the customer.

2.3 Problem B, the market growth

2.3.1 Population Growth

Wantage and surrounding villages are expected to house 8,800 more residents by 2031⁵, due to over 5,550 new houses forecast to be built⁶. As a result of the expansions, businesses have been required to adjust and expand to meet this demand, Grove GP practice undergone a large expansion project beginning in 2022; as well as this Wantage has been required to start construction of a new secondary school and 3 new primary schools to accommodate for the growing population, despite already having Oxfordshire’s largest secondary school and 5 primary schools; the new secondary school will open in 2025. However, one area making itself apparent of not matching this increased demand is the fitness industry, with 2 small gyms and one highly priced large one, this is unsatisfactory for much of the Wantage and Grove demographic.

2.3.2 Market Growth

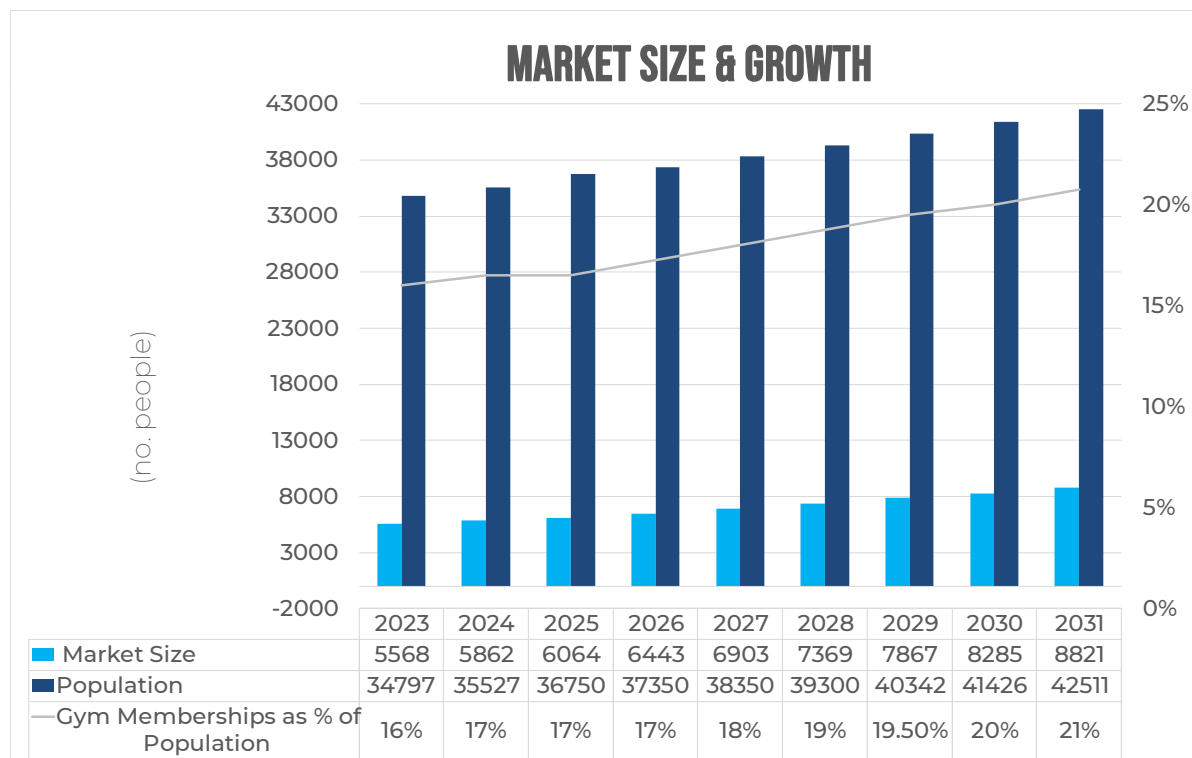
With the UK gym market expanding by 65.6% since 2011⁷ and an estimated growth of 25% by 2030⁸ it is clear Wantage needs a new low cost 24hr gym. With 24hr gyms becoming extremely popular in the UK, 370% growth since 2011⁹, due to their low-cost business model and anytime access, Wantage needs and will follow this trend to serve the population of Wantage with this large demand and to get them in a gym or to save them from travelling to nearby towns to access cheaper, 24hr gyms.

3. MARKET SIZE & SEGMENTATION

3.1 Section Overview

Our detailed analysis shows the gym market size in Wantage is expected to grow from 4,900 members in 2023 to 8,900 by 2031, reflecting an 81% increase. This translates to an average annual growth rate of 7.75%, indicating a robust and expanding market in which we are presented with a great opportunity to ensure Fusion Gym is positioned at the forefront to capture. To expand our market reach we plan to also target demographics who currently are not frequently attending a gym by offering a diverse range of services to cater to everyone.

Our goal is to reduce friction between the gym and our customers, resulting in a larger market size than normal. With the demographics of wantage, we will be focused mainly on the 35+ years demographic by being cardio and group classes intensive as this is the most popular exercise format among this age range.



Wantage and surrounding villages has a population of 34,797 (2023)¹¹, expected to reach 42,511 (2031). With a national average of 16% (2023)¹² and expected to grow to 20% (2030)¹³ of the population having a gym membership we can assume the Wantage gyms market size is currently around 5,500, with the expected population growth we can assume by 2031 the market size will be 8,800.

3.2.2 The Growth Of 24HR Gyms

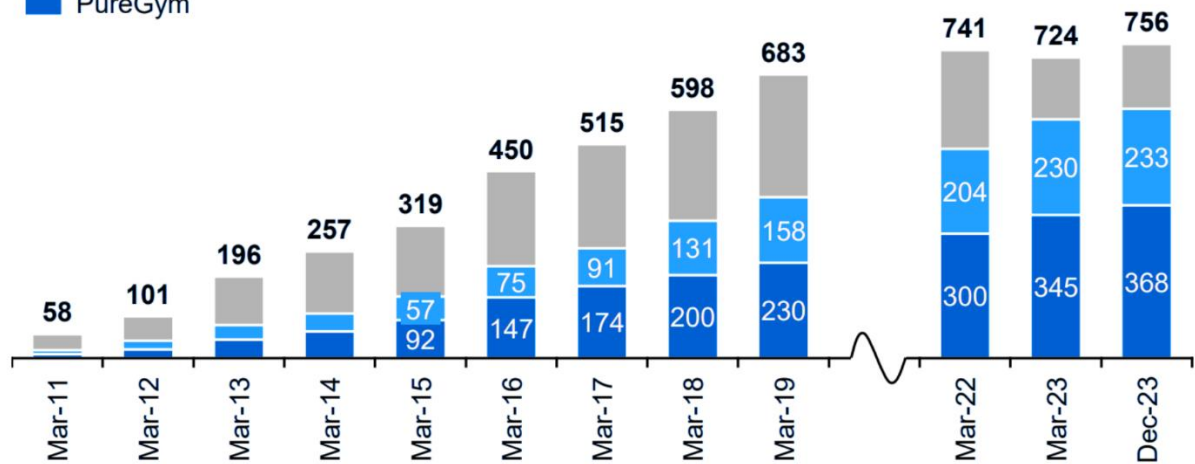
Between 2011-2023, excluding Covid years (2020,2021) the UK low-cost gym market has shown a boom with a CAGR (compounded annual growth rate) of 23.85%. The market is clear that this business model is favoured compared to traditional gyms, this is due to 24hr gyms reducing friction between customers and fitness through financial benefits and more accessible hours.

14

UK low-cost gyms site evolution, Mar 2011 – Dec 2023⁽¹⁾
Number of sites

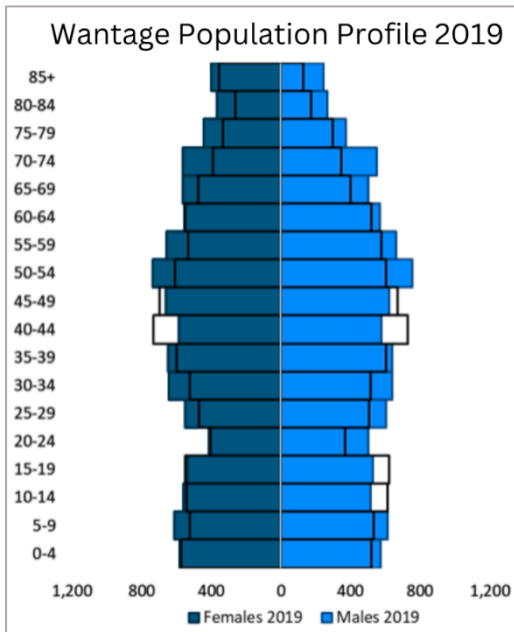
- Others
- The Gym Group
- PureGym

Leisure Database defines low-cost operators based on an average headline price of £25 per month; this has not changed since 2018, despite significant price inflation in the market. As a result, each year operators are removed from the low-cost classification (2022: Sports Direct / Everlast, Welcome Gym, Dream Fitness and Fitness4Less, 2023: énergie Fitness, TruGym and Active Fitness). Including these operators would result in 901 total low-cost gyms in Dec-23, an increase of +218 compared to Mar-19⁽¹⁾



The fitness industry is in transition and is being disrupted by the move to low-cost clubs,” Brown says. “As a consequence of that, it ’ s actually seeing a lot of growth, princely being led by the 24-hour franchise model clubs.”¹⁵

3.3 Population Profile & Segmentation



Wantage has an older population. We can break this down as follows:

- 16-24yr: 9.76%
- 25-34yr: 18.34%
- 35-44yr: 15.16%
- 45-54yr: 15.00%
- 55-64yr: 14.76%
- 65+yr: 26.99%

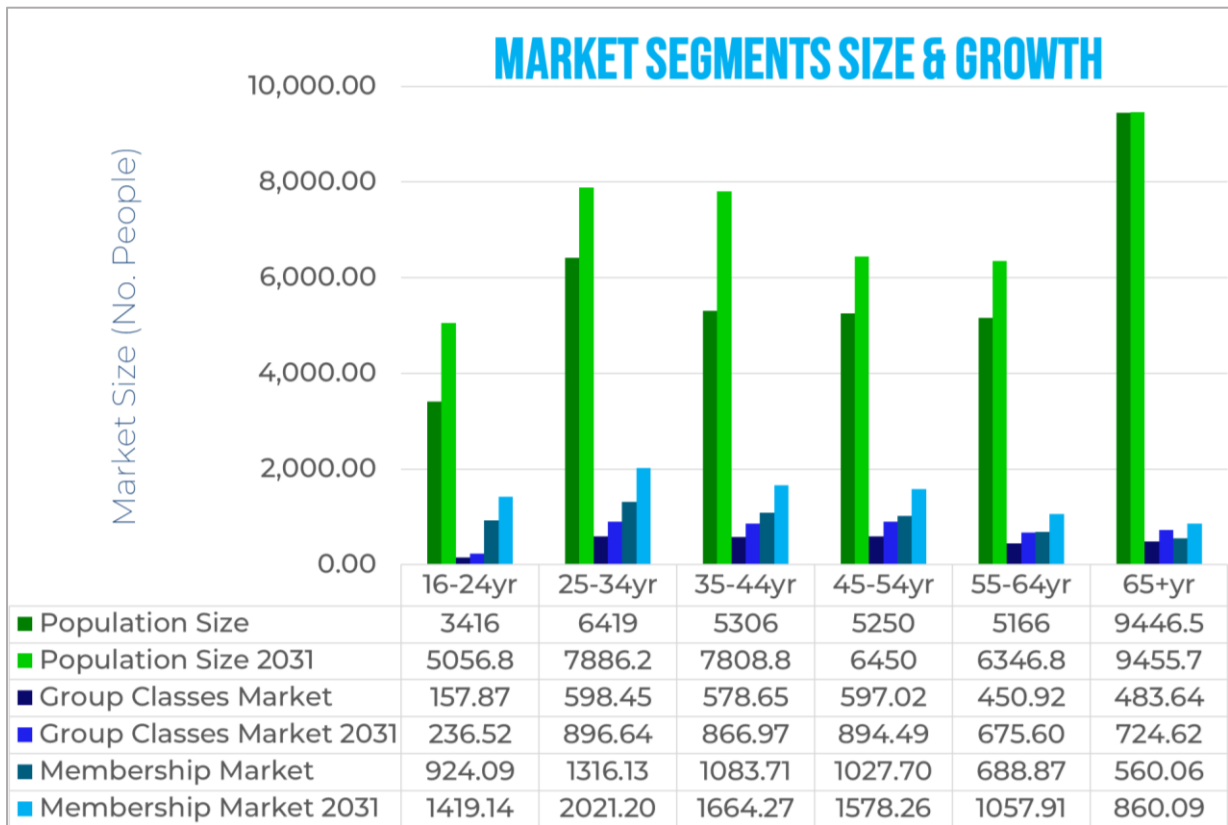
The distribution table shows the distribution of age bands on group exercise classes and gym memberships.

Age Band	Group Exercise (%)	Gym Memberships (%)
6-24yr	5.50%	16.50%
25-34yr	20.85%	23.50%
35-44yr	20.16%	19.35%
45-54yr	20.80%	18.35%
55-64yr	15.71%	12.30%
65+yr	16.85%	10.00%

As shown, group exercise classes are dominated by ages 35yrs+, whereas standard memberships are primarily younger ages. Considering wantage has an older population we should be focused on both classes and standard memberships, but we should focus more on optimizing classes compared to an area with a younger population as this will cater for the demographic more effectively.

Utilizing this data, we can predict the sizes of each market (group classes and gym membership), down to each age band. This can give us an idea of which demographics will be our largest target audience for which service; in turn this can be used for marketing.

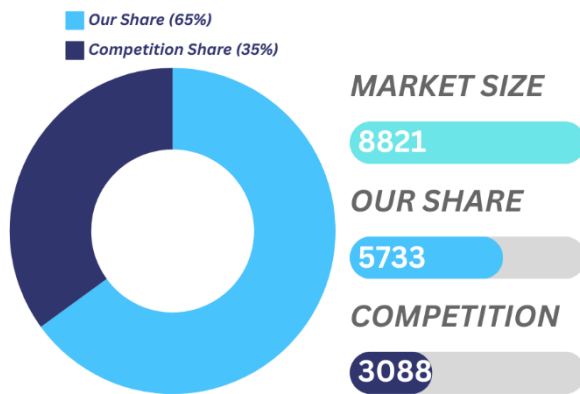
2023					
Age Band	Group Exercise (%)	Gym Memberships (%)	Population Distribution (%)	Group Classes Market	Membership Market
6-24yr	5.50%	16.50%	9.76%	158	924
25-34yr	20.85%	23.50%	18.34%	598	1316
35-44yr	20.16%	19.35%	15.16%	579	1084
45-54yr	20.80%	18.35%	15.00%	597	1028
55-64yr	15.71%	12.30%	14.76%	451	689
65+yr	16.85%	10.00%	26.99%	484	560



Considering the population growth of Wantage and surrounding villages, we can estimate the market size for each age demographic and corresponding services for the year 2031. This allows us to plan and be prepared for the changing market.

3.4 Our Customer Base

2031 MARKET SHARE



By tearing down all the barriers to entry we aim on taking 65% market share by 2030. We will do this by solving the issues our competitions services come with. On top of this, we are committed to making everyone feel welcome in the gym, by doing this we believe we can grow the market size in Wantage. The market should not be seen as 5,900 potential members but as 35,000. In 2031, assuming we will hit our target of 65% of the market we will have 5733 members without creating factoring the creation of a new market.

5. MARKETING

5.1 Section Overview

- Utilizing our detailed market segmentation, we will precisely target our marketing to the shown market segments. We will adjust our marketing budget in coordination.
- To reach our customer base we will implement a range of advertising and promotional tactics from social media marketing to local sponsorships coupled with free day passes and PT sessions.
- Initially we will outsource marketing to rapidly build our customer bases from launch. We will maintain a strong online presence throughout our launch phase.
- All marketing and promotional data will be recorded allowing us to adjust and optimize our strategies to maximize our returns on ad spend.
- Our main priority with marketing will be incorporated into our branding. We want to influence our customers to make everyone feel welcome. We want to shift away from traditional gyms seeming daunting to the majority. We will focus our branding towards the 'average Joe', opposed to an overwhelming bodybuilding gym.

5.2 Branding

We plan on targeting people who wouldn't normally go to the gym by marketing our gym as a friendly inclusive gym for all ages, not a body building gym that appears daunting to many. Fusion Fitness will be friendly, bright colours and utilizing adjusted marketing to encourage all people to get a membership.

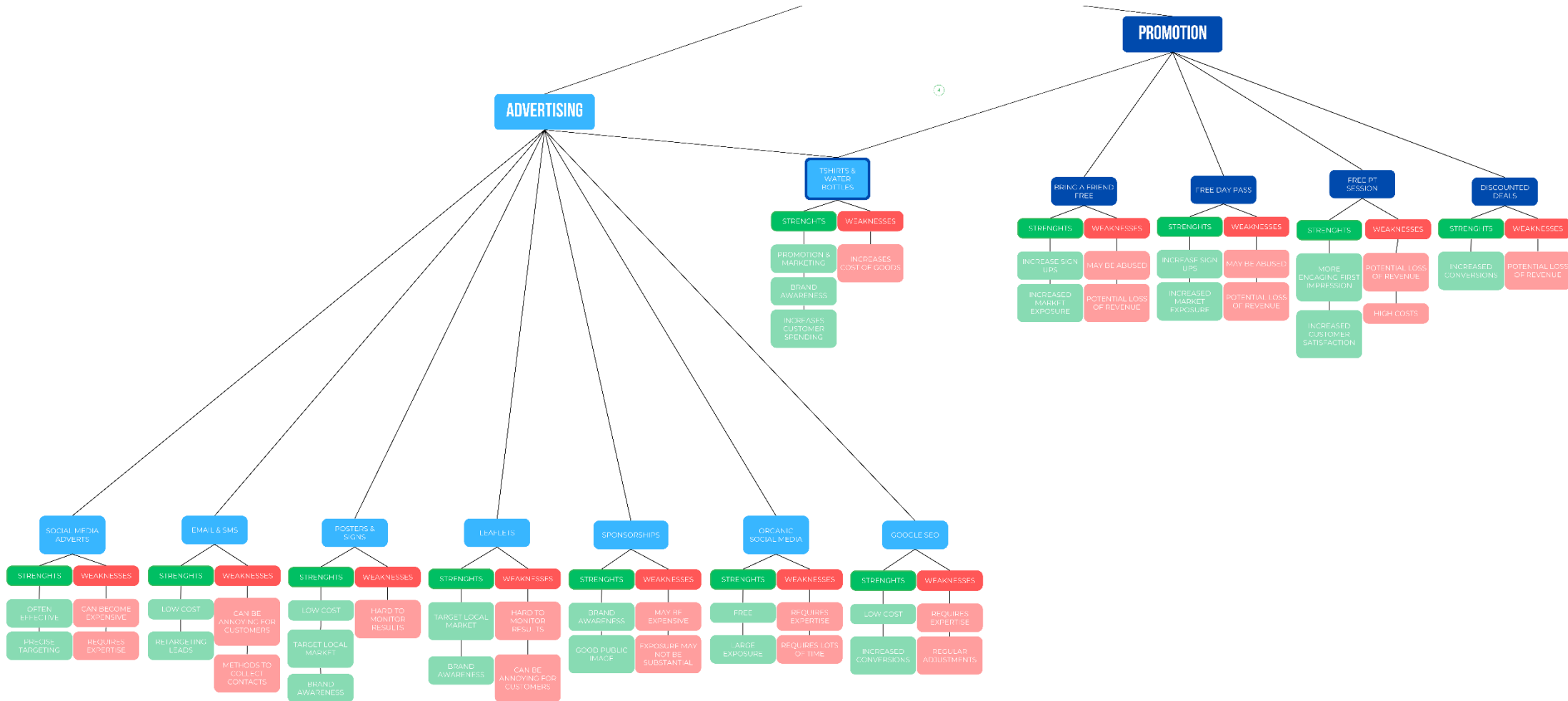
5.3 Marketing & Promotion

5.3.1 Overview

To market our service, we utilize a range of promotions and advertising strategies to maximize our success. We will use and develop the strategies that prove to be the most effective. We aim to target all ages, demographics and genders to our gym. We will break down all these age groups and genders into different market segments, we will then go on to market to each segment on different platforms, utilizing different strategies and selling different services. We will split our marketing budget between these marketed segments, weighted on the largest demographics with the most potential by doing this we can communicate with each demographic of people in a more personalized and effective way.

5.3.2 Methods

POTENTIAL ADVERTISING & PROMOTION STRATEGIES + EVALUATION:



5.4 Initial Marketing

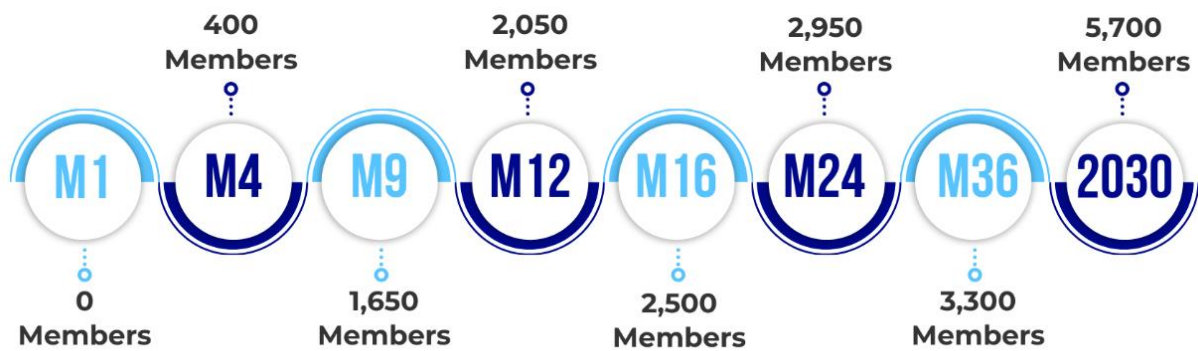
Our initial marketing strategy involves a robust campaign to rapidly build our customer base. We will leverage a third-party marketing agency to ensure high-impact outreach during the first 3-9 months, coupled with special promotions such as free day passes and PT sessions. The timing we keep them on for will depend on the rate at which we gain customers in the first 3-9 months.

On top of this for the initial 1-2 months we will offer potential customers the opportunity to attend our gym for free for a day. They will be given the option to book a free PT session, attend a group class or just try out the gym's facilities by themselves. We plan on offering potential customers as much value as possible free of charge; provide them with an irresistible offer they cannot refuse. We will do this for the maximum number of potential clients to try our service with no cost to them, because of us providing them with a valuable experience we aim for them to sign up for a membership and utilize our services frequently.

During the first 3 months whilst the gym is being furnished, we will have large graphics on the outside of the gym as well as a strong social media presence to spread awareness whilst also offering early bird offers to ensure we have memberships from day one.

4. ROADMAP

MEMBERSHIP GROWTH



Prior to opening, our intensive marketing campaigns will ensure that we have members in advanced of day one. We will focus on rapid expansion for the first year to gain market share. We will continue to provide customers with the most convenient and cost-effective option to become the first option for a gym in wantage, this will guarantee our success in capitalizing on the upcoming and continues growth of Wantage and Grove planned until 2031.

3 YR ROADMAP

GOALS & OBJECTIVES

PREPERATION & FURNISHING M1

Initiate the hiring process for additional staff alongside the manager. Begin the furnishing of the facility. Launch a marketing campaign, offering early-bird deals to establish cash flow.

Negotiate contracts for lease, terms & conditions, and employment. Hire an experienced manager.

M2 FURNISHING, MARKETING & HIRING

FINALIZE FURNISHING & TEAM DEVOLPMENT M3

Open the gym to the public. Increase marketing efforts and offer promotions. Gather customer feedback and rapidly adapt to meet client preferences.

Complete decoration and equipment setup. Commence team-building activities to align values and objectives.

M4 GYM LAUNCH

MARKET PENETRATION M5

Adjust class schedules to meet demand and introduce 'bring a friend for free' incentives to encourage new memberships.

Work on team cohesion and community building. Maintain intensive marketing efforts and start expanding market share.

M6 DEMAND ADJUSTMENT

ENHANCE ONLINE PRECENSES M8

Continuously review and respond to both positive and negative feedback, making necessary adjustments to improve customer experience.

Begin in-house marketing and strengthen the online presence. Conclude reliance on third-party marketing.

M12 FEEDBACK COLLECTION

COMMUNITY INTERGRATION Y2

Refine marketing strategies and enhance customer acquisition efforts.

Prioritize becoming an integral part of the community through engagement and sponsorship initiatives.

Y2 CUSTOMER ACQUISITION

SPENDING ADJUSTMENTS Y2

Utilize quite hours for special programs, such as elderly rehabilitation or potential NHS contracts.

Evaluate and optimize costs, identifying areas where expenditure can be reduced or reallocated more effectively.

Y2 RESOURCE OPTIMIZATION

CUSTOMER SPENDING Y2

Develop and implement comprehensive member retention strategies

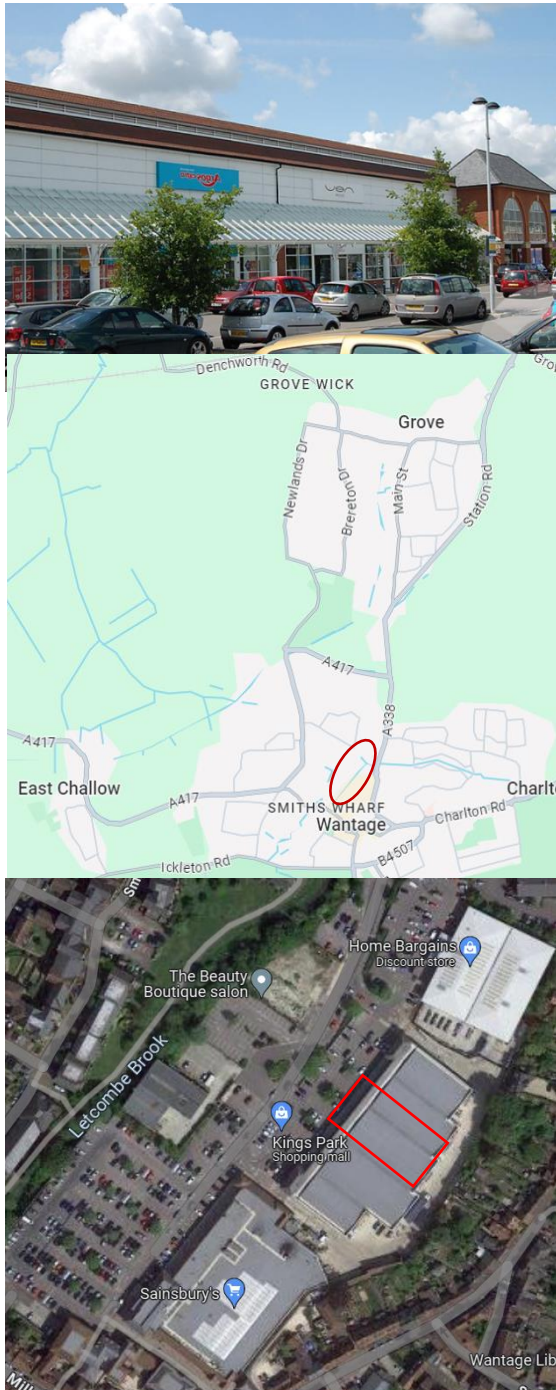
Identify additional services or products gym members might need and propose them effectively

Y2 MEMBERSHIP RETENTION

SCALING OPERATIONS Y3

Strategically scale operations to enhance overall market presence and profitability.

6. LOCATION

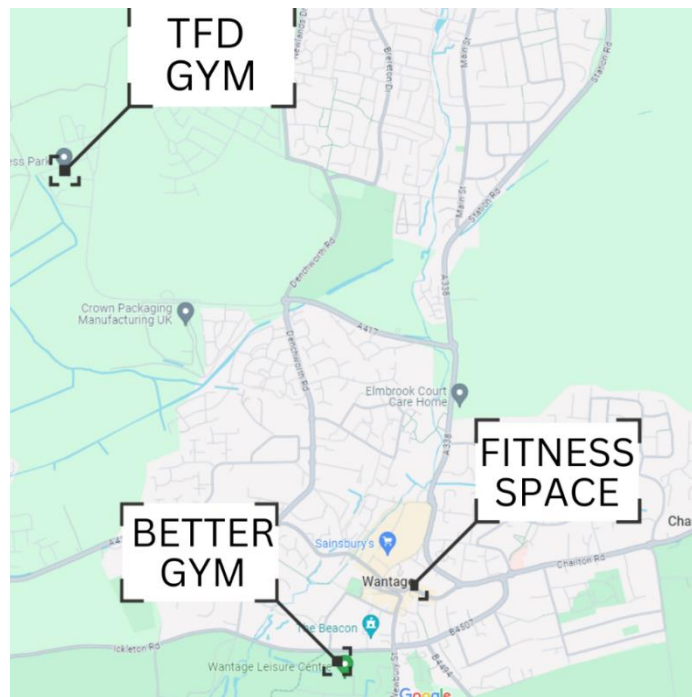


The proposed location for the gym is in the heart of Wantage near the town centre. Wantage is growing rapidly along with nearby Grove and will result in approximately 5,500 new homes being built over the next 10 years. An 11,000SQ ft retail park unit is located at King's Park, a modern retail warehouse park adjoining Sainsbury's in the town's principal shopping centre. The 55,000SQ FT Sainsburys creates constant footfall throughout the area. The location is ideal for a gym due to it being connected to multiple bus routes from all round Wantage, grove and neighbouring villages as well as the large car park (525 spaces) allows for customers to easily access the facilities. The location is in the heart of Wantage creating instant, powerful brand awareness reducing the need for marketing, 2015 footfall survey: average of 2,525 people per hour¹⁷ (will be larger in 2024) driving success to a gym. With 1 in 5 people joining fitness classes due to seeing it happen¹⁸, the location of Fusion Gym puts us at a significant advantage to the competition.

7. THE COMPETITION

7.1 Direct Competition

Wantage currently has 3 gyms TFD, Fitness space, better gym.



COMPETITION								
GYM	OPERATING HOURS WEEKDAYS	OPERATING HOURS SATURDAY	OPERATING HOURS SUNDAY	FEATURES	WEEKLY CLASSES	STRENGTHS	WEAKNESSES	PRICE
TFD	6am-9pm	8am-4pm	8am-4pm	Sauna, Swimming pool	60	Facilities	Expensive and closing hours	£80
FITNESS SPACE	6am-8pm	9am-4pm	9am-4pm	N/A	29	N/A	Very small and not a lot of equipment	£36
BETTER	6am-10pm	07:30am-5:00pm	07:30am-5:00pm	Sauna, Swimming pool	13	Facilities	Lack of classes and closing hours	£40-£70
ENERGIE FITNESS	24HRS	24HRS	24HRS	Sauna, lots of specilisted equipment	50	Large, 24hrs, Cheap	No pool	£16.99-£30

7.1.1 TFD GYM

TFD will be our main competition. They are a large gym with lots of features and equipment, however they are a luxury gym offering premium services such as a hair salon in house for an extra cost, TFD offers a large amount of group classes, but it comes with its weaknesses. TFD has 3 main weaknesses, firstly their prices; gym fees are between £60-80 a month for standard access, this makes it unattractive or unaffordable for many of Wantages population which has caused customers to voice their frustration. Next their opening hours, restricted opening hours on weekends and even weekdays do not work for customers have other commitments, this has been publicly criticized by their customers. Finally, their

gym's location makes it inaccessible for many potential clients. It's located about a 10-minute drive from Wantage town centre or a 45-minute walk. It is in a science park meaning customers have no reason to be there unless it is where they work. This is detrimental to their business by causing a large reduction of brand awareness causing many customers to not even be aware of its existence, as well as excluding elderly and younger customers who cannot drive as there is no bus service to reach them. A key weakness of TFD gym that should be noted is they have extremely high operating costs.

7.1.2 FITNESS SPACE GYM

Fitness Space will be our closest but weakest competition. They are near the town centre; however, their gym is about 2000sq ft making it not be able to house many members at one time and very limited amounts of equipment. They have a moderate number of classes but lack variety. Their opening hours are also very restrictive. As a strength they have a relatively low membership cost but are still double what we plan on charging.

7.1.2 BETTER GYM

Finally, we have a better gym. A Better gym is very similar to Fitness Space but slightly larger, they still have restricted amounts of equipment. Better gym does not host a lot of classes, excluding a large potential customer base. Their opening hours are slightly better than the other gyms but still lack anytime access.

7.2 Our Competitive Advantages

We will offer everything that the competition offers whilst addressing all their problems and outperforming them in every category:

- Location: As previously mentioned Energie fitness will be situated near the town centre at the town's retail park, with over 2,500 people walking past an hour, given [1/5 people join fitness classes because they saw it in person](#), we are positioned with a huge advantage against our competition. Along with notable brand awareness, the location offers ample parking right outside whilst also being a 1-minute walk from the town centre providing public transport access from all over Wantage grove and neighbouring villages.
- Membership cost: Energie Fitness will also memberships starting at a fraction of the price of the competition,
- Choice of exercise class: as well as this we will be hosting over 50 group classes a week included in the standard membership.
- Spacious: Energie fitness will be a 11000sqft gym to be able to accommodate for ample amounts of demand.
- Low running costs: Finally, our gym will be able to operate without staff, making it possible for clients to attend the gym anytime so they will not have to worry about the gym being closed or struggle to fit opening hours around their schedule.

8. PROOF OF CONCEPT & DEMAND

8.1 Proof of Concept

8.1.1 Abingdon The Gym Group

An example where we can see this model having successfully worked would be Fair Acres Abingdon gym group. Despite already having 9 gyms open in Abingdon, the gym group (24hr low-cost gym chain) spotted the opportunity being Abingdon did not have a low-cost gym. According to the gym groups 2021 investor report, their new locations performed above average. Regardless of strict covid lockdowns at the time and having lots of gym competition in Abingdon, the gym group still managed to come the presumably largest gym in Abingdon becoming extremely successful with over (2500-estimate, extremely conservatively) members. The competition of gyms in Abingdon are primarily heavy weight lifting gyms with some offering frequent group exercises classes; Abingdon was already home of a 24hr gym however as it was not a low cost cardio focused gym it was apparent a low cost inclusive gym was still needed. This case study shows that regardless of heavy competition and even another 24hr gym, the low cost gym model that targets to get in new people who don't attend a gym proves still to perform hugely successfully and to be able to outperform the competition by creating a new market whilst also attracting the competitions customers.

8.1.2 Didcot Pure Gym

9. PROOF OF DEMAND

When asked about the possibility of a 24hr/low-cost gym on the Grove and Wantage community Facebook page, residents show their demand and desire for a gym that is, affordable and has accessible opening hours. Many residents have vocalised their frustration being forced to travel to different towns in the area to access a gym that suits their schedules.

[Facebook Discussion 1](#)

[Facebook Discussion 2](#)

Victorkilo Kilovictor: “Oooh following as I was about to take out a subscription again at the gym group in Abingdon as I liked it when I was there and prefer it to the Wantage offerings of which there's only like 2 or 3 ones most people like me would consider. Affordable good quality gym without restricted opening hours is what I need, there's a frustration for me about gym hours as work means I need to work out beyond the opening hours of most of the Wantage gyms!!! Also, no fuss gyms are the way forward for just keeping focussed! (At least for me!)”

Jay Sheridan:” all those things. I'm desperate for something closer because I need it to be affordable in money and time. A "quick" gym session soon becomes an almost 2 hour trip when having to go to Abingdon or didcot and when you add on the cost of bus or driving it means the cost benefit has mostly gone (and it is more polluting!) they're not wrong that other types of shops are needed but it needs retailers to actually want to put them in and doesn't mean a gym is any less in need. The gym membership costs in Wantage are generally on the high side so would be a luxury for most.”

Victorkilo Kilovictor: “Can we also add that they are all very small and way overpriced. I personally welcome a new, bigger, cheaper 24/7 gym.”

Gregbrigitte Thomas: “which gym do you use? I only really know of three in Wantage and they're all quite limiting in terms of opening hours? Keen to know as I was going to take out the gym group in Abingdon subscription after Easter and if there's a closer 24/7 gym that'd be awesome! Thank you!”

Jay Sheridan: “hopefully this becomes a thing and soon! Nothing worse than a dull and tired/saggy gym when you're trying to stay steady and in routine! I used to love the gym group one as it's not got loads of random fancy stuff and it's bright, clean and 24 hours!”

Kathleen Proud: “Oooh a great addition to Wantage! Very good vfm and much better hours than the current offerings.”

Natasha Gill: “Really need a 24/7 one, we are currently driving to Abingdon in the evenings”

Jack Furley: “not open Saturday or Sunday evenings. Not all of us have fun lives. Some of us just wanna go to the gym on a SATURDAY”

Matt Baines: “Great idea I'm sure a keenly priced 24/7 gym would do very well here.”

Victorkilo Kilovictor: “Matt Baines I can't wait!!”

Ashlie Steptoe: “Hope so”

Craig Jennings: “Hope so! Will save me travelling to Didcot.”

Katie Burt: “This would be amazing!”

Hannah Cooper: “That would be amazing”

Nigel Kilbey: “I do hope so!”

Lucie Baker: “Fingers crossed”

Courtney Watts: “I hope so!”

Maxine Gaw: “let's hope so!”

10. PRODUCT AND SERVICE OFFERINGS

10.1 Section Overview

Our revenue is going to come from 3 services we will offer to potential clients:

- Memberships
- Personal training sessions
- Group classes.

These different options will cater to a diverse range of needs. We will incentive members to purchase the plus membership to maximize spending per customer whilst our off-peak membership will offer highly competitive pricing. We will be hosting a range of classes starting in the early morning up until the late evening; the variety of options will ensure we can cater to all needs.

10.2 Memberships

Membership revenue will account for about 85% of our operations. There will be 3 types of memberships to meet various customer needs.

MEMBERSHIPS		COMPARISON CHART		
FEATURES	DAY PASS	OFF-PEAK	STANDARD	PLUS
WIFI	●	●	●	●
24/7 Gym Access	●	Off Peak Hours* or £2	●	●
Classes	●	£2	£2	●
Extras*				●
Cost	£10/Day	£16.99/Month	£23.99/Month	£32.99/Month
Distribution		8%	47%	45%

*Extras e.g. BMI/Insight machines, Sports flavoured water
*Off-Peak Hours: 9am-3pm, 8:30pm-5am

AVERAGE - £27.48

We will aim to have as many members as possible on the plus membership to maximize average revenue per customer. We will achieve this by offering the plus membership with as many free ad-On's as possible to encourage clients to upgrade their membership such as free water bottles and exercise shirts to act as an incentive as well as a marketing strategy. The off-peak membership will serve 2 main roles, firstly it will help encourage new members with attractive prices. Secondly once our customer base increases it will help disperse in gym traffic at peak times encouraging customers to attend the gym before or after peak times.

We will use a selection of advertising techniques along with multiple different group classes to ensure there is something to motivate everyone. Our daytime classes targeted at elder aged people, afternoon classes marketed at younger-middle-aged people, our PT 1:1 class threw out the day and our range of top spec equipment will ensure that all ages feel welcome and have something at Fusion Gym for them.

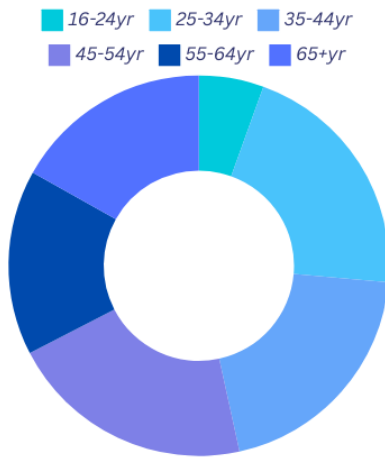
10.3 Group Classes

Customers want a wide range of options for group exercise classes which also take place at various times of day to work around the customers' schedule, this is why we aim to host over 50 classes a week with over 15 different workout types. We plan to offer 2 early morning classes to give clients the offer to start their day off with yoga or a workout class before their day begins. The timings of these classes will be orchestrated around the average working client's routine, factoring in school drop-offs and the beginning of the workday to ensure it does not cause an impediment between our service and the customer's lifestyle. We also strive to provide late morning classes for elderly customers as this time of day is proven to be most popular among this age group, these classes will be carefully constructed for elderly desired exercise such as strength and balance and mobility. We also aim to offer midday classes to offer members the option to attend a class during lunch breaks. Finally, we will deliver evening classes, these classes will be the most popular option. We will host 5 classes between 16:30 and 20:00, this will give our customers the chance to exercise in a group manner after their days are completed to not interfere with their commitments. Some of the classes we intend on providing will be:

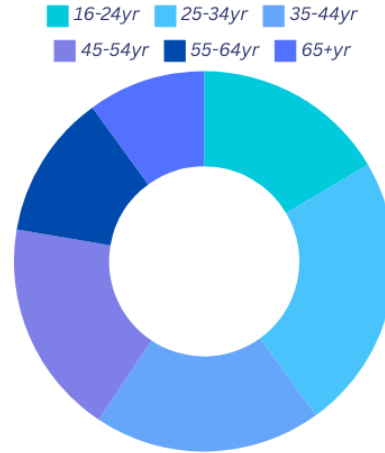
- Spin 30min.
- HIIT Classes
- Kettlebells
- Cardio Combat
- Zumba
- Core
- Box Fit
- Wake Up Yoga
- Dynamic Pump
- Total Body Workout
- Pilates
- Dance Fit

These classes include a range of several types of exercises such as yoga, weight training and cardio. As a result, clients will always be able to find a class to suit their needs or attend a selection of classes for all round health. To satisfy customers we will adjust class routines, frequency, and timings to match demand and as a response to customer feedback of which we will make a strong priority to receive and act upon.

Group Classes



Memberships



This table shows the age bands that make up group classes and standard gym memberships. With older age groups being the primary attendees of group classes, we will focus on marketing the classes towards them.

10.4 PT Sessions

To provide our members with the handpicked, tailored workouts we will provide 45-minute personal training sessions. This will ensure members have the option to keep their health in the best condition. PT sessions will cost around £25 a session, we will adjust the price to keep the amount we can offer at an equilibrium with the amount demanded. Our personal trainers will all be qualified and have adequate experience to ensure the best possible service. Our personal trainers will be able to offer help with general health, balance, muscle building and recovery from minor muscle injuries.

11. STAFF

11.1 Overview

	6:30	7:30	8:30	9:30	10:30	11:30	12:30	13:30	14:30	15:30	16:30	17:30	18:30	19:30
Staff 1 3hr	█	█	█	█										
Staff 2 3.25hr											█	█	█	█
Staff 3 3.15hr											█	█	█	█
Manager 8hrs				█	█	█	█	█	█	█	█			
Cleaner 4hr				█	█	█	█							

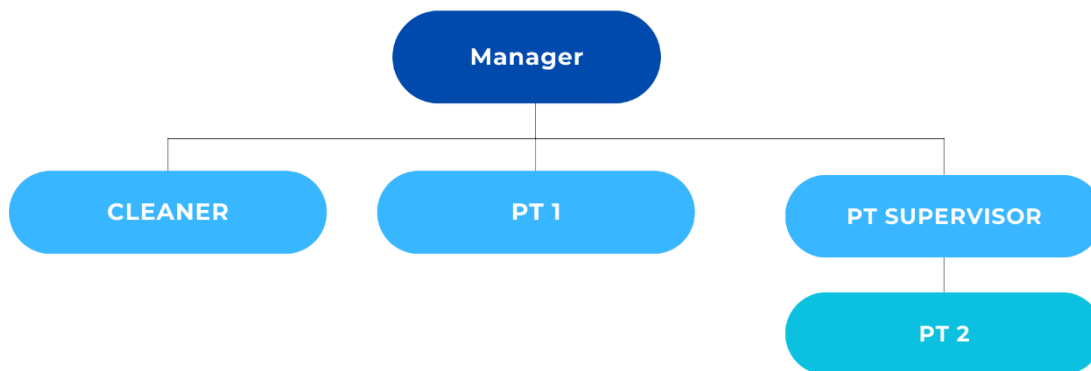
This table shows the proposed staff and hours we will employ. The schedule allows for the gym to be present with staff from 6:30AM until 19:45PM totalling 11.25 hours a day Monday to Friday.

With these hours we will be able to provide up to 12 group classes throughout the day. We will expect our employees to complete many tasks on top of classes throughout the day by helping members on the gym floor, rearranging the equipment,

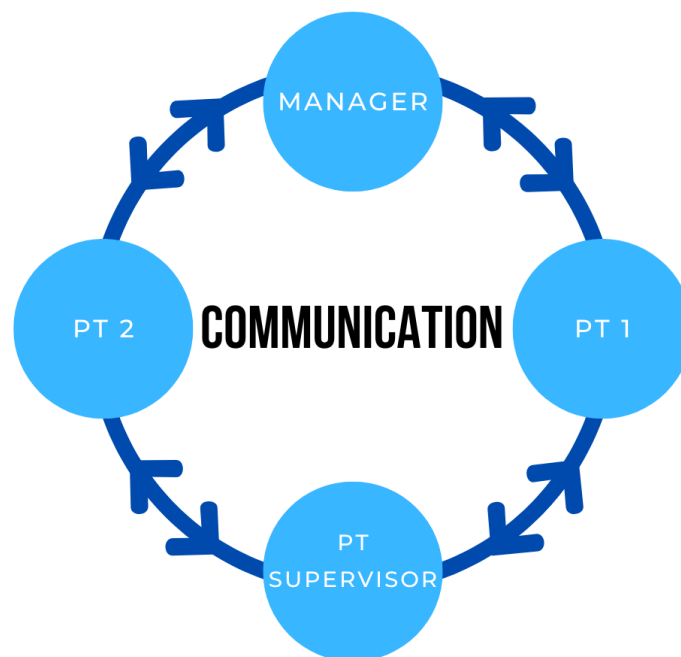
Our staff costs are expected to be £7658 a month + £1067 in national insurance. We intend on employing staff with a moderate level of experience working in gyms or hosting group exercise classes for a minimum of 3 years with proven success in doing so; this is with exception of our general manager who we expect to have proven success in gym management roles in the past with references from prior employers. Overall, we focus on hiring employees who show a good team spirit and a drive to inspire member by displaying their passion to fitness.

11.2 Structure & Communication

ORGANISATIONAL STRUCTURE



This is our proposed organizational structure. This structure represents the methods of communication for all formal and **private** decision making and communication. The structure allows for fast decisions and queries.



Considering the nature of the business, being in a creative service industry, we want to emphasise the workforce as a team, opposed to a taller structure that puts employees on different levels to each other. We believe it to be very important for employees to all feel of equal importance and value, this will allow us to excel in building a community within our customer base. On top of this, by having all employees involved in decision making we will not only benefit from having an excellent working environment for employees (reducing turnover) but also Fusion Gym will benefit from the collective intelligence provided by collaboration of views and prompting synergy.

11.3 Staff Rolls

FUSION GYM EMPLOYEE ROLLS

ROLES	MANAGER	PT SUPERVISOR	PT 1	PT 2	CLEANER
Classes	•	•	•	•	
Personal Training	•	•	•	•	
Organisation of equipment	•	•	•	•	
Equipment Checks	•	•	•	•	
Customer Service	•	•	•	•	
Admin	•	•			
Employee management	•	•			
Cleaning					•

11.3.1 Manager

Fusion Gyms manager will be responsible for organizing employees, hosting classes and ensuring everything is up to standard. The manager will also be responsible for dealing with issues with employees and customers. They will also play a key role in the hiring process.

Criteria:

- Experience in management
- Experience in gyms
- Strong team player
- Leadership and decision-making skills
- Charismatic

11.3.2 PT 1

Pt 1 will be tasked with running group classes, assisting members in the gym as well as arranging equipment. PT 1 will be managed by the manager.

11.3.4 PT 2

PT 2 will have the same tasks as PT2 but will be managed by the PT Supervisor

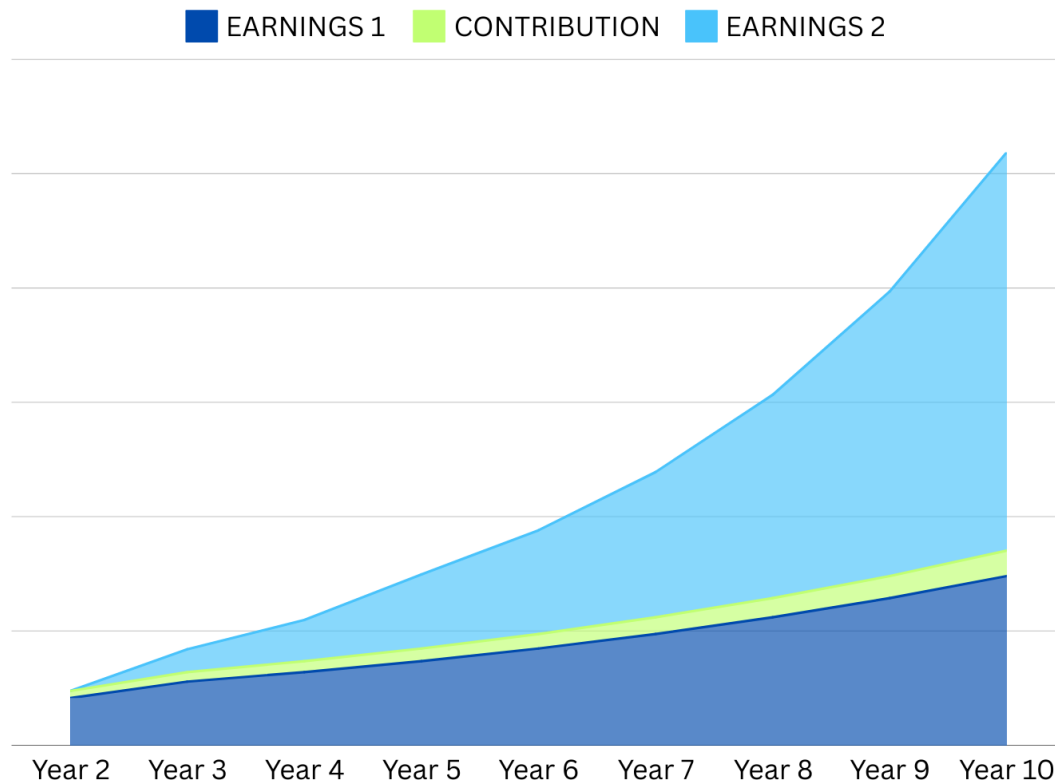
11.3.3 PT Supervisor

PT supervisors will have the same roll as pt1 & 2 with extra tasks. These will include management if PT2. They will also be tasked with rolls similar to the manager such as admin.

11.3.5 Cleaner

We will have a cleaner for 4.25 hours per day Monday-Friday to ensure the gym is kept to a high level of high gym to exceed customers' expectations. They will be under management from the manager.

12. SCALING



12.1 Section Overview

We believe to achieve maximum success for our business it is imperative to maximise customer spending, this is to reduce our customer acquisition costs as a percentage of revenue whilst also driving up customer LTV. We aim on increasing our service offerings to wherever demand can be spotted. By upselling existing customers, we will be able to increase our marginal profit, decreasing customer acquisition costs, as opposed to attempting to expand our customer base.

12.2 Increasing Revenue Streams

To achieve this, we will reinvest 10-15% of our yearly profit into diversifying our revenue streams. The methodology we will use to discover potential revenue streams to implement will be:

- Find products & services customers are purchasing in the health and fitness industry.
- Evaluate for plausible opportunities.
- Analyses demand, profitability & how we can implement

Examples/Potential opportunities:

- Protein powder vending machine

- Supplement vending machine
- Protein shakes vending machine
- Accessories vending machine e.g. water bottles, locks, towels, headphones
- Meal prepping/ diet plans
- Bootcamps
- Rehabilitation
- Chiropractor/ physio/ sports injuries
- Disability classes

12.3 Scaling Existing Services

Fusion gym will have a larger customer base each year. To achieve this, we will set our marketing budget as a % of revenue. This will allow our membership growth to compound each year. To match the demand that we will attract, we plan on reviewing the number of staff we have quarterly. This will allow us to always have the supply to match our demand. We assume we will have to increase our quantity of staff several times leading up to 2030. Increased hiring will happen if 2 conditions are met:

1. Current staff can't supply the demand.
2. Hiring more staff will pay for itself (our staff costs as % of revenue must not increase from base level for more than 2 quarters).

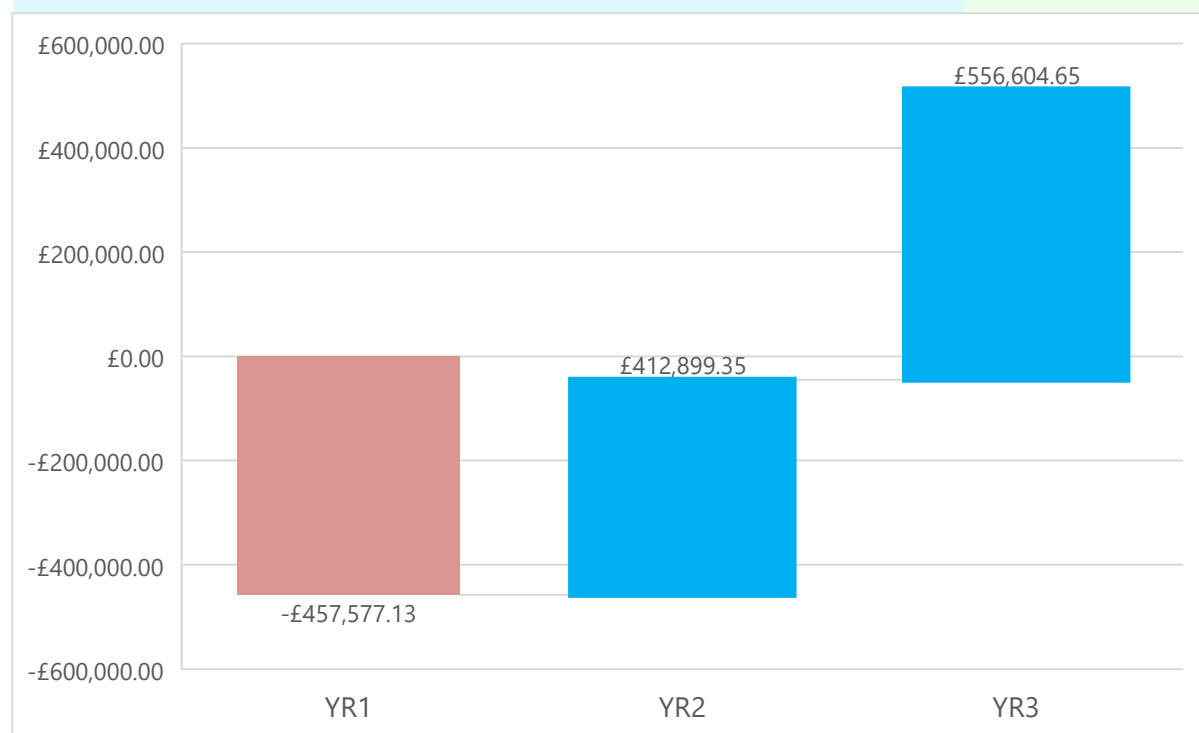
12. FINANCIALS

12.1 Initial 3 Month Set Up Costs

Financials Month	Month 1	Month 2	Month 3
Equipment*			-£212,000
Rent		-£10,000	-£10,000
Staff costs			-£7,658
NI			-£1,057
Insurance			-£400
Council Tax			-£1,438
Marketing		-£500	-£500
Structural		-£50,000	
Lighting		-£20,000	
Flooring		-£10,000	
A/C		-£100,000	
Heating		-£10,000	
Plumbing		-£15,000	
Alarms		-£5,000	
Lockers		-£5,000	
Barthrooms			-£20,000
Class rooms		-£5,000	
PAINTING			-£10,000
computer			-£3,000
Speaker			-£5,000
furniture			-£2,000
Graphics			-£5,000
alarm+cctv		-£5,000	
Planning lawyers	£750.00		
Lease lawyers	£750.00		
employee	£500.00		
customer T%C	£600.00		
defibrillator			-£400
(Total Monthly Costs)	£2,600.00	£235,500.00	£278,452.50
(Total Set-Up Costs)			£516,552.50

12.2 P&L Accounts

£	YR1	YR2	YR3	2031
Revenue	£273,197.87	£698,529.35	£842,234.65	£1,512,411.26
Cost of Sales	£0.00	£0.00	£0.00	£0.00
Gross Profit	£273,197.87	£698,529.35	£842,234.65	£1,512,411.26
Occupancy expenses	-£102,937.50	-£137,250	-£137,250	-£137,250
Employee Costs	-£78,435.00	-£104,580	-£104,580	-£104,580
Utilities	-£11,250.00	-£15,000	-£15,000	-£15,000
Other Costs	-£524,652.50	-£10,800	-£10,800	-£10,800
Contingency	-£13,500.00	-£18,000	-£18,000	-£18,000
EBITDA	-£457,577.13	£412,899.35	£556,604.65	£1,226,781.26



12.3 Breakdown of Costs & Accounts

YEAR 2															
Financial Assumptions		Per Month													
Rent/month:	£10,000.00													Year 2 Profit/Loss Balance	
Utilities/month:	1250													Yearly Revenue:	£873,161.68
Insurance/month:	400													Yearly Costs:	£285,630.00
Staff costs	7658													Yearly Profit Before Tax:	£412,899.35
Monthly Membership Fee:	27.48														
Financials	Month	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24		
Revenue (increase of members)		7.00%	6.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
# of Members		2230	2364	2482	2532	2583	2634	2687	2741	2795	2851	2908	2967		
Membership Fee		£27.48	£27.48	£27.48	£27.48	£27.48	£27.48	£27.48	£27.48	£27.48	£27.48	£27.48	£27.48		
Total Monthly Revenue		£61,287.24	£64,964.47	£68,212.69	£69,576.95	£70,968.49	£72,387.86	£73,835.61	£75,312.33	£76,818.57	£78,354.94	£79,922.04	£81,520.48		
After VAT (20%)		49030	51972	54570	55662	56775	57910	59068	60250	61455	62684	63938	65216		
Costs															
Rent		£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000		
Staff costs		£7,658	£7,658	£7,658	£7,658	£7,658	£7,658	£7,658	£7,658	£7,658	£7,658	£7,658	£7,658		
NI		£1,057	£1,057	£1,057	£1,057	£1,057	£1,057	£1,057	£1,057	£1,057	£1,057	£1,057	£1,057		
Insurance		£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400		
Council Tax		£1,438	£1,438	£1,438	£1,438	£1,438	£1,438	£1,438	£1,438	£1,438	£1,438	£1,438	£1,438		
Electric		£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750		
Water		£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500		
Marketing		£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500		
Contingency		£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500		
Total Monthly Costs		£23,803	£23,803	£23,803	£23,803	£23,803	£23,803	£23,803	£23,803	£23,803	£23,803	£23,803	£23,803		
Monthly Profit Before Tax		£25,227.29	£28,169.08	£30,767.66	£31,859.06	£32,972.29	£34,107.79	£35,265.99	£36,447.36	£37,652.36	£38,881.46	£40,135.13	£41,413.89		

13. RISKS

Key Risks	
POTENTIAL PROBLEMS	POSSIBLE SOLUTIONS
Slow growth	<ul style="list-style-type: none"> • Increase of marketing and promotion spending, more for less and free trials. • Add bootcamps, launch niched down bootcamps. • More variety of classes. • Find which demographics are and aren't joining; continue to expand what is working and fix where needs improvement. • Improve marketing towards underperforming demographics
Member retention	<ul style="list-style-type: none"> • Receive feedback, quickly pinpoint concerns and eliminate them. • Find specifically the demographic of members leaving and find out how we can meet their expectations to a greater degree. • Ensure there's not an area of operations not meeting standard such as team, classes, sanitation, equipment.
Staff retention	<ul style="list-style-type: none"> • Find out what is driving the staff away and improve those areas. • Improve benefits. • Improve salary. • Increase recognition. • Implement team building activities. • Increase opportunities for promotion. • Training
Loss of market share	<ul style="list-style-type: none"> • Analyze competition and their recent changes. • Identify the reason. • Find out what customers desire
Lockdowns	<ul style="list-style-type: none"> • Cut costs dramatically. • Online classes and PT sessions • Nutritional plans • Limited access in line with guidelines
Liquidity problems	<ul style="list-style-type: none"> • Identify our strengths and weaknesses. • Expand on strengths. • Cut off or develop weaknesses depending. • Increase or reduce price depending. • Review and cancel ineffective expenses. • Increase spending where positive ROI is identified
D2 leisure Planning declined	<ul style="list-style-type: none"> • Find problem and resolve, if possible, to reapply, consult planning lawyers.

14. MONTHLY ASSESSMENTS

MONTHLY ASSESMENTS	
Price, cross, income elasticity	Compare with previous and make applicable adjustments
Competition changes, price, classes, social, media announcements	Ensure we are always one step ahead
Economic climate and outlook/ external factors	Adapt and adjust for current and future changes. Changes in real/disposable income
Team review	Engagement, absenteeism, moral, customer feedback on team, Appraisals
Financial Performance	Potential cuts/increases in spending. Changes in spending, revenue changes. What areas can we further capitalize on
Marketing performance	What is effective, what isn't. where we can improve and where we can reduce. Is there a new place to market
Feedback	Complaints and complements to be recorded, recognized and acted upon.
Product	What services are being utilized and what isn't, how can we adapt to scale what's popular and improve what isn't or reduce. What machines, classes and memberships aren't being used, can we get rid of and replace with something else
Trends	What are the current and developing external market trends, how can we implement them
Maintenance	Review cleaning standards and maintenance

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- ¹ [Wantage_and_Grove_Nov20.pdf \(oxfordshire.gov.uk\)](#)
- ² [6_Proof_of_Demand](#)
- ³ [6_Proof_of_Demand](#)
- ⁴ <https://www.whitehorsedc.gov.uk/wp-content/uploads/sites/3/2022/12/VoWH-Wantage-Faringdon-and-Grove-Needs-Assessment-Draft-V5-FINAL-DRAFT-PDF.pdf>
- ⁵ https://public.tableau.com/views/Populationforecastdashboard2021-based/Forecasts?embed=y;:display_count=no&:showVizHome=no
- ⁶ <https://www.whitehorsedc.gov.uk/wp-content/uploads/sites/3/2022/12/VoWH-Wantage-Faringdon-and-Grove-Needs-Assessment-Draft-V5-FINAL-DRAFT-PDF.pdf>
- ⁷ <https://www.amaresearch.co.uk/report/health-and-fitness-market-report-focus-on-clubs-and-equipment-uk-2016-2020/>
- ⁸ <https://www.ukactive.com/news/ukactive-reveals-how-government-can-support-unlocking-fitness-and-leisure-sector-to-get-over-five-million-more-people-active-by-2030/#:~:text=Projected%20growth%20exceeds%2020%25%20of,from%2015%25%20pre%2Dpandemic>
- ⁹ <https://www.ukactive.com/news/ukactive-reveals-how-government-can-support-unlocking-fitness-and-leisure-sector-to-get-over-five-million-more-people-active-by-2030/#:~:text=Projected%20growth%20exceeds%2020%25%20of,from%2015%25%20pre%2Dpandemic>
- ¹¹ https://public.tableau.com/views/Populationforecastdashboard2021-based/Forecasts?embed=y;:display_count=no&:showVizHome=no
- ¹² <https://www.puregym.com/blog/uk-fitness-report-gym-statistics/>
- ¹³ <https://www.ukactive.com/news/ukactive-reveals-how-government-can-support-unlocking-fitness-and-leisure-sector-to-get-over-five-million-more-people-active-by-2030/#:~:text=Projected%20growth%20exceeds%2020%25%20of,from%2015%25%20pre%2Dpandemic>
- ¹⁴ <https://www.pwc.co.uk/hospitality-leisure/assets/pwc-low-cost-gyms-report.pdf>
- ¹⁵ <https://www.smartcompany.com.au/finance/economy/why-24-hour-gyms-are-growing-in-popularity/#:~:text=%E2%80%9CThe%20fitness%20industry%20is%20in,24%2Dhour%20franchise%20model%20clubs>
- ¹⁶
- ¹⁷ <https://images1.loopnet.com/d2/mUmS06kvj76IBBq8l2vaYhLwkRTNT2OUIETJGNWa4Og/document.pdf>
- ¹⁸ <https://emduk.org/wp-content/uploads/2017/09/Final-National-Survey-Report.pdf?x49114>