



Programme: BA Business Management

MODULE: Entrepreneurship

Module: LCBB5001

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Assessment 2

Business Plan

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BUSINESS DESCRIPTION / MARKET OPPORTUNITY

With a cheerful, energetic and adult-oriented ambiance, Cleo's Gym is a fitness club that aims to improve the lifestyles of all of its members. The fitness club aspires to create an effect on the athletic population through its value-driven efforts that line well with its purpose and vision with the newest gear, gymnastic machines, well-educated personal trainers, and best-in-class personalised services (Guță, 2014).

The training centre's purpose is to teach its participants about the science and art of exercise in order to help the general public live a more fit and long-lasting lifestyle. It is the goal of the club to raise people's "self-esteem" by educating them about the advantages of a healthy lifestyle in an unfit society (Ojala, 2016).

Fitness is a personal passion for the investor, and he or she enjoys going to the gym to work on it. She's been working out for about five years and likes a variety of aerobic activities, entries, jumps, and sometimes weightlifting. Several individuals gave her advice on how to lose weight and reduce her body fat percentage during her own weight reduction journey. Business owners realised that there are many fallacies in the health and fitness sector about things like workouts, food, cardio activity, efficiency supplements, and steroids. If you want to teach others about fitness and dispel fitness stereotypes, you must do something for your community, according to this entrepreneurial woman. She'd always hoped to turn her hobby into a full-time job. Performance-enhancing medications are becoming increasingly popular among athletes, and fitness clubs are capitalising on this trend by marketing their services and generating money from misleading newbies. Here comes Cleo's Gym, which aims to fill this gap in the market by teaching people how to be disciplined in their exercise routines and the importance of consistency. In order to teach newbies that 'Supplements cannot substitute for hard effort,' the society stands by its essential ideals (Martyniuk, 2012).

At the centre of High Street in Erdington, Birmingham, Cleo's Gym will be positioned near the Moss Side Shopping Centre, one of Erdington's most important and prime sites. As one of Birmingham's most desirable neighbourhoods, Erdington has beaten out a number of affluent areas

in recent years. A sole-trade firm will be established by the entrepreneur because of the size of the activity and the ease with which legal processes may be established. Additionally, the business owner aims to maintain complete operational command of the enterprise.

INDUSTRY ANALYSIS

Industry research has been used by large and small firms alike to get a significant advantage over their competitors in the industry. Cleo's Gym has a number of competitors in the market, which have a significant influence on the client (Davis, 2012). In order to preserve its position in the market and retain customers, the company has hired one. It is the purpose of the macro-environmental assessment to analyse the feasibility of an industry's surroundings.

Threat of new entry

The largest danger to Cleo's Gym hand wash, according to Porter's five-force model, is new entrants battling in that business and for that specific product. Because of this industry's low switching costs, it has become a very competitive market to compete in. The requirement to achieve economies of scale in order to generate even a little profit has proven this sector challenging to handle. In this example, the club has been able to benefit from economies of scale since it has to create large quantities of items. This has allowed the club to provide more competitive prices for its services.

Threat of substitutes

Substitute items and services are readily available in the market where the organisation and its system operate at a high level. Since the recipients of this product and service now have other options, this unique characteristic has diminished the institution's income generating (Grundy, 2016). Because of the service facility's cheap switching costs, customers have been able to quickly switch across clubs. Cleo's Gym, on the other hand, has a great risk of being taken over by a rival gym.

Bargaining power of customers

Customers' switching costs in the price mechanism in which the firm does business are extremely low. Access to information about the company's goods and services is simple. The dissemination of data has given consumers the power to pick between brands and chose the product that best meets their expectations. This is also true for the products and services offered by Cleo's Gym.

Bargaining power of suppliers

Cleo's Gym's commodities, shipping, and other needs are supplied by a huge number of vendors, all of whom have helped build the company. Almost all of the organisation's needs are met by outside providers (Dobbs, 2014). The components in the club's service are nearly identical to those utilised by other brands in the market. In this situation, the club's supplier occupies a powerful position and may significantly affect operations.

Competitive Rivalry

Name of competitor	Differentiation
Aesthetic Health and Fitness club	Cleo's Gym features a customer service that moisturises the skin more and an ergonomic atmosphere that clients like that over Aesthetic Health and Fitness club, which is really the main distinction between the ways.
Kaizen Centre	According to Cleo's Gym and Kaizen Centre's novel hygienic environments, Cleo's Gym has 99.99 percent effectiveness, whilst Kaizen Centre revolutionary sanitation is 30 percent less consumed than other health clubs.
Ultimate Fitness Birmingham	When comparing Cleo's Club to Ultimate Fitness Birmingham, Cleo's has 70% of its service centre powered by electricity and digital technology, whilst Absolute Workout has up to 60%.

OPERATIONS AND MANAGEMENT TEAM

OPERATIONS

Consumer goods giant Cleo's Gym has 200 pieces of gymnastic equipment and items on hand to offer customers all across the city. There are many counties in England that are served by the organisation's service method. Cleo's Gym uses a direct-to-consumer format for its company. Subsidiary and matrix operating and organisational structures predominate throughout the organisation. Despite the fact that the company has multiple distribution routes in place to send its goods to customers worldwide, the two corporate offices function as one and (Karagiannopoulos, 2015). It is via the mass customisation of its products and services that Cleo's Gym is able to achieve economies of scale while also making a minimal profit on each sale. Since its inception, the company has taken a customer-centric approach. As a result of its highly trained and competent workforce, the company has been able to retain its success in a very competitive industry. The company relies on a number of suppliers to provide the necessary facilities and logistics for its manufacturing and service operations. Cleo's Gym obtains the majority of its products from manufacturers' direct wholesalers. Recycled raw materials are being procured for Cleo's Gym's raw resources. Cleo's Gym has always sought a supply management channel that is both safe and regenerative. Cleo's Gym features state-of-the-art and automated equipment in its practise area. It is the organisation's goal to shorten lead times and wait times by implementing AI in its office space. To achieve a 40% reduction in carbon emissions, the organisation is adopting Dear Man's Transport Refrigeration Unit. App-based truck availing systems are being used to track delivery vehicles since most of the trucks ought to return unoccupied once they've delivered their goods. Because the company is a health club, it is unable to offer every one of its products or services through a single distribution channel (Crook, 2017). Cleo's Gym has 33 channels of service available. In Cleo's Gym, a third-party contractor is used to complete tasks that the company deems inconsequential for an individual to complete on their own.

How would you generate revenue for your business? E.g., How would you prevent loss of revenue?

For the past several decades, Cleo's Gym has derived the majority of its revenue from three core product categories: fitness, weight loss, and nutrition. The motivating factor behind the company is the development of profit with a purpose. It has developed product portfolios that comprise a diverse variety of goods and services, allowing it to offset the money lost if one of its things fails on the market with the profits realised from the sale of another of its items (Donahue, 2013).

MANAGEMENT TEAM

Name	Skills	What do they bring to the firm
Chief Executive Officer	The ability to lead a huge firm requires tenacity, marketing expertise, and a strong sense of responsibility.	To ensure that the company is ready to face the challenges of the future, digitalisation has been placed at the core of the business process.
Chief marketing and communication officer	Through the transformation of organisations into digital entities, a leader may act as a catalyst for change.	By digitising the heart of the firm, it has been possible to construct a "future-fit" organisation.

Director, Human resources	To achieve the desired organisational goal, make use of existing human resources and recruit new talent to help them reach their full potential.	Because of the large number of employees, the company has achieved a competitive edge in the market.
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MARKETING: The Four P's must be used to describe your marketing strategy

By investing in the appropriate marketing strategies, Cleo's Gym may be able to reach its target consumers, who in turn will bring in more members, allowing the gym to grow revenue and profit margins in the process.

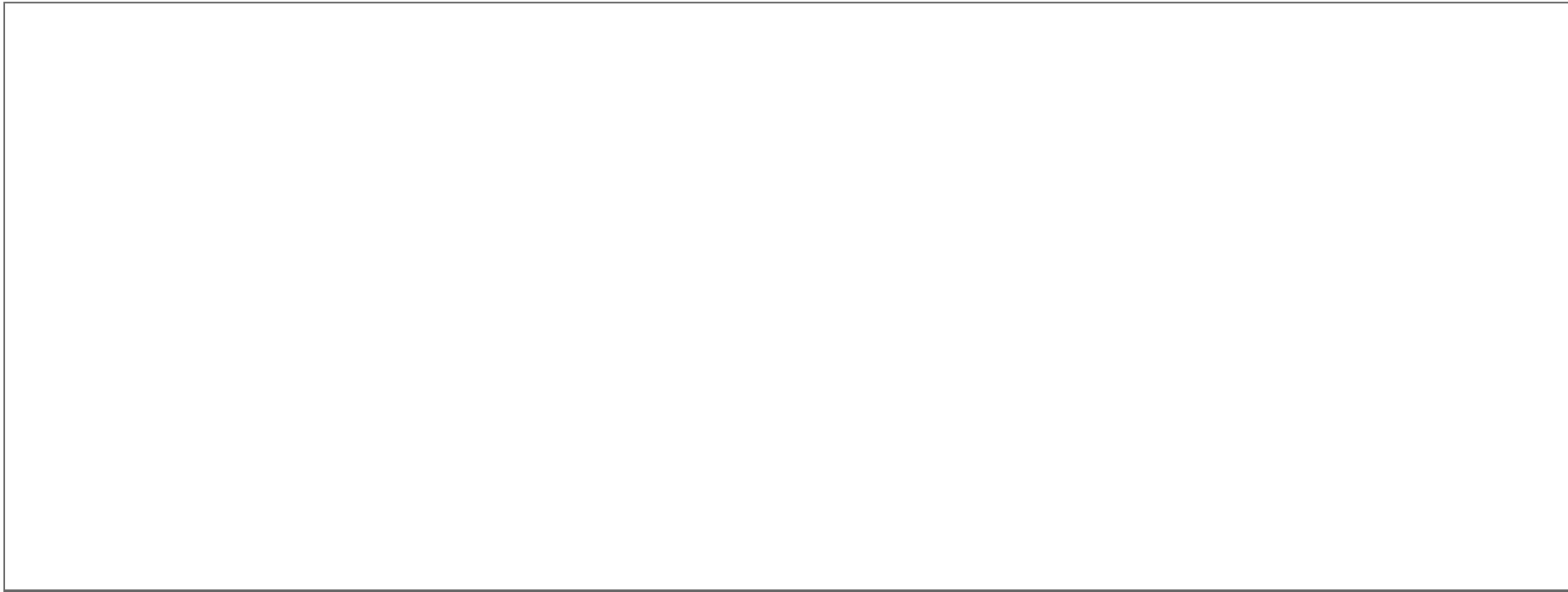
Product: A description of what you're offering for sale.

Product: If you want to attract the ideal people to your gym, you must market your services in a way that they will be interested in. At Cleo's Gym, there is a large variety of options to pick from.

Price: In the fitness sector, while determining the price of your classes and solutions, consider the value you are providing.

Promotional Mix: Without strong promotion, the marketing mix would be deemed insufficient. Cleo's gym must provide the best possible value for its members. It is the goal of Cleo's Gym to provide a high-quality solution that people will enjoy using.

Place: Cleo's Gym is located in Erdington, which is considered to be one of the best places in the country for doing business in the fitness industry. Because of its prominent position and large level of foot traffic, the establishment will surely benefit from attracting additional clients (Singh, 2012).



FINANCIALS

It is possible to make an educated guess about the start-up costs of a fitness facility collected from the secondary research. Cleo's Gym is expected to cost £80,000 to construct. The following is a breakdown of the start-up funding required to get things off the ground:

Use of funds						
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Revenue (from your operations and marketing section)	£550000	£470000	£570000	£450000	£470000	£420000
Fixed Costs						
Less: Cost of rent	100000	100000	100000	100000	100000	100000
Less: Utility bills	7000	7000	7000	7000	7000	7000
Less: Cost of machines	4000	4000	4000	4000	4000	4000
Less: Mortgage payment	20000	20000	20000	20000	20000	20000
Less: Cost of accessories	9000	9000	9000	9000	9000	9000
Variable Costs						
Less: Cost of salary	25000	17000	16000	19000	20000	15000
Less: Cost of stationary	4000	5000	7000	5000	11000	9000
Less: Commissions	13000	12000	14000	11000	18000	20000
Profit	368000	296000	393000	275000	281000	236000

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