

ASI-MYUM FITNESS CENTRE



Contact Information:

SDA Mission
68, Uwisarah Raod
Dagon Township, Yangon
Myanmar

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Executive Summary

The following document is a plan for the operation and marketing of a start-up gym located in No. 2, Thuka Street, Kamayuat Township, Yangon in Myanmar. This gym is geared towards the fitness apprehensive market: people that have the will to workout but lack the confidence. It's an opportunity to serve a market that is often forgotten about by making fitness an enjoyable experience. The new gym will offer access to fitness equipment, personal training, and fitness assessments in a comfortable and welcoming environment. Sharp design and a comforting environment will set the gym apart from the competition. It will be a place where people want to be rather than have to be.

The 60/20 square foot Fitness Centre will require heavy startup capital for extension building and equipment purchases. Investment in cardio machines and weights is estimated at USD 25000; while overall build out and decorating costs are projected to be USD 20,000, which brings total capital required before launch to USD 45,000.

Business Opportunity

Strength training or gym is an important aspect of our lives. The gym business provides the opportunity for all ages to be confident about their fitness expectations. It is a business that delivers physical fitness training through an expert coach, highly sophisticated equipment, extraordinary exercise programs, in their convenient schedules.

The gym business has gained grounds lately, and people are getting more aware of its immeasurable benefits, especially when they enroll in a gym around them. People now know that the gym helps them stay healthy, enhancing their lifestyle, and helping them to live longer. People, who feel they are obese or have some health issues now register in the gym to primarily shed some weight, train, and increase their muscles.

Statistics have shown that the number of people enrolling for gyms is increasing steadily and because of its closeness to their residents, it makes it easier for them to access. Thus, the increase in the number of interests of individuals in gyms, the increase in income and revenue for the gym business owners.

Service Description

Memberships

Most gyms run by the membership model whereby customers purchase a membership for a given period of time, allowing them access and use of the facilities.

Personal Training

In addition to memberships, Personal Training is a major source of revenue for the gym.

Fitness Assessments

The gym will offer various fitness assessments to the fitness enthusiast, beginner, or to those who have been long removed from fitness. These assessments will help establish a baseline for clients, provide numerical feedback about their health and allow them to benchmark their health against the average. Assessments will be offered to both members and non-members (non-members will incur an additional fee).

Current Business Position

The fitness center will be a Sole Proprietorship Company owned by ASI-MYUM in order to increase its income generating operation and also tend to extend the relationship with the community to be able to share the love of Jesus.

Project Background History

Many businesses are driven purely by profit and have a myopic perspective on financial performance. This new gym will start with the customer and their respective needs. The adage of the ‘customer is always right’ is what will drive business. Clients are more likely to return and give referrals if treated properly, increasing their lifetime value to the business.

The MYUM Fitness Centre is an organization that is specific to enhancing and improving the physical fitness of people in Yangon City area. The purpose of this organization is to instill greater confidence in all ages who can’t perform physical fitness activities in their daily life. Thus, The ASI-MYUM Fitness Centre is saddled with the responsibility to achieve some amazing results for all. These include, losing weight to make them feel better about their look and feel; increasing their strength to help them burn more calories in the daily; increasing their energy to ensure they can keep up with their levels, peer, children, even grandchildren (for older women) or the rest of their lives; providing vitality in them for them to live a freer and healthier life; more flexibility to help them constantly move freely in their daily works and activities; to also keep them younger all day long in order to be able to thread on any hills or mountains; and finally keep them living longer, through losing some weight, increasing their lifelong expectancy, and helping them enjoy the rest of their later years.

Mission Statement

“Helping the shy, reluctant, and discouraged achieve their fitness Goals. The goal is to create an environment where the non-athlete will feel comfortable. The gym will be an extension of the home: safety and familiarity are the most important elements”

Vision

Four main components will characterize and drive the business: People, Service, Partnerships, and Productivity.

People: Create an environment where people want to work out rather than need to.

Service: Customer service leads success. Transactions make them come in. People make them come back.

Partnerships: Always push for a situation where all parties are happy.

Productivity: Stay current and stay lean.

Service/Product

Memberships

Most gyms run by the membership model whereby customers purchase a membership for a given period of time, allowing them access and use of the facilities. Memberships will be available at different price points corresponding to the specified time period. Overall, our memberships will be flexible in order to accommodate the client as much as possible.

Personal Training

In addition to memberships, Personal Training is a major source of revenue for the gym. Trainers will be paid hourly and given a 20% commission for any client they sign up for a membership. Personal training prices will range from ... an hour, depending on the trainer's experience and specialty.

Personal training can be a very intimate service. The trainer must act as a teacher and motivator, but also as a therapist. The gym is an intimidating place for many people because they are afraid of judgment. Furthermore, many people who are either new to the gym environment or are overweight need emotional support because their eating and exercise habits are often tied to psychological/emotional aspects. A trainer must be able to help the client identify these issues and provide them with new strategies for how to eat and exercise to promote a healthy lifestyle. For this reason, the trainers hired must not only be personable, but must be sensitive.

Fitness Assessments

The gym will offer various fitness assessments to the fitness enthusiast, beginner, or to those who have been long removed from fitness. These assessments will help establish a baseline for clients, provide numerical feedback about their health and allow them to benchmark their health against the average. Assessments will be offered to both members and non-members (non-members will incur an additional fee).

Competitive Analysis

The ASI-MYUM Fitness Centre is not just only a health club, just like the majority of its

competitor in Kamayuat Township in Yangon. The ASI_MYUM Fitness Centre is in the business that is targeted at health and physical fitness of all ages in Yangon City. The major function is to ensure that a strong confidence is built inside of those who cannot withstand training before other public area. In addition to this, The ASI-MYUM Fitness Centre aims to work with other client companies to carry out other wellness strategies.

Other competitor in the Kamayuat Township include the Public Gym located near football ground. The ASI-MYUM Fitness Centre will take a cordial responsibility interest in the wellbeing of all its members, this is unlike its competitors. The integral part of The ASI-MYUM Fitness Centre is total follow-up and monitoring of all its members, based on their wellbeing.

The Industry, Competition and Market

The industry has a variety of potent market drivers. Every physician, health educator, health insurer, health journalist, school, university, indeed, every major institution concerned with health, including the Ministry of Health Department in Myanmar, all advise their readers, patients, students, and clients that regular exercise is vital to a healthy and productive life. Whether managing stress, avoiding long-term health problems, to simply looking and feeling one's best, health and fitness is a growing concern to our country, a concern that will continue to grow sharply in the years ahead, despite general economic conditions.

Primary Competitors

Public Gym: will be the major form of competition out of the gyms nearby located 3 miles far from the said Fitness Centre. Public Gym is owned and operated by Local authority in Insein Township. These gym tend to be smaller in size (compared to a big box gym) and offer basic fitness products/equipment and services. The major points of differentiation between the ASI-MYUM Fitness Centre and Public Gym will be customer service, involvement in the community, and ambiance. Furthermore, Public Gym targets a 'no frill' clientele who simply want to get in and get out with little interaction or assistance. The ASI-MYUM Fitness Centre will target a more involved client who wishes to become knowledgeable about health and fitness and who are willing to pay slightly more to gain that information.

Marketing Plan

Competitive Advantage

The primary strength is differentiation through impeccable customer service and unique ambiance. In addition, the fitness center will offer quality products (equipment, facilities, etc) and quality services (personal training, classes, etc.). Over the years, fitness centers have become a commodity in that there are not many differentiating factors. This is why differentiation is key. For the chose demographic, a large volume of product offerings is not an important factor. As a result our fitness center will not focus on product offering as a differentiating factor, Instead the service and “feel” of the gym will set this fitness center apart.

Pricing

Exercises

Single Day Pass	1 hour	2000 Kyats
Whole Day	8 hour	8000 Kyats
Regular office hour (9:30am to 4:30 pm)		25000 Kyats (monthly fees)
Before and after office hours (7:00 to 9:00 am) (4:30-9:00 pm)		35000 Kyats (monthly fees)

The package include using any equipment plus shower.

Personal Training

In addition to memberships, Personal Training is a major source of revenue for the gym. Trainers will be paid hourly and given a 20% commission for any client they sign up for a membership. Personal training prices will range from an hour, depending on the trainer's experience and specialty.

Fitness Assessments

The gym will offer various fitness assessments to the fitness enthusiast, beginner, or to those who have been long removed from fitness. These assessments will help establish a baseline for clients, provide numerical feedback about their health and allow them to benchmark their health against the average. Assessments will be offered to both members and non-members (non-members will incur an additional fee).

Baseline Fitness Test	3000 Kyats
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Body Composition Analysis

3000 Kyats

The ASI-MYUM Fitness Centre experiences seasonality effects like any other business. The peak season occurs after New Year. During the preceding months, people tend to forget about their health and fitness and focus on family, food, and alcohol. They promise themselves they will make up for their indulgences starting after the New Year, which explains the spike in memberships during the following quarter. The intention is to take advantage of this new found interest in health and fitness by offering them a valued solution.

Six weeks prior to launch, a direct distributing a brochures campaign targeting nearby neighborhoods will launch. This campaign's purpose is to increase awareness among the most geographically relevant population. It will also invite them to a grand opening event slated for January 5th of the following year.

Opening Day Event

On January 5th of the New Year an Opening Day party will kick off the new business and welcome interested patrons. The event will have promotional items (T shirts, water bottles, etc.), a catered, health conscious menu, in addition to healthier drink options (shakes, vitamin water, tea, etc.). This event will be the initial attempt to reach out to the community and establish an identity.

Operating Plan

As previously indicated, customer service must be supreme. Special attention will be paid to getting to know each new member. This personal attention will allow me to get to know my initial members and their respective wants and needs. As we refine our understanding of the clientele we will be able to hire staff in line with their wants.

Staffing will be ramped up commensurately with the demand. Within three months an experienced trainer and class leader will be brought on in a full time capacity.

Once a quarter, membership demand for products and services will be addressed. Informal surveys will help flush out interest in various classes and exercise routines. The goal will be to keep the patrons engaged and entertained, realizing better fitness results, and consequently renewed memberships. Those clients who are not stimulated will get bored and lose interest. As interest wanes, it will be more difficult for them to achieve their fitness goals. If they do not see progress, they will not come back.

In order to stay on top of current trends within the industry either an employed trainer, or myself, will go to trade shows and visit to the other similar Fitness centre. The information gathered at these shows will help to keep the gym positioned as a knowledgeable establishment. This positioning will help give credibility to the business amongst members/consumers and within the industry.

Location

The fitness center will be located on No. 2 Thuka Street, Kamayuat Township, Yangong Myanmar. Location requirements are listed below.

Physical requirements

- | | |
|------------------------------|--|
| 1. Amount of space | 60/20 feet |
| 2. Type of building | hall type of building with a large contiguous space, two division |
| 3. Power and other utilities | Wired for up to 220 watts. Spacing and infrastructure for two showers. |

Access

The location will be on a main road within close proximity to a highly frequented area (grocery store, residential campuses, schools, etc.). Additionally, the location will be visible from the road, especially by passing drivers.

- On main road
- Ample Parking
- Security for bikers
- Visibility from road

Hours of Operation

The ASI-MYUM Fitness Centre will open all day everyday (except Saturday). It will open from 7:00 am to 9:00 pm.

General Build Out:

This includes much of the basic construction including installation of two individual bathrooms (shower, toilet etc.), removal of any non-load bearing walls, paint, doors, and air conditioning. Also, many mirrors and windows will be added to increase lighting.

Office Furniture:

A basic but necessary start-up expense is establishing an office. This office will function as the business center for the gym and will be used to talk to current and prospective members. As a result, the office will need to feel inviting yet professional. This means that an appropriate sized desk, office chair, couch, lamps, filing cabinets, and a table will need to be purchased. The budget allocation is slightly inflated to make sure enough financing is secured.

Facility

The Investment Capital Use

The breakdown is shown below:

Furniture

Table	2 items
Chair	4 items

Operating Equipment:

Weight machines	2 sets	
Chess Press		1 set
Leg Extension	1 set	
Multi Pully	2 set	
Smith Machine	1 set	
Running Machines	2 set	
Abdominal		1 set
Hack Squat	1 set	
Adjustable	1 set	
Pull-up bars	1 set	
Exercise machine (Cycling)	2 set	
Olympic Plate	1 set	

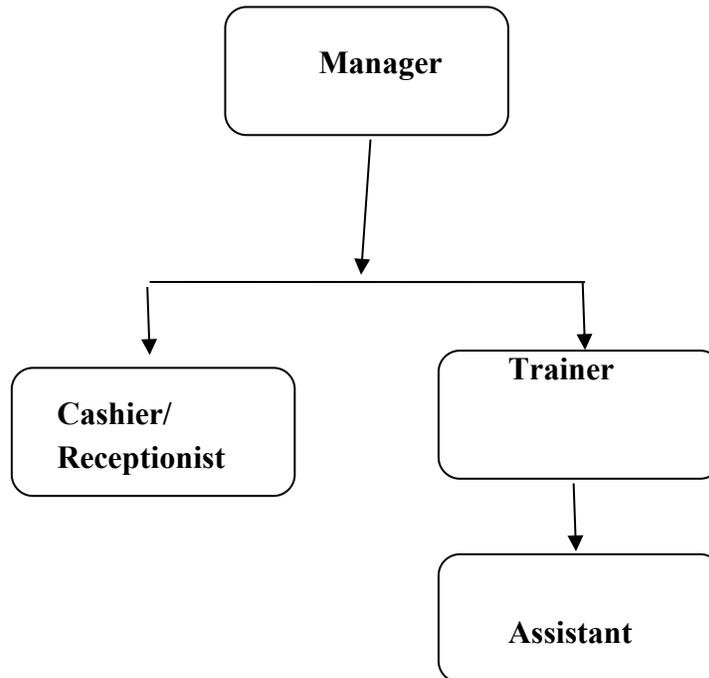
Personnel Plan

Qty	Position	Education	Experience
1	Trainer	BA	2 Years
2	Assistance helper	BA	2 Years
1	Cashier/Receptionist	Plus II	



Organizational Plan

Organizational Structure



Personal Plan and the wages

Qty.	Position	Education	Experience	Salary (Kyats)
1	Trainer	BA	2 Years	250,000
2	Assistant Trainer	BA	2 Years	150,000
1	Cashier/ Receptionist	Plus II		100,000
	Total			650,000

Financial Assumptions

Part I. Calculating Start-up Expenses

1. Creating Legal Structure	10,000	
2. Accountant		-
3. Building out the space, decorating, and remodeling	1,000,000	

4. Licenses and permits from city	100,000
5. Stationery and logos	20,000
6. Marketing and sales materials	50,000
7. Insurance	-
8. Telephone and utility deposits	200,000
9. Internet and website	-
Total	1,380,000

Part II. Purchasing Assets

1. Building Extension (Incs. Furniture and Fixtures)	USD 20,000
2. Equipment and machinery	USD 25,000
Total	USD 45,000

Part III. Ongoing Monthly Expenses

1. Utilities	30,000
2. Payroll	650,000
3. Supplies	5,000
4. Insurance	-
5. Transportation	10,000
6. Legal and accounting	-
7. Advertising and marketing	30,000
Total	725,000

Part IV. Calculating Breakeven for ASI-MYUM Fitness Centre

1. Total Start-up expenses	1,380,000 (Kyats)
2. Assets to be purchased	45,000 (USD)
3. Ongoing Monthly Expenses	725,000 (Kyats)