

Business Plan School of Water Gymnastics



DESCRIPTION OF THE ENTERPRISE

1 Presentation of the enterprise with the justification

1. The title and the description of the enterprise (description of the product and the justification for its choice).

"School of swimming, corrective gymnastics and water aerobics"

The aim of the school will be to propagate active forms of spending one's free time by creating an opportunity for the citizens of Bielsko-Biala to swim, regardless of age, encouraging children and teenagers (especially those with the abnormal spinal curvature) to do corrective gymnastics as well as water aerobics. The stress connected with working on a computer, spending one's free time watching television are a reason for poor physical and mental state, obesity, heart and, motor organs and spinal cord diseases. Doctors claim that exercise is crucial, especially for those who either out of necessity or their personal choice lead an inactive kind of lifestyle. That is the reason for the idea of the creation of the school which would help the local community to spend their free time in an active way. The strategy of the enterprise is integrated strategy.

2. Location. Justify the choice of the location.

The services will be provided in Bielsko-Biala in the rented from a school swimming pool called "Żabka" in Górskie estate. At the moment, in the evenings the swimming pool stays empty, as the school uses it only in the morning hours as part of the PE lessons.

The school will be functioning in the afternoons and at the weekends in the biggest estate in town. So, its actions will be aimed at the residents of this particular estate and of the surrounding areas.

MARKETING ANALYSIS

C-1 Client	
Name target groups. Are they individual or institutional clients? Describe the needs and the number of the target group, give its characteristics.	
Explain why this particular target group has been chosen.	
The school will be providing services for both individual and organized groups of clients. Swimming lessons offer will be directed at children, teenagers and adults who either cannot swim or who want to improve their swimming skills. Corrective gymnastics classes will mostly be used by children and teenagers with abnormal spinal curvature, but also by those who will treat the exercise as a form of prevention. The addressee of water aerobics will be teenagers and adults who like to rest in an active way.	
C-2 Price	
Net price at which the product/service will be sold should be named (without the VAT) in the context of the average price offered by the competition. Present the guidelines of the discount policy.	
Applicant's offer	Competition's offer
1 one hour swimming lesson (on average, without subscription) 23,00 zł	25,00 zł
1 one hour corrective gymnastics lesson (on average, without subscription) 23,00 zł	25,00 zł
1 one hour of aerobics 15,00 zł	17,00zł
The guidelines of the discount policy:	
10% discount for those who buy training for two people, as well as for those who buy a monthly subscription.	

C-3 Promotion
Specify action that will be taken to gain clients.
<ul style="list-style-type: none"> -'whispering advertising' -leaflets -gaining clients by calling institutions or factories -posters -the Internet page
C-4 An analysis of the competition
Who is the most important
<ul style="list-style-type: none"> -the swimming school in "Karpackie" estate, -the school of water aerobics in "Złote Łany" estate -water corrective gymnastics at Ośrodek Gimnastyki Korekcyjnej
C-5 SWOT ANALYSIS
Present the factor or factors that will contribute to gaining advantage over the competition. Why will the service be better than that provided by the competition, in what sense?
<p>opportunities</p> <ul style="list-style-type: none"> - increased interest in leading a healthy lifestyle, -more and more children suffering from spine problems - a big housing estate, - the trend among women to do aerobics, -accessible prices, - finding entertainment for children, teenagers and adults, - a trend to learn swimming after Otylia Jędrzejczak's success, -growing income of the population, - constantly growing number of middle-aged women suffering from spine related problems, -easiness of exercising in water, - good standard of facilities, - high economic growth, -possibility to use jacuzzi, - the trend to learn swimming in infancy, <p>Threats</p> <ul style="list-style-type: none"> - the swimming-pools existing in town, - the courses in water aerobics and swimming lessons in Bielsko-Biała, -other ways of spending one's free time (tennis schools, mountain climbing, skiing, yoga, etc,) - too little interest in the offer of the school, <p>Strengths</p> <ul style="list-style-type: none"> -variety of offers, - high profitability -the instructor's qualifications, -discount programme, -innovative character, -good location -the chance of short-term-basis participation -the possibility of negotiating prices <p>Weak points:</p> <ul style="list-style-type: none"> -no supply instructor in case of a random incident, -poor image of the firm -the possibility of being given notice, - limited funds that can be used for the start-up of the enterprize (ca 12,000 zł)

THE ECONOMIC AND FINANCIAL PLAN

D-1 The running costs of the enterprize	
Make an analysis of the funds necessary to operate the enterprize in the first year of its activity. Specify the main costs	
Characteristics	cost (PLN)
1.The instructor's salary	4.000,00 zł

2.the swimming pool rental costs (144 hours x 120.00 zł/h per month)		17.280,00 zł
3.Insuarance costs for the participants (1zł per participant		300,00 zł
4.bookkeeping costs		300,00 zł
5.Advertising and others		1.700,00 zł
Total cost:		23.580,00 zł
D-2 SALES OUTLOOK		
Make a sales outlook for the first year of activity.		
PRODUCT/ SERVICE	The number in the first year of activity	SALES OUTLOOK (price * number)
1. swimming lessons (32 h)	4 groups of at least 10 people 8 times per month subscription -150 zł per one person a month a one -time entry 23 zł , if the number of people is smaller than 10 .(no extra income from a one-time entry has been taken into account)	6.000,00 zł
2. corrective gymnastics (32 h)	As above	6.000,00 zł
3.Water aerobics (80 h)	10 groups of 15 people 8 times a month 100 zł per person a month a one -time entry 15 zł , if there are fewer than 15 people (no extra income from a one-time entry has been taken into account)	15.000,00 zł
total PLN		27.000,00 zł

THE ECONOMIC AND FINANCIAL SITUATION

E-1. The total of profit and loss.

Position	In the first year since 01 I 2008 to 31 XII 2008	For the whole of the second year Since 01 I 2009 to 31 XII 2009
1/total income:	324.000,00 zł	486.000,00
- from the product sale		
- from the service sale	324.000,00 zł	486.000,00
- from the sale of goods		

- the other income		
2/ total cost:	282.960,00 zł	406.810,00
- depreciation		
- costs of equipment (balls, circles, caps, swimming boards, etc)- variable cost	10.000,00 zł	10.200,00
- rental cost	207.360,00 zł	294.000,00
- the cost of use		
- transport- <i>variable costs</i>	5.000,00 zł	5.100,00
- ZUS	9.000,00 zł	16.500,00
- workers' salary	27.600,00 zł	50.100,00
- surcharge on salary	8.400,00 zł	15.000,00
- bookkeeping	3.600,00 zł	3.670,00
- other costs (advertising, telephone, post, etc)	6.000,00 zł	6.120,00
- the insurance of the firm	3.600,00 zł	3.670,00
- other costss- variable costs	2.400,00 zł	2.450,00
3/gross income/loss: 1-2	41.040,00 zł	79.190,00
4/ VAT(linear 19%)	7.798,00 zł	15.046,00

5/ net profit (3 – 4)	33.242,00 zł	64.144,00
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Remarks:

- 1, In the second year, together with the increase in reputation, the income will grow by 50% plus inflation. The rental cost will grow by 40% as the number of groups will grow by 10%
2. A worker with the salary of 2.500,00 zł. will have to be hired.
- 3.inflation will grow by 2% in a year.

IN THE FIRST YEAR OF ACTIVITY

Break-even point $(23850-1450)/(117-6,3)=199$ of subscriptions

Additional calculations:

The average price of the product: $(80*150)+(150*100)/230=117,40\text{zł}$

$5000+10000+2400=17400/12=1450/230\text{os}=6,3$ -cost variable per person

nett break even point=profit after paying the tax (nett)/sale income =
 $= 33.242,00/324.000,00*100=10,06\%$

economic activity =sale /assets total=
 $=324.000,00/10000,00=32,40$

in the second year of activity

Break-even point: $(406810-17750)/(117,4-4,3)=287$ subscriptions

Additional calculations:

The average price of the product $(120*150)+(225*100)=4050/345=117,40\text{ zł}$

$5100+10200+2450=17750/12=1479/345=4,3\text{zł}$ -cost variable per person

nett break even point

profit after paying the tax (nett)/sale
 $=64.144/486.000,00*100=13,20\%$

economic activity rate =sale/assets total=
 $=486.000,00/10.200,00=47.65$

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BUSINESS PLAN

Mineral Waters



Our Company's name is Kızılay. Its aim is to produce %100 natural mineral water with fully automatic Machines. And also to inform society about the benefits of mineral water.

And our company is one of the leaders in its sector thanks to its modern and high capacity production lines with the latest technology.

The company was established by 3 people with a grand total of 600.000€ and share percentages are 20%, 20%, 60% At first, outcome was just for the factory equipments, paper works and mineral water fees; any money wasn't spent for the spring of the mineral water because it belongs to one of the company's partners.

The production plant is at AFYON city where Company's mineral water source is located. It is established on a total area of 23.000 sqm², performs mineral waters & fruit flavored mineral waters with 4 lines production on 5.000 sqm covered zone with daily bottle capacity of 20 000 pieces

Totally; with bottle, electricity, spring costs, packaging workers outgoings; a bottle costs about 30cents and it is sold to the distributors for 35 cents and in our stores for 40 cents to consumers. Thus, company's profit is about %16. And income is about 3.650.000 Euros per year.

Company distributes the bottles as 6 or 12 pack boxes via stores. Company has 2000 workers, 1500 workers work in production process and 500 workers in stores.

The difference of the company is also producing natural fruit flavored mineral water besides normal ones. But the difference is producing it by adding fruit flavor to mineral water, not adding carbondioxide to flavored water! Company has 4 kinds of fruit flavors; strawberry, lemon, peach and sour cherry. And as a market demand, company is stil working on Apple flavor.

There was not a well-organized company in mineral water market when the factory was opened. As the eating habits changed like fast foods and unhealthy foods, we saw the need for a new and high quality mineral water brand and that's why the company was founded.

THE INTERVIEW ABOUT OUR BUSINESS PLAN

TUĞÇE : Now, we are going to present our Business Plan. It is about a mineral water production company. Our presentation consists of two parts. The first part is an interview with the owner of the company and the second part is about some advertisements of the company.

DİLEK GÖRKEM : Hi, Mr Açıkgoz. Welcome to our interview.
: Hi, Thanks for inviting me to your interview.

TUĞÇE GÖRKEM : First of all, What is the name of your company?
: Our company's name is Kızılay.

DİLEK GÖRKEM : Hi Mister Açıkgoz, What is the aim of your company?
: Our Company is one of the leaders in its sector thanks to its modern and high capacity production lines with the latest technology; and its aim is to produce %100 natural mineral water with fully automatic n

machines and to inform society about the benefits of mineral water.

TUĞÇE : **With how many people did you establish KIZILAY?**

GÖRKEM : We established our company with 3 people.

DİLEK : **What about the share percentages among the partners of the company?**

GÖRKEM : The company's share percentages are 20%, 20%, 60%.

TUĞÇE : **What was the capital when you started the company?**

GÖRKEM : We started with a grand total of 600.000.- € but this amount was just for the factory equipments, paper works and mineral water fees; we didn't spend any money for the spring of the mineral water because it belongs to one of my partners.

DİLEK : **Where do you produce your mineral waters?**

GÖRKEM : We bottle the mineral waters from our source located at Afyon.

TUĞÇE : **How many bottles does your factory produce per day or in other words what is your factory's daily production capacity?**

GÖRKEM : Kızılay mineral Waters, which is established on a total area of 23.000 sqm, performs Mineral Waters & Fruit Flavored Mineral Waters with 4 lines production on 5.000 sqm covered zone with daily bottle capacity of 20 000 pieces

DİLEK : **How much does the production cost for a bottle?**

GÖRKEM : Totally; bottle, electricity, spring costs, packaging workers outgoings, it costs about 30 cents.

TUĞÇE : **How much is your profit from a bottle?**

GÖRKEM : As I said, a bottle costs us 30 cents and we sell it in our stores for 40 cents and to the distributors for 35 cents. So, our profit is about %16. And our income is about 3.650.000 Euros per year.

DİLEK : **How do you do the packaging and distribution?**

GÖRKEM : We distribute our bottles in 6 or 12 pack boxes via our stores.

TUĞÇE : **In total, how many workers do you employ in these processes, including the stores?**

GÖRKEM : Our company has 200 workers, 150 workers work in our production process and 50 workers in stores.

DİLEK : **You also produce fruit flavored mineral waters. What are the differences between fruit flavored mineral water and flavored sparkling water?**

GÖRKEM : Flavored sparkling water is produced by adding carbon dioxide to any kind of water and because of this it is artificial. But fruit flavored mineral water is produced by adding fruit flavor to mineral water. So, it is not artificial and it is %100 natural.

TUĞÇE : **Which fruit flavored mineral waters have you produced until now?**

GÖRKEM : Currently, we are producing lemon, strawberry, x flavored mineral waters. It is a market demand that we also work on the Y flavor.

DİLEK : **Finally, why did you choose producing mineral waters?**

GÖRKEM : We chose producing mineral waters because the spring of the mineral water is belongs to one of my partners and there was not a well-organized company in mineral water market when we opened the factory. As the eating habits changed like fast foods and unhealthy foods. We saw the need for a new and high quality mineral water brand.

TUĞÇE : Thank you very much for answering our questions Mr. Açıkgöz.

GÖRKEM : Now, it is time for the advertisements of our company.

DİLEK : Are you OK. You look weak.

TUĞÇE : Yes, I am. I got tired because I have been playing basketball for two hours and I haven't drunk any water

DİLEK : I'm sorry but I don't have any water with me but I have two bottles of mineral water. As far as I know you can drink mineral water instead of water and also mineral water is good for weakness. So please try.

(Bir şişe maden suyu açar ve verir)

TUĞÇE : It tastes good and also you are right. (şişenin hepsini içer) I feel better now. But isn't it unhealthy when you are hungry?

DİLEK : NO, just the opposite, as far as I know, if you drink it when you are full or you have a stomachache, it may be useless or ineffective. And also if you drink it more than you need, it may be unhealthy.

TUĞÇE : So what are the other benefits of mineral water?

DİLEK : For example, I see a lot of pimples on your face.

TUĞÇE : Oh really, do I have so many pimples?

DİLEK : I'm sorry but you have. If you clean clean your face with mineral water, you can get rid of your pimples easily. (Bir şişe daha maden suyu açar ve verir) Doctors say that mineral water is the best solution in

the world for this kind of situations. But you have to use it regularly.

TUĞÇE : So I'm going to start as soon as possible; even now.

DİLEK : But we have forgotten the other bottle.

TUĞÇE : What is the problem? Why are you worrying about it?

DİLEK : If you open and leave it without drinking the bottle it loses its acid; and because of this the second bottle won't give the same taste if you drink it. But you can use it to water your plants because its minerals are very useful for them.

TUĞÇE : Mmm very interesting.

DİLEK : So as you can see, mineral water has lots of benefits not only for us but also for our plants.

TUĞÇE : Oh, yes, you are right.



1- İki küçük saksı

2- 2 yapma çiçek buketi

3- Pamuk

4- Göz kalemi

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