

How To... Write Your Gym Business Plan



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Let's
Get Started



Are You Ready To Open Your Gym?

“ The backbone of success is hard work, determination, good planning, and perseverance.

If you're reading this, that means you are considering or perhaps even ready to open your own gym - congratulations!

Maybe you're someone who takes exercising very seriously, maybe this has been a life long ambition or the idea of your very own gym has suddenly sparked your interest. No matter what the background which has led you to this decision the next few steps forward are all the same.

First and foremost, you're going to need a plan. Creating an indepth business plan which considers all the components of opening and then running your own gym and ensuring its longevity will be the key to your success.

You need to know the structure of your business, understand your target market and Unique Selling Point (USP), forecast your financials, research the risks and opportunities available to you as well as equip yourself with a management team who can help lead you to victory. These are all vital components you need to create a valuable business plan.

The Key Steps

Your business plan will act like a road map to achieving your dreams and managing your new business effectively. By identifying, describing and analysing the business opportunity before you, you will be able to examine its technical, economic and financial feasibility. This will not only guide you and keep you informed when making big decisions but will also serve as a key point of reference for investors, partners, employees and management to gauge progress against any defined objectives.

When compiled correctly, your business plan will define your goals and the steps required to reach them and will help you run your company with a more cohesive vision. We can break a business plan down into 10 integral steps, follow our outlined comprehensive template and you'll be sure to succeed.

1. Summary

2. Business Description

3. Services & Amenities

4. The Market

5. Competitor Analysis

6. Risk & Opportunities

7. Marketing Strategies

8. Management

9. Financials

10. Payment Options

Summary



This is your chance to grab attention, so it's important to get this part of your plan right. Although the summary will feature at the beginning of your business plan, we would recommend writing it last.

Your executive summary should provide a short, concise and optimistic overview of your business that captures your reader's attention and entices them keep reading in order to learn more.

Keep to a single page if possible and be sure to cover:

- Your goals
- Your objective's and mission statement
- What sets you apart from the others and will make you a success
- Your vision for now and the future

Write your executive summary in a language and style that is clear enough for anyone to understand. Assume that everyone who will be reading your business plan won't have much prior knowledge of what you'll be offering, so avoid using convoluted jargon and provide your readers with an easy to read description.

Business Description

In your executive summary, you have briefly outlined your vision and mission statement for your gym, now its time to elaborate on these points and given your readers further insight.

Your business description should give a high-level look at what you are as a company and how all your elements of the business fit together. This is your chance to convey to your readers your passion which has brought you to this point. Provide a brief personal history: what have you done previously? Have you had any other businesses? What are you doing at current? Although this isn't information specifically tied to your business venture, this is useful information for your investors and partners in understanding your journey and plans for the future. The more they know you, they more they will trust you.

- Define your mission statement
- Outline your strategy (what services do you plan to offer?)
- How might you approach growth and development?

When writing your business description, keep in the back of your mind the reason why you have decided to open your own gym. Is there something you think you can change about the fitness world? Or do you think you can make it better? This will influence how you describe yourself and your business in a positive way.



Services & Amenities



Now is your time to take your reader on a journey and paint them a picture of what to expect at your gym. You should use this as an opportunity to test the vision you have in mind. You might be envisioining a large gym with top of the range equipment, but do you have the capital to cover this? If you don't, you'll need a plan to secure the funding.

Be sure to tell your reader what kind of services there will be at your gym, will you offer personal training? Maybe you will have specialised equipment for a particular part of the fitness industry (i.e. body-builders), you might even choose to sell food or drink products.

Here are a few things to think about when considering the products and services your gym might offer: gym equipment, specialist equipment, food & drink products, personal training, classes, lockers, spa, swimming pool, physiotherapy.

This is your chance to describe the benefits of your products and services and set you apart from your competition. Keep in mind that you need to demonstrate why this added facility would be a valuable asset to the community.

The Market

To succeed in any industry you need to have a competent understanding of the market related to your product or service. Conducting a market analysis of the sector you are entering allows you to build trust with potential partners and investors and will also help you develop a real understanding about what your customers might be looking for.

The market analysis section of your business plan should include:

- A detailed description of the fitness industry (size, growth rate, trends)
- An indepth look at the fitness industry in your area
- Who is your target market?
- What are the purchase motivations of your audience?
- How can you communicate with the market?

A great deal of the information you need for this segment of your business plan is available online, so utilise this to its full extent as well as conducting your own thorough market research . Present this in your business plan using visual aids to illustrate the most important numbers and make sure you are as concise as possible. Any supporting documentation can be included in your appendix.



Competitor Analysis



A competitor analysis means assessing and then analysing the comparative strengths and weaknesses of your competition. When written correctly, a solid competitive analysis will be your way of displaying to your readers that you know exactly where you stand amongst your fiercest competitors and ideally, that you also have a way to out-manoeuvre them.

Focus on the following for your competitor analysis:

- A list of your main competitors
- Details of what you know about each of them
- Who are their target customers?
- What products and services do they offer?
- How do they currently market themselves?
- What is their value proposition? How effective is it?

Keep an open mind when conducting your analysis, what you might believe about your competitors may not be true upon closer inspection and that can be a good thing. In addition, it is vital to understand why you are conducting this analysis as this will influence how you look at your competition. Define your desired goals for your gym and how analysing your competition will help you achieve these.

Risk & Opportunities

To ensure the longevity of your gym, it is wise to plan for contingencies to manage any risks and their impacts. Often these risks also highlight an opportunity for growth and improvement for your business so it is a really worthwhile analysis to carry out.

One of the most effective ways of doing this is through a SWOT analysis which will easily display an organisations internal strengths and weaknesses and external opportunities and threats which in turn help you develop your business strategy.

- **Strengths:** Talk about what aspects of your gym set you apart from your competition and why customers will favour your facility
- **Weaknesses:** Being aware of your weaknesses and where your competitors may have an advantage is admirable. Focus on detailing how you know the weakness exists but how this gives you clear focus to move forward
- **Opportunities:** Define your areas for improvement by focusing on the areas your competition is weak, the expansion of your customer's current needs and any untapped markets
- **Threats:** At some point your competition will pose some serious threats to your gym and in some cases it may not even be your competition directly (i.e. COVID-19). So demonstrate that you are ready with a plan of action should any threats present themselves!



Marketing Strategies



Now is your time to get creative. You've conducted your market research and analysed your competitors, so it's now your moment to collate all the information you've gathered and establish the best marketing plan for you.

You have an idea of your target audience, so now ask yourself: how will you gain their loyalty? What makes you special? Is there a demand for special equipment? What's the best membership package you can offer? Make sure you communicate the answers to these questions in your business plan as this will help you define your USP (Unique Selling Point).

You can then begin to plan out your ideas for building your customer base and increasing your revenue. Your marketing strategy might include:

- Advertising
- Sponsorship
- Loyalty Plans
- Website Promotions
- Email Marketing
- New Equipment
- Promotions
- Prices

Management

With a plan in place to build, open and then market your gym there is one key component missing to ensure success - your management team. Including this in your business plan will demonstrate to potential investors and partners how exactly your business is structured and the key people involved in the development of your gym.

This is incredibly important as you will be able to demonstrate the experience of your team and therefore the strength of your gym. This can be very influential to your readers' decision on whether to partner with you and also very encouraging to your potential customers.

Start by thinking about what your organisational structure is going to look like, what positions will you need to fill and how will these people help your gym succeed? If you already have some of the more senior positions filled, tell your readers about these individuals and emphasise their skill and experience. This is likely to solidify your business's success. Remember to consider the amount you have available to pay your employees as well, greater experience also usually means a greater salary expectation.

Make sure your management structure makes you feel satisfied and excited. You want to be confident that you have the right people in support of you when making your dream gym a reality.



Financials



This is where things are about to get serious. Can you really afford what it takes to open your own gym? When looking into financials there are a number of areas which need to be covered:

- Financial Projections (with any funding request details, if applicable)
- Financial Forecasting
- Financial Strategy

To get up and running, there will be a substantial financial outlay to get the ball rolling. You need to consider whether you have the capital to afford this, or will you need to source funding? Some of the key areas to consider are: legal expenses, hiring costs, building work, gym equipment, operational costs for the first 3 months, account software, CRM.

You then need to consider any potential sources of income. The idea of this is to reassure your investors, stakeholders and any potential employees that you have a well thought out plan for your return on investment. This may even include exploring opportunities to sell products on site.

Once you've considered the costs of getting started, it's time to turn to looking at your finances moving forward. Outline your sales forecast for the 1st, 2nd & 3rd year of business, including your detailed active member predictions for your 1st year. And finally, explain your pricing strategy and any rewards you might offer for your customers.

Payment Options

With everything else well thought out and in place, it's time to consider how your members will pay for their gym memberships.

You want to make sure you have a quick, simple and painless payment system to make starting, pausing and cancelling memberships as easy as possible. Having an automated payment system in place will ensure that monthly payments are never forgotten, delayed or lost - allowing you to maintain a solid cashflow.

By researching ways to do this beforehand and including in your business plan, you will instil confidence in your potential investors, by guaranteeing a seamless customer experience, giving potential members another reason to choose your gym and then stay loyal to you.

The easiest and most stress-free way to integrate this in to your business is to use a third-party to operate any direct debits on your behalf. Some of these third-party companies also offer additional services that you may be able to utilise for your gym, so do your research and choose a partner who will be able to assist you with any future needs aswell.



You're Almost Ready

Now you've put pen to paper (or fingers to keyboard!) you will be unstoppable in your new venture. Your business plan will act as a solid roadmap to:

- Act as a point of reference when you have to make important decisions
- Be a resource you can utilise when needing to secure investment
- Provide you with security that you have explored all aspects of your new business and considered, then addressed any risks you may face
- Show partners or new employees the direction you hope to take your gym in

Although a key element to achieving your dream of opening and running your own gym, your business plan is just the beginning. Take a look at the checklist below which will help guide you through the next stages of opening your own gym, it'll make sure you don't miss a thing!

1. Write your business plan

2. Register your business

3. Apply for licenses & permits

4. Open business bank accounts

5. Choose online payment platform

6. Obtain your tax ID

7. Purchase relevant insurances

8. Purchase or rent premises

9. Purchase and/or rent equipment

10. Secure any funding needed

11. Set up third party direct debit collection

12. Recruit employees

13. Draft all legal documents (inc contract)

14. Design gym logo & brand

15. Build website

16. Write website content

17. Create social media accounts

18. Design leaflets and brochures

19. Design & order branded uniforms

20. Launch your gym!

Congratulations on taking the plunge with your new venture and most importantly, good luck!

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