

BUSINESS PLAN FOR THE FOLLOWING PROPRIETERY  
FIT-4-YOU-MULTIPLEX

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## Table of Contents

1.0 Executive Summary .....	4
1.1 Objectives .....	6
1.2 Mission.....	6
1.3 Vision.....	7
1.4 Keys to Success.....	7
2.0 Company Summary .....	8
2.1 Company Ownership .....	8
2.2 Board of Directors or Governing Body .....	8
2.3 Start-Up Summary .....	9
2.3.1 Start-Up Budgets.....	9
2.4 Company Locations and Facilities.....	11
3.0 Fitness Services.....	11
3.1 Machines and Weight Training.....	12
3.2 Boxing and Kick-Boxing .....	13
3.3 Fencing / Martial Arts.....	13
3.4 In-Door and Out-Door Track .....	14
3.5 Swimming Pools .....	14
3.6 Racquet Ball Court.....	15
3.7 Rock Climbing Wall .....	15
3.8 In-Door and Out-Door Batting Cages.....	15
3.9 Tennis Courts .....	16
4.0 Wellness Programs.....	16
4.1 Blood Pressure Screening .....	17
4.2 Glucose Screening .....	18
4.3 Weight Loss Programs.....	18
4.4 Lifestyle Programs – Adults .....	19
4.5 Lifestyle Programs – Children.....	19
4.6 First Aid Classes .....	21
5.0 Other Services.....	22
6.0 Market Analysis Summary .....	24
6.1 Market Segmentation .....	26
6.2 Target Market Strategy .....	29
6.3 Service Business Analysis .....	30
6.3.1 Competition and Consumer Buying Patterns.....	31
7.0 Strategy and Implementation .....	31
7.1 Uniqueness of Business .....	31
7.2 Sales Strategy.....	32
7.2.1 Sales Forecast.....	33
7.3 Milestones .....	36
7.4 Phases of Development.....	37
8.0 Leadership/Management Summary .....	38
8.1 Management Philosophy.....	39
8.2 Our “Human Resources”.....	42
9.0 Financial Plan.....	43

9.1 Assumptions.....	43
9.2 Break-Even Analysis .....	44
9.3 Operating Budget .....	45
9.4 Budget.....	45
9.5 Profit and Loss Projection.....	46
9.6 Cash Flow Projection.....	48
9.7 Balance Sheet Projection .....	49
10.0 References .....	51
11.0 Appendices.....	54

## Fit-4-You-Multiplex

### 1.0 Executive Summary

Fit-4-You-Multiplex will be a full service fitness and wellness center located in Sevier County, TN, specifically, Sevierville, one of the towns that surround The Great Smoky Mountains National Park ([www.en.wikipedia.org/wiki/Great\\_Smoky\\_Mountains\\_National\\_Park](http://www.en.wikipedia.org/wiki/Great_Smoky_Mountains_National_Park)). The Great Smoky Mountains National Park is a major tourist attraction. The park recorded over 9 million visitors in 2003. This was double of any other national park ([www.en.wikipedia.org/wiki/Great\\_Smoky\\_Mountains\\_National\\_Park](http://www.en.wikipedia.org/wiki/Great_Smoky_Mountains_National_Park)). Currently, no other facilities like this one exist anywhere in the area that surrounds The Great Smoky Mountains National Park. Our business plan will be used to describe the range of our services, as well as a means to obtaining the necessary investments to open the business. It will be used on a continued basis to evaluate the objectives, goals, and mission of Fit-4-You-Multiplex.

Sevier County, TN, is an ideal location for Fit For You Mutlplex. Sevierville, TN is “a larger and integral part of Tennessee’s vast \$11.5 billion (per annum) tourist industry” (<http://www.seviervilletn.org/Documents/EcoDevPacket%202007.pdf>). Many travel writers are brought into the area which is a public relations gesture which translates into publicity ([www.seviervilletn.org](http://www.seviervilletn.org)). Sevierville advertises in publications such as Reader’s Digest, Family Circle, Better Homes and Gardens, McCalls, and Southern Living ([www.seviervilletn.org](http://www.seviervilletn.org)).

The keys to success for Fit-4-You-Multiplex are creating an atmosphere within a “cool” uniquely designed building where people would like to be, staying abreast of current trends, fulfilling customer needs through tailored exercise programs, marketing our uniqueness effectively, and hiring a qualified, certified, creative, innovative, knowledgeable, and customer responsive staff to assist in the running of our programs and future endeavors.

The International Health, Racquet and Sportsclub Association (IHRSA) in Boston states that in January 2006 more than a million people were expected to join a gym (<http://www.msnbc.msn.com/id/10911287/>). Membership dues and fees make up almost 80% of the total revenue in the \$14.8 billion industry (<http://www.msnbc.msn.com/id/10911287/>).

Exercise is now considered a leisure activity. People want to have fun when they exercise. For people who want to start an exercise program, fun can be a motivator. Routine exercises can become a bore, and people usually lose interest in them. Fit-4-You-Multiplex will offer innovative, unique fitness services complemented with the tried and true which will be housed within a distinctive building. We will motivate members to stay on a healthy path in life.

Wellness programs are essential to a healthy lifestyle. They have been linked to improved job performance, reduced injuries in employees, lower healthcare costs, and increased employee retention. Corporations can save money because of reduced healthcare claims (Capraro, A.J., et.al, 2005).

The wellness programs at Fit-4-You-Multiplex will complement the health exercises and programs that will be available to customers. For example, customers' physical activity will be more effective if they learn proper nutrition habits. Health club members who participated in a wellness program did exhibit 22% higher retention rates, according to S.J. Archer's 2001 American Fitness article, "How to Develop a Wellness Program" (Capraro, A.J., et.al, 2005).

In a research that analyzed 878 adolescents 11 to 15 years old, it was found that most of these adolescents do not get enough exercise or have healthy nutrition habits (<http://today.reuters.com/news/articleneews>). In fact, evidence suggests that there is a link between parents' health behavior with that of their children (<http://today.reuters.com/news/article> news). "Dr. Sanchez Perez added in comments to *Reuters Health*: "To promote healthy lifestyle

behaviors among adolescents, such as a healthy diet and engaging in regular physical activity, is of high priority (to guard) against the actual major health issues in both the adult and young sector of the nation -- diabetes and obesity.” The lead researcher added, “these health promotion efforts require a multi-level and multi-sector approach including, among others, the family, the community, and policymakers,” ([http:// today.reuters.com/news/articlenews](http://today.reuters.com/news/articlenews)).

Fit-4-You-Multiplex will contribute to the well being of the residents of Sevierville, and the surrounding cities and the tourists to the area by providing a cool, distinctive place where they can maintain a healthy lifestyle no matter where they may travel within life. Fit-4-You-Multiplex will also contribute to the economic development in many ways such as employing the areas most talented individuals within our fitness and wellness center.

### 1.1 Objectives

The main objectives for Fit-4-You-Multiplex are as follows. First, sell 800 memberships in year one, 1,200 in year two, and 1,600 by the end of year three. Second, sell our programs to casual users who may visit or residents who are interested in select programs. Third, sponsor and support local events in the first year of operation. Fourth, organize and develop different clubs and leagues that members and non-members could join. Fifth, show investors at minimum a 5% return on their investment. Finally, be consumer and environmentally conscious and implement recycling programs and other programs of such nature.

### 1.2 Mission

Fit-4-You-Multiplex is a fitness and wellness center designed for Sevier County residents and tourists who visit The Great Smoky Mountain National Park. We will provide the

most innovative and quality programs, staff, and equipment to meet the various fitness and wellness needs of our members and casual users, while recognizing a profit for the owners and investors.

Fit-4-You-Multiplex will provide an excellent value to our customers and employees. We are determined to develop a unique fitness experience *for everyone* within a “cool and distinct” center while enjoying a comfortable atmosphere. Our wellness programs will enhance the quality of life of our members and casual users. Fit-4-You-Multiplex will sponsor and support local events, as well as host them whenever possible. We want members and casual users to enjoy fitness and to be healthy in mind, body, and spirit.

### 1.3 Vision

The vision for Fit-4-You-Multiplex is to provide a fitness and wellness center that is cool, distinct, and fun for everyone. We want to motivate people to take control of their lives by developing or maintaining healthy lifestyles. Ultimately, expansion to other states such as Arizona, New Mexico, Oregon, and Texas is expected.

### 1.4 Keys to Success

The keys to success for Fit-4-You-Multiplex are as follows. First, marketing the center in Sevier County, TN, is imperative. This will not be expensive because The Sevierville Chamber of Commerce is aggressive with advertising for the city (<http://www.seviervilletn.org/Documents/EcoDevPacket%202007.pdf>). Also, the region receives free advertising because state advertising and literature focuses on The Great Smoky Mountain area. Second, a knowledgeable, helpful, and qualified staff and management are essential to the success of Fit For You Multiplex. We will provide users with a staff who show genuine care, concern, and

interest for everyone. People will feel comfortable and confident that Fit-4-You-Multiplex can meet their fitness and wellness needs. Finally, the atmosphere and design of the center must appeal to all ages, with or without *mobility* issues. The exterior of the building will have a “rugged” look to it which will compliment the scenery of The Great Smoky Mountains region. Modern, energy efficient materials will be used to construct the building. Solar energy will be used in certain areas. The interior will be contemporary with a retro “outdoorsy” twist. Floors, colors, and modern technology such as flat screen televisions will be seen throughout the center. First class, current equipment will be used throughout Fit-4-You-Multiplex. People will want to frequent our center often which will enhance our ability to retain and obtain members.

## 2.0 Company Summary

Fit-4-You-Multiplex is a fitness and wellness center that will offer members and casual users a variety of fitness and wellness programs and other activities to participate in which will lead to an enhanced lifestyle.

### 2.1 Company Ownership

Fit-4-You-Multiplex will be a Limited Partnership C corporation that will be privately owned. Rebecca A. Sebek and Partner K will own 30% of the company each, while 10 other limited partners will each own 4%.

### 2.2 Board of Directors or Governing Body

An outside Board of Directors, will be utilized to assist the management team in making appropriate, educated, and well qualified decisions leading to the most effective action. These individuals will be well-rounded, highly knowledgeable and experienced business and industry



professionals who demonstrate leadership ability. However, the President and Business Manager retain the right to make management decisions and have veto power. The Board of Directors includes investors and members of the partnership organization.

### 2.3 Start-Up Summary

The start-up summary requires \$2,600,000. Land, building, all development costs, equipment, wellness programs, and start-up capital are included in these costs.

#### 2.3.1 Start-Up Budgets

The following details the start-up budget for Fit-4-You-Multiplex. We arrived at these numbers based on industry numbers for facilities like ours. Our numbers may be higher or lower in some instances because our center is unique when compared to others. Numbers for management fees and land are comparable to other facilities.

##### *Start-Up Expenses*

Legal	\$30,000
Air Structure	\$420,000
Floors	\$170,000
Exercise Equipment and Miscellaneous	\$175,000
Concrete	\$185,000
Site Preparation	\$30,000
Consultants	\$4,000
Mechanical	\$25,000
Second Floor Development/Offices	\$215,000
Office Equipment	\$65,000

Paving and Landscaping	\$115,000
Management Fee	\$100,000
Promotional Costs	\$50,000
Design Fees	\$30,000
Other	\$12,000
Land	\$475,000
Total Start-Up Expenses	\$2,200,000
<i>Start-Up Assets Needed</i>	
Cash Balance on Starting Date	\$400,000
Start-Up Inventory	\$0
Other Current Assets	\$0
Total Current Assets	\$400,000
Long-Term Assets	\$0
Total Assets	\$400,000
Total Requirements	\$2,600,000
<i>Funding</i>	
<i>Investment</i>	
Investor 1	\$104,000
Investor 2	\$104,000
Investor 3	\$104,000
Investor 4	\$104,000
Investor 5	\$104,000
Investor 6	\$104,000

*Funding*

Investor 7	\$104,000
Investor 8	\$104,000
Other	\$418,000
Total Investment	\$1,250,000

*Current Liabilities*

Accounts Payable	\$0
Current Borrowing	\$0
Other Current Liabilities	\$0
Current Liabilities	\$0

*Long-Term Liabilities*

Long-Term Liabilities	\$1,250,000
Total Liabilities	\$1,250,000
Loss at Start-Up	\$(2,200,000)
Total Capital	\$(950,000)

## 2.4 Company Locations and Facilities

Fit-4-You-Multiplex will be located in Sevierville County, TN, specifically in Sevierville, TN. The center will have approximately four phases of development. Future locations include Arizona, New Mexico, Oregon, and Texas. The facilities in these states will start with the same base of operations; however, localization will be a key determinant of addition/removal of programs and equipment. Paying close attention to localization is a key to the success of Fit-4-You-Multiplex.

## 3.0 Fitness Services

Fit-4-You-Multiplex is a fitness and wellness center that provides patrons with various services. An awesome fitness facility that will include state-of-the-art machines and weights, a rock climbing wall that replicates The Great Smoky Mountains, an in-door and out-door track, various sport courts, a boxing/fencing/martial arts area, swimming pools, in-door and out-door batting cages, a café and lounge area, a hair salon/spa, and other amenities such as offices, full-service locker rooms, childcare center, and sponsored clubs and leagues.

The wellness area will include services such as blood pressure and glucose screening, weight loss programs, adult and children lifestyle programs, first-aid classes, and other programs which will be added on a determined/suggested basis.

### 3.1 Machines and Weight Training

Users will find the latest equipment such as free weights, machine weights, and aerobic machines such as cycling and elliptical machines within the fitness area. The area will be located on the first and second floors of the center. Lounge areas which will feature massage chairs, ample reading material, and televisions which will also be located on the first and second floors. We want a variety of equipment because the ages of our patrons will vary. For example, the 80 million people born between 1946 and 1964 known as “baby boomers” are experiencing sports injuries. This group saw sports related injuries increase 33% between 1991 and 1998 (Campanelli, 2007). “Ideally, boomers should mix joint- and core-strengthening weight training with weight bearing exercises such as running ,walking and low-impact exercise such as elliptical machines, cycling, and swimming” (Campanelli, 2007, p. E8).

A certified strength and conditioning specialist will run our machine and weight training area. This individual will “possess the knowledge and skills to design and implement safe and effective strength and conditioning programs” ([http://www.nasca-cc.org/about\\_cred/cscs.html](http://www.nasca-cc.org/about_cred/cscs.html)) for

our patrons who will use our center. Our CSCS will report to and report directly to our fitness manager and management team. His or her duties will include, but will not be limited to personalizing training for our members and casual users, general supervision, assisting with the marketing and promotions of the center, and program development for new and future activities.

### 3.2 Boxing and Kick-Boxing

Individuals who want more out of their workout or are bored with their routine will enjoy our boxing and kick-boxing programs that will “pack a punch.” The boxing area will include bags of various weights, speed bags, a boxing ring, and the accessories for a total body workout. The kick-boxing area will be a spacious room that will allow users to “kick up a storm.” “Kick-boxing, also referred to as boxing aerobics and cardio kickboxing, is a hybrid of boxing, martial arts, and aerobics that offers an intense cross-training and total-body workout.”

(<http://www.nutrawize.com/kick.htm>). Our instructors will have had extensive training in boxing and kick-boxing and possibly be amateur boxers themselves. Users who would like to find their inner “Rocky Balboa” will not be disappointed with our classes. Most importantly, users will burn approximately 350 to 450 calories (based on 135-pound person) during a 50-minute class. Users who are larger may burn an estimated 500 to 800 calories per class ([www.nutrawize.com/kick.htm](http://www.nutrawize.com/kick.htm)).

### 3.3 Fencing / Martial Arts

Fencing is a sport that anyone can learn. Plus, it offers a fantastic physical workout. Users will develop or increase their balance, agility, and coordination ([http://www.bostonfencingclub.org/adult\\_classes.htm](http://www.bostonfencingclub.org/adult_classes.htm)). Basically, individuals who are able to climb stairs with ease should be able to learn how to fence. Individuals will not only learn how

to fence, but they will be able to spar with others in a few weeks. Fencing involves tactical thinking as well as physical ability. Individuals who are tactical, but are not at their desired physical level will be fencing and having fun in no time.

Ancient martial arts such as Karate, Krav Maga, Kung Fu, Tae Kwon Do, and Tai Chi will serve many purposes such as 1) development of defense tactics, 2) provide a great physical and mental workout, 3) users will discover a deep sense of spirituality, and 4) teach users about different cultures and to respect and be open minded to ancient practices could enhance their daily lives ([http://\(en.wikipedia.org/wiki/Martial\\_art\)](http://(en.wikipedia.org/wiki/Martial_art)). Our instructors will be knowledgeable, qualified, and hold various levels of “belts” (where applicable) in marital arts.

### 3.4 In-Door and Out-Door Track

Fit-4-You-Multiplex will feature an in-door rubber track and an out-door track. Users who enjoy running can take advantage of both tracks. Runners will find our track to have qualities such as ample cushion, control, energy return, and performance that does not stop. The out-door track will be a “grassy” track. Grass tracks provide benefits such as increased knee lift and more push-off with each stride, which will help to decrease the risk of injury ([http://www.humankinetics.com/products/showexcerpt.cfm?excerpt\\_id=2950](http://www.humankinetics.com/products/showexcerpt.cfm?excerpt_id=2950)). The stress level of our users’ legs will be less on a grass track as opposed to the in-door rubber track.

### 3.5 Swimming Pools

Our center will feature an Olympic-sized in-door pool and a standard out-door pool. The in-door pool will be set at a temperature that will be comfortable for users. The temperature of the out-door pool will be adjusted when necessary. After all, we want our users to enjoy their aquatic experience. Classes such as water aerobics and swimming lessons will be available to

our users. We will employ a certified swimming staff that will possess various life-saving skills such as CPR. Anyone who is a swim coach at the local high schools, lifeguard, or former swim competitor will be encouraged to seek employment with Fit-4-You-Multiplex.

### 3.6 Racquet Ball Court

Our racquet ball court will be the standard size which is 40 feet long, 20 feet wide, and 20 feet high (<http://en.wikipedia.org/wiki/Racquetball>). Users will be able to use our racquetball equipment such as the racquetball, racquets, and racquetball goggles or they may use their own. Anyone who plays racquetball will find that it is a good sport to increase the pulse and exercise the heart muscle (<http://www.firstchiro.com/24exer.htm>). Racquetball is considered a good aerobic exercise for weight-bearing joints. It is a good way to reduce fat tissue in the body and build muscle and bone.

### 3.7 Rock Climbing Wall

Adventure seekers will be speechless when they see the rock climbing wall inside of Fit-4-You-Multiplex. This wall will be a “miniature” replica of The Great Smoky Mountains. Beginners or non-adventure seekers should not fret; with a little encouragement and guidance, they will be able to climb the wall in not time. Users will be able to develop or continue to develop their “rock-hard” abs by performing crunches and oblique exercises (twisting to each side) as they climb the wall (<http://www.indoorclimbing.com//exercise.html>). Users will have fun and will receive an awesome workout at the same time.

### 3.8 In-Door and Out-Door Batting Cages

Individuals who enjoy baseball or softball will have a place to practice all year round. We know how important it is for players to stay fit and polished when the season begins. Our

batting cages will feature fast and slow pitch softball machines, a little league pitching machine, and baseball pitching machine with speeds ranging from 60 to 95 mile per hour speed. Whether our members or casual users of Fit-4-You-Multiplex are serious ball players or just want to have fun and a good time, a great workout will be theirs.

### 3.9 Tennis Courts

Anyone interested in cutting calories, lowering their blood pressure (if needed), having fun, spending time with family, and socializing will enjoy tennis. From the pros to beginners, users will receive a great workout. “Playing tennis on a regular basis can help maintain or improve balance, mobility, agility, strength, and fitness. According to Cleveland Clinic Heart Center exercise physiologist and avid tennis player Gordon Blackburn, Ph.D., research shows that three hours of moderate aerobic exercise every week can cut the risk of developing heart disease by 50 percent” (<http://www.clevelandclinic.org/heartcenter/pub/guide/prevention/exercise/tennis.htm>).

Tennis lessons will be available at Fit-4-You-Multiplex. It is invigorating and a great way to “chase” away any unnecessary stress in ones life. Also, tennis is a sport that can be enjoyed by all ages. Approximately 11.3 million adults, 25 and up, played tennis at least once last year ([clevelandclinic.org/heartcenter/pub](http://www.clevelandclinic.org/heartcenter/pub)). Plus, tennis is not just a sport for men. Venus and Serena Williams have proven that women can play just as good as men can.

### 4.0 Wellness Programs

The definition of wellness is as follows. Wellness is “the condition of good physical and mental health, especially when maintained by proper diet, exercise, and habits” (<http://www.answers.com/what%20does%20wellness%20mean%3F>). Fit-4-You-Multiplex is a place for



people who need or want to improve balance in their lives. A healthy body, mind, and spirit are important if people are to have a feeling of “well-being.” We will provide education, exercises, and guidance which will help our users to cope with the pressures and stresses of life. People need to take control of their lives. Sometimes, all they need is help in the right direction.

By offering wellness programs at Fit-4-You-Multiplex has a win-win situation. The facility will receive additional revenue and users will be able to better manage their lives through our programs (Capraro, et. al, 2005). We want our members and casual users to frequent Fit-4-You-Multiplex many times. From an economic viewpoint, members who participate in a wellness program exhibited higher retention rates (Capraro, et. al, 2005). This means that these members will stay with the facility because of the added benefits.

#### 4.1 Blood Pressure Screening

People age whether they like it or not. With age comes the risk of developing high blood pressure. According to the mayo clinic, “regular exercise can help prevent high blood pressure. This will reduce the risk of cardiovascular disease and stroke. If your blood pressure is already high, exercise can help you control it” (<http://www.mayoclinic.com/health/high-blood-pressure/HI00024>).

Fit-4-You-Multiplex will offer blood pressure screening for its users. We will have a visiting nurse and medical assistant at our complex to offer free blood pressure screenings. These screenings will be twice a month to start and possibly be extended to two or three times a week. Most people are unaware that cardiovascular disease is the leading cause of death for men and women. If we can help our users monitor (along with their physician) their blood pressure, then we will have satisfaction knowing that we helped to enrich their lives.

## 4.2 Glucose Screening

Glucose is a “simple sugar that is used to increase the level of blood glucose when the level falls too low” (<http://www.answers.com/what%20is%20glucose>). “Glucose is the primary fuel used by most cells in the body to generate the energy that is needed to carry out cellular functions” (<http://www.answers.com/what%20is%20glucose>). People with diabetes understand how imperative it is to monitor blood sugar. We will offer glucose screenings twice a month. Screenings will be extended to twice or three times a week based on the demand from our users. A visiting nurse and medical assistant will provide the screenings. Control of blood sugar is necessary because it will prevent stress on the body’s internal organs. Dropping one point can reduce the risk of damage to the eyes, kidneys, nerves, and heart (<http://www.exubera.com>). We think that is awesome!

## 4.3 Weight Loss Programs

Fit-4-You-Multiplex will customize a weight loss programs that is a “perfect fit” for you! Not every “body” is the same. One weight loss program may work for some but not for all. We do not believe in the “one size fits all” mentality when it comes to weight loss programs.

Our capable and knowledgeable staff will include dieticians through fitness trainers and everything in between. We will take special care to develop a program that is tailored to each body. For example, if a person has difficulty with “holiday binging,” we will be sure to address the issue. People should enjoy themselves; however, it should be done in moderation and without guilt. We realize and understand that our users will want to see results quickly. However, we believe efficiency is the key. Each weight loss program will include specific exercise and nutrition for each person. As long as our users follow the plan, have a good attitude about weight loss, and are committed to their program, they should see results in a matter of

time. Half the battle is showing up!

#### 4.4 Lifestyle Programs – Adults

Some of the lifestyle programs that will be offered at Fit-4-You-Multiplex are as follows. Stop smoking, power of positive and negative thinking, food and nutrition education, stress managers, and boost your immunity system. These programs are a starting point for our facility. As we get to know our users better, we will implement other programs that will be of assistance. We are open to suggestions from our users and will take them into consideration for future programs.

Lifestyle programs offer many benefits to people. It is a way to meet new people, most importantly people like you. It is a comfort for most people to find others that share the same issues that they face in life. For example, most people today have more stress and do not know how to handle it. Most people have more responsibilities than ever, and being a “juggler” has become part of the act. Our stress program will teach people techniques such as deep breathing and meditation skills that can be done anywhere. Life is meant to be enjoyed not complicated!

#### 4.5 Lifestyle Programs – Children

Developing and raising children today is not easy. Children grow up fairly quickly and face many challenges such as peer pressure at an earlier age. We interviewed a married mother of two children in February 2007; one girl, age 13, and one boy, age 10. This mother also works full-time. She stated that “issues such as children becoming more sexually active earlier is more prevalent today than compared to the 1980s. For example, she revealed that in her daughter’s school it is not uncommon for seventh and eighth-grade girls to become pregnant. Other areas of concern include an increase in anger, suicide, obesity, low self-esteem, depression, anxiety,

bullies, eating disorders, and communication with parents just to name a few.

Here are some statistics that people may not realize. First, most people are not aware that suicide among 15-24-year-olds is the third leading cause of death (<http://www.mentalhealthamerica.net>). Suicide is the sixth leading cause of death for 5 to 14-year-olds (<http://www.mentalhealthamerica.net>). Attempted suicide is more common than ever. Most peers, teachers, parents, and friends are unaware of warning signs such as threats of suicides, organizing affairs (giving away favorite possessions), increase in happiness after a period of depression, or a verbal hint such as “I give up, I am done” (<http://www.mentalhealthamerica.net>).

Second, children who are overweight are more likely to be overweight adults. The following statistics can be found on the American Heart Association’s website. “Among American children ages 6–11, the following are overweight, using the 95<sup>th</sup> percentile or higher of body mass index (BMI) values on the CDC 2000 growth chart: For non-Hispanic whites, 16.9 percent of boys and 15.6 percent of girls, Non-Hispanic blacks, 17.2 percent of boys and 24.8 percent of girls, and Mexican Americans, 25.6 percent of boys and 16.6 percent of girls. Among adolescents ages 12–19, the following are overweight, using the 95<sup>th</sup> percentile or higher of BMI values on the CDC 2000 growth chart: For non-Hispanic whites, 17.9 percent of boys and 14.6 percent of girls, Non-Hispanic blacks, 17.7 percent of boys and 23.8 percent of girls, and Mexican Americans, 20.0 percent of boys and 17.1 percent of girls. Based on data from the 1999–2004 NHANES, the prevalence of overweight in children ages 6–11 increased from 4.0 percent to 17.5 percent compared with data from 1971–74. The prevalence of overweight in adolescents ages 12–19 increased from 6.1 percent to 17.0 percent (<http://www.americanheart.org>).

At Fit-4-You-Multiplex we want children to live happy and fulfilled lives. As it is, life

is very stressful for adults. We believe that children should just be themselves and enjoy their time being a kid. Our lifestyle programs will provide children with an outlet to deal with their concerns or issues. We can provide a comfortable, safe, and secure place for them. Some cannot or do not want to talk to their parents about their feelings or situations they may be facing. We can give them an opportunity to feel better about themselves and develop communication skills. In time, they will be better able to communicate with their parents and others.

#### 4.6 First Aid Classes

The definition of first aid is “emergency aid or treatment given to someone injured, suddenly ill, etc., before regular medical services arrive or can be reached (<http://www.dictionary.reference.com>). Whether you are a parent, teacher, friend, co-worker, coach, medical professional, ranger, or someone who would like to be prepared, first aid classes will benefit you.

The following conditions that require immediate attention to avert death are as follows. Asphyxia (cessation of breathing), severe bleeding, poisoning, strokes, and heart attack. Essentials such as knowing how to bandage a wound, prepare a splint, CPR, treatment for shock, stings (for example bee), heat exhaustion, and frostbite may not only save your life but others as well (<http://www.answers.com/what%20is%20first%20aid>).

At Fit-4-You-Multiplex we will have certified, qualified, and registered individuals (for example firefighters and EMT technicians) available to teach first aid classes. This is one way we can give back to the community. Community members will be prepared if they face a medical emergency. Knowing that we are helping others, whether in our community or elsewhere makes us feel good. We believe that helping others in a time of need is the human and right course to take.

## 5.0 Other Services

Fit-4-You-Multiplex will offer the following additional features and services to our members and casual users.

1. Full-service locker rooms for men, women, and families that will accommodate up to 125 lockers. We will also include large shower areas, benches, sinks, changing tables for babies, hygienic products, and ample bathroom facilities.
2. A sauna and whirlpool area will enable our members and casual users to relax and unwind after their workout. The area will be very tranquil and have a “zen-like” feel to it; very Earthy. Many Asian inspired themes will greet visitors. Sweet aromas, foliage, music, and relaxation chairs will be found in the area. For those who enjoy meditation, this is the place to be.
3. A large and stimulating childcare area will allow users access to our center at their convenience. A childcare staff will continuously monitor the area, which will be located on the first floor of the center. Children will find a large play area where they can finger paint, color, play games, and use their imagination. Our childcare staff will be responsible for care and well-being of the children. The staff will also engage the children body and mind exercises such as “Simon Sez.” After all, we are a fitness and wellness center. Children will be provided with an environment that allows them to have fun and be fit. Of course, the childcare will be offered at a minimal fee. However, it will be free to employees.
4. We believe that you will feel your best if you look your best. Our hair salon and spa will be state-of-the-art and our staff will be the best in the country. From the latest hairstyles to full-body massages, we will provide our users with the best service and.

products. We promise our users that they will look and feel their best!

5. Fit-4-You-Multiplex will introduce “clubs” that our members can join. For example, we will have a walking club, a “fit & dine” club where members can exchange fitness tips over a healthy meal, a book club (for example reading the latest fitness or wellness book; ie Oprah), a “feel your best club” hosted in the hair salon/spa area, and other clubs that our members suggest or ones we think they would enjoy.
6. We will sponsor sports leagues for men, women, and children. These leagues can be co-ed. Apparently, there are many people who would like to play softball, but cannot find a league to play on because they are not part of a team. We will take care of that! Anyone who wants to play should attend a meeting or send an e-mail stating that he or she would like to play on a league, for example, softball. For example, we interviewed “R.A.” from Ohio on February 18, 2007 who hopes to relocate before the end of the year stated that “it is difficult to find programs in my area that will accept new members.” “It would be a great idea if there would be programs for people to join, especially if they are new to the area or just want to play!” Fit-4-You-Multiplex will be more than happy to accommodate our members and casual users. We are after all, in the sports and leisure industry.
7. Snappy Café will be located on the second level of our center. We will provide healthy meals. No alcohol will be served. Healthy eating does not mean deprivation. We will provide various salads, hamburgers (meat, turkey, and vegetarian), chicken, turkey, wraps, vegetarian, fruit, and all sorts of good healthy foods. Life is meant to be enjoyed, when it comes to food, we believe everything should be in moderation and it should taste good. We will provide a nutrition guide with our menu. This will allow

and help our users make the right choices when and wherever they dine out.

## 6.0 Market Analysis Summary

Fit-4-You-Multiplex will feature a large fitness center that will be unique in many ways. We will give our members and casual users a “map” to a healthy life, which ultimately begins with a “path” to us. Our users will find walls with murals painted with motivational scenery and words. The murals will be painted by Mike Gezze, a very talented artist from Northeast Ohio. Mike designed our logo and captured the essence of our center. He is an up and coming artist. We are happy to extend him the opportunity to showcase his talent.

Users will become entranced by the waterfall that extends from the second floor and cascades to the first floor. Elements from the outside, such as foliage will be brought inside. Our center will be one known as one of the most unique facilities in the county.

Fit-4-You-Multiplex’s available diverse activities and programs indicate that our market segments will vary from user to user. At Fit-4-You-Multiplex, we anticipate the dedicated workout addicts to people who want to have a few hours of fun and entertainment.

“The health club industry has proved hardy during tough economic times. Since 1992, when the U.S. emerged from its most recent recession, the number of health clubs has increased by almost 40%, from 12,635 to 17,531 facilities. Membership also grew by almost 60% from 20.8 million to 32.8 million” (American Fitness, 2002, findarticles.com). Also, a clear majority of Americans (65%) care about their weight and have taken action in the past year (IRHSA, 2004). “For the sizeable minority of people who did use a gym for that purpose, health club membership apparently confers certain advantages on the weight control process. Club members especially those who exercise frequently are far more likely than others to report successful weight loss experiences; 25% of all health club members who attempted to lose weight were



“very” or “extremely” successful, compared with only 19% of weight reducers who did not attend a club. For members who exercised at their club at least 100 times throughout the year, the success rate soared to 30%” ([http://download.ihrsa.org/trendreport/10\\_2004trend.pdf](http://download.ihrsa.org/trendreport/10_2004trend.pdf)).

Gen Xers are individuals born between the years of 1961 – 1981. Millennials are individuals born between the years of 1982 – 1995 (<http://en.wikipedia.org>). These groups of people are concerned about their health and want to take care of themselves. Most of these individuals plan on taking care of themselves today and in the future ([download.ihrsa.org](http://download.ihrsa.org)). “Eight out of 10 Millennials and almost nine out of 10 Gen Xers feel the need to take measures to make sure their health will be good when they get older. The number of Millennials who share this attitude has increased since 1999 (72% compared to 83%). Perhaps seeing their Boomer parents age and taking an active role in their health, has encouraged the younger generations to follow suit. Because they are on the threshold of their Golden Years, 91% of Boomers feel the need to take measures to ensure their future health” ([http://download.ihrsa.org/trendreport/10\\_2004trend.pdf](http://download.ihrsa.org/trendreport/10_2004trend.pdf)).

Forty-eight percent of Millennials, 60% of Gen Xers, and 63% of Boomers actively research health concerns or issues they may have ([download.ihrsa.org](http://download.ihrsa.org)). Also, Millennials are not very informed healthcare consumers ([download.ihrsa.org](http://download.ihrsa.org)). This poses the question, “what types of exercises do Gen Xers and Millennials prefer?” The following table provides some insight.

Activity	Gen Xers	Millenials
Weightlifting	41%	46%
Use exercise equipment	37%	30%
Play team sports	17%	33%
Run/jog outdoors	22%	31%

Engage in outdoor activities	21%	27%
Walk outdoors	41%	28%
Run/jog indoors	20%	23%
Swim	13%	21%
Use exercise videos	13%	12%
Walk indoors	12%	10%
Yoga	16%	10%
Group classes	11%	5%
Pilates	8%	6%

([http://download.ihrsa.org/trendreport/10\\_2004trend.pdf](http://download.ihrsa.org/trendreport/10_2004trend.pdf))

“Since 1987, the population of older health club patrons has skyrocketed by 343% to nearly 7 million members in 2003. The segment of baby boomers (1946-1965) has mushroomed by 180%—to 14.8 million in 2003, claiming 37.6% of all health club memberships ([http://download.ihrsa.org/trendreport/10\\_2004trend.pdf](http://download.ihrsa.org/trendreport/10_2004trend.pdf)).

It is imperative to remember that demographics alone do not drive such trends. Vast changes in American values have changed over the past half-century. Our senior citizens were once ostracized and chastised for their exercise regime. Now, it is accepted and encouraged by medical professionals ([download.ihrsa.org](http://download.ihrsa.org)).

## 6.1 Market Segmentation

The following is a breakdown of the market segmentation for Fit-4-You-Multiplex.

1. Workout Buffs: a very important market for our center will be workout buffs.

These people view themselves as fitness gurus who will stop at nothing to achieve and maintain results. The equipment that they use is important to them. They also

- like to be noticed by other users of the center. As long as we give them stellar equipment, these people will not think twice about signing a long-term contract.
2. Weekenders: another important segment are people who do not like long-term contracts. They like freedom to enjoy themselves when it suits them. This particular group will be the target for diversified activities (old and new) and special promotions at our center.
  3. Gym Rats: a third market segment that enjoys being in a gym. These people just want to hang out, practice, and places to play at a very reasonable price. The atmosphere and the amount of people who watch them the better for a gym rat. Plus, it is better for our center. This third market is huge for Fit-4-You-Multiplex.
  4. Families: another market that is important for our center. Our center will have something for everyone. Families who want to spend time together will find our center is a great place to be. Not only will they spend time together, they will be staying fit and healthy as well. These people will be a target for special activities, and camps that we may offer. Fun and education is what the children will experience. Affordable and qualified babysitting is what parents enjoy.
  5. Senior Citizens: this market segment will be one of our center's fastest growing markets. "The number of members 55 and older has increased from 1.9 million to a staggering 4.9 million (Black, S.A., fitnessmanagement.com). Fit-4-You-Multiplex will capitalize on this market. We will higher older staff members who will exude friendliness in a safe, clean environment. By promoting our center, we will attract this market segment and then "interview/survey" them about their interest in working for our center. Physical fitness performance utilizes the heart, lungs, and muscles

- (fitnessmanagement.com). Mental alertness and emotional stability can be influenced by fitness (fitnessmanagement.com). Senior citizens will participate in physical activity if they see healthy promoting programs. Encouragement from family, friends, and doctors will also increase participation from this market segment.
6. Tourists: another small market segment will be the tourists to The Great Smoky Mountain National Park. These people will be attracted to our center because of its size, appearance, and location. Some people may not be as adventurous as others. These people can come in-doors to climb a rock wall that could be found out-doors. Our uniqueness will attract these people who will want to see what we have to offer.
  7. Business People: this small market segment will be attracted to our center for various purposes. They will not have any pressure or hassle of a required membership. A simple daily fee will make Fit-4-You-Multiplex a great place for these people to continue their workout routine and more. Sevierville, TN is growing. It is possible that these people may relocate to the area and become regular members of our center.
  8. People with Mobility Issues: this is another small market. Many facilities do not accommodate people with mobility or disability issues. We want to attract these people to our center because if they are serious about fitness and wellness, then we can help. “Persons with mobility disabilities and visual impairments have difficulty accessing areas of fitness facilities and health clubs” (Rimmer, et. al., 2005, p. 2022). It is estimated that 54 million Americans have disabilities. Older populations seem to have more incidence of disability (Rimmer, 2005). We will ensure that our facility is handicapped accessible. For example, we will have an elevator installed, for those that cannot use the stairs.

## 6.2 Target Market Strategy

Because of the growth of Sevierville, TN and Sevier County, residents will be attracted to our center. They will be curious to see for themselves what we have to offer. For business travelers and tourists it will be a unique place for them to visit. We will benefit from Tennessee's advertisement for Sevierville and The Great Smoky Mountain region. But, we will not wait for customers to discover us in a travel brochure. Fit-4-You-Multiplex will direct its marketing strategies to those markets who match our offerings. Time and money used to market Fit-4-You-Multiplex will be efficient. Each market segment connects to, in some ways, to all the others.

The main objective for our beginning marketing strategy is to get people into our center. We need to reveal our center to people and let them know what we offer. They must experience the allure of the atmosphere that will be created. Users will want to come back and partake in the extensive activities and programs that will be available to them. We will create anticipation and excitement about our center that it will gain attention from the local and national media.

The following are ways Fit-4-You-Multiplex will get people into our center:

1. We will have a huge promotional event to open the center that will be free to everyone. Items such as T-shirts and water bottles with our logo will be distributed.
2. Supporting the community is very important to us. Therefore, we will host and support local events. This will attract people who otherwise may not have come to our center.
3. Tours will be offered to elementary, junior, and high schools along with local colleges and universities. The tours will be conducted during the building and completion stages of our center.

4. We will utilize direct mail and send out free passes to everyone in Sevierville and the surrounding communities.

Immediately following the opening of Fit-4-You-Multiplex, print and radio media will be used to promote the center and our activities and programs. Also, presentations and trade will be utilized to promote our center. These methods will be used to attract new people from Sevier County, TN.

Being located in The Great Smoky Mountain region and specifically Sevierville, TN will be a great asset for us. The region is an established tourist destination. The additional advertising from the state will increase attraction to our center.

### 6.3 Service Business Analysis

The sport and leisure industry is a \$14.8 billion dollar industry ([www.msnbc.msn.com/id/10911287](http://www.msnbc.msn.com/id/10911287)). “The total number of health club patrons, including members and non-member users of clubs, climbed 7% from 54.5 million in 2000 to 58.3 million people in 2001, according to preliminary findings of the *2002 IHSA/ASD Health Club* ([http://209.117.96.104/trendreport/07\\_2002trend.pdf](http://209.117.96.104/trendreport/07_2002trend.pdf)). This was six years ago. The numbers of facilities continues to increase at a steady pace. However, facilities must offer new activities, equipment, and programs to retain members. This will also help attain new members and attract casual users. Most of the nation’s largest health club chains are expanding physically and demographically ([http://fitnessbusinesspro.com/mag/fitness\\_target\\_projections/](http://fitnessbusinesspro.com/mag/fitness_target_projections/)). In addition to young professionals, the target markets include baby boomers, seniors, and children ([fitnessbusinesspro.com](http://fitnessbusinesspro.com)). Fit-4-You-Multiplex will establish itself as a serious fitness and wellness center that is appealing to each of its market segments. We need to position ourselves as a great center for members and casual users alike.

### 6.3.1 Competition and Consumer Buying Patterns

The competition for Fit-4-You-Multiplex in Sevier County includes Sevierville Community Center, Sevierville Civic Center, and Pigeon Forge Community Center. Wilderness Resort, LLC plans to build a hotel/waterpark resort in Sevierville that should be completed by fall 2008 ([www.sevierville.tn.org](http://www.sevierville.tn.org)). Some of these facilities require long-term commitments while others are short-term commitments.

We expect potential center members to compare facilities and find one that is best for them or has other amenities that they want. However, value is usually important to these potential members. Most people want to receive the best value for their money.

## 7.0 Strategy and Implementation

Fit-4-You-Multiplex's potential market is very large. We believe that our center will become the number one fitness and wellness center in Sevier County, TN because no facility like ours exists in the area. To accomplish this, we need to actively and continuously promote our fitness and wellness center. This will be done through radio and media advertisements as well as hosting and supporting local events. Another strategy is to provide presentations at the new events center in Sevierville, TN and the local golf facility. Handouts will be distributed and contain testimonials from like-minded people as well as showcase some of our services. We can establish trade with a local newspaper or magazine by creating a byline. This would state our position in the fitness industry, the benefits of wellness programs, and the author (dietician or trainer). Of course, our business name will be included in the byline.

### 7.1 Uniqueness of Business

Fit-4-You-Multiplex will be rather unique. We will not be the average fitness center that

most people use. Our wellness area will actually enrich the lives of people. Our uniqueness is multifaceted. First, we are the only center that offers batting cages that are available during summer and winter. Our members will be able to train at anytime to stay “on top of their game.” Our diverse and variation of activities and programs are unmatched by any other facility in the area. The rock climbing wall will be a miniature replica of The Great Smoky Mountains. The second part of our uniqueness is our appearance, size, and location which will attract people to our center.

We will be the top fitness and wellness center in Sevier County, TN by maintaining our strategy, marketing, program development, and fulfillment. Fit-4-You-Multiplex will be the fitness and wellness center of Sevier Country, TN. We will not lose our competitive edge because we will not become comfortable or complacent in our development and implementation. It is imperative that our center stay current not only in fitness and wellness trends, but also in technology and employee development.

## 7.2 Sales Strategy

“To achieve superior responsiveness to customers, a company must be able to do a better job than competitors of identifying and satisfying its customers’ needs” (Hill & Jones, 2004, p. 91). Fit-4-You-Multiplex will distinguish itself from other facilities with our impeccable customer responsiveness. According to Ed Tock, “customer service is not a way of doing things, it is an attitude” (Tock, 2006, p. 24). Customer service will begin 1) when our sales staff contacts our customers, 2) customers walk into our center, and 3) potential customers attend one of our promotions or sponsored/supported community events.

Our center will take a cue from other industries such as hotel, restaurant, hospitality, and resorts. These industries “recognize the importance of investing in staff training programs so



more “moments of magic” can be delivered” (Tock, 2006, p. 24). Fit-4-You-Multiplex will spend time and money developing our employees. After all, our employees will have the most contact with our users.

Customers are more price conscious today. They want value for their money. Some have low morale (maybe a divorce or job loss) or receive frequent requests from competitors. These people have experienced poor service expectations, therefore, they demand more, forgive less, are a challenge to satisfy, and have no loyalty. Our employees must have a positive, “how may I help you and be of service to you” attitude in order to convince these people that are center is the place for them. The personnel that we hire will be able to think on their feet and for themselves. They will be able to handle any situation such as loss of power or short of staff. Users of our facility entrust us to provide them not only with a center for fitness and wellness, but the attention they deserve.

In addition to our staff training and impeccable customer responsiveness, we need to identify our users’ needs. This will help us to sell more memberships. Each person who is interested in becoming a member will be able to sit down and speak with a sales person. At this time the following will be discussed: membership options (promotions), center activities and programs, services, amenities, and Fit-4-You-Multiplex’s community involvement. “Developing customer relationships is an integral part of any customer retention strategy” (Hurley, 2004, p. 26). A relationship based on trust must be established at the first sales meeting with our users. After all, membership retention is an important aspect to our business.

#### 7.2.1 Sales Forecast

Unit Sales	FY 2007	FY 2008	FY 2009
Membership Fees	760	1,000	1,200

Walk-In Fees	10,500	10,500	11,500
Camps/Programs	700	700	1,400
Court Rentals	700	735	772
Leagues	2,200	2,310	2,420
Personal Trainers	1,050	1,103	1,158
Unit Sales	FY 2007	FY 2008	FY 2009
Food & Beverage	12	1	1
Spa	1,030	1,060	1,113
Hair Salon	1,020	1,050	1,103
Other	3	0	0
<i>Total Unit Sales</i>	17,975	18,459	20,667
Unit Prices	FY 2007	FY 2008	FY 2009
Membership Fees	\$650.00	\$680.00	\$680.00
Walk-In Fees	\$5.00	\$5.25	\$5.00
Camps/Programs	\$25.00	\$75.00	\$79.00
Court Rentals	\$40.00	\$42.00	\$44.10
Leagues	\$60.00	\$63.00	\$66.00
Personal Trainers	\$20.00	\$21.00	\$22.00
Food & Beverage	\$2,600	\$32,500	\$34,125
Spa	\$50.00	\$52.50	\$55.13
Hair Salon	\$40.00	\$42.00	\$44.10
Other	\$4,000	\$4,200	\$4,350
Sales	FY 2007	FY 2008	FY 2009

Membership Fees	\$494,000	\$680,000	\$816,000
Walk-In Fees	\$52,500	\$55,125	\$57,500
Camps/Programs	\$17,500	\$52,500	\$110,600
Court Rentals	\$28,000	\$30,870	\$34,045.20
Leagues	\$132,000	\$145,530	\$159,720
Sales	FY 2007	FY 2008	FY 2009
Personal Trainers	\$21,000	\$23,163	\$25,476
Food & Beverage	\$31,200	\$32,500	\$34,125
Spa	\$51,500	\$55,650	\$61,359.69
Hair Salon	\$40,800	\$44,100	\$48,642.30
Other	\$12,000	\$0	\$0
<i>Total Sales</i>	\$880,500	\$1,119,438	\$1,347,468.19
Direct Unit Costs	FY 2007	FY 2008	FY 2009
Membership Fees	\$0	\$0	\$0
Walk-In Fees	\$0	\$0	\$0
Camps/Programs	\$0	\$0	\$0
Court Rentals	\$0	\$0	\$0
Leagues	\$0	\$0	\$0
Personal Trainers	\$0	\$0	\$0
Food & Beverage	\$0	\$0	\$0
Spa	\$0	\$0	\$0
Hair Salon	\$0	\$0	\$0
Other	\$0	\$0	\$0

Direct Cost of Sales	FY 2007	FY 2008	FY 2009
Membership Fees	\$0	\$0	\$0
Walk-In Fees	\$0	\$0	\$0
Camps/Programs	\$0	\$0	\$0
Court Rentals	\$0	\$0	\$0
Direct Cost of Sales	FY 2007	FY 2008	FY 2009
Leagues	\$0	\$0	\$0
Personal Trainers	\$0	\$0	\$0
Food & Beverage	\$0	\$0	\$0
Spa	\$0	\$0	\$0
Hair Salon	\$0	\$0	\$0
Other	\$0	\$0	\$0
<i>Subtotal Direct COS</i>	\$0	\$0	\$0

### 7.3 Milestones

The following schedule is Fit-4-You-Multiplex's important milestones. These include dates, managers in charge, and budgets for 2007. The milestone schedule emphasizes are planning for implementation. However, our commitment behind our schedule is not shown. Our business plan shows our plan versus actual analysis. We will hold monthly meetings to discuss variances and course corrections.

Milestone	Start Date	End Date	Budget	Manager	Department
Business Plan	3/12/07	3/12/07	\$0	Rebecca	Department
Review Concept	3/19/07	3/19/07	\$4,000	Rebecca	Department
Financial	4/1/2006	5/1/2006	\$0	TBA	Department

Company Set-Up	4/1/2006	5/1/2006	\$0	TBA	Department
Logo Design	4/1/2006	5/1/2006	\$0	TBA	Department
Other	4/1/2006	5/1/2006	\$0	TBA	Department
<hr/>					
Totals			\$4,000		

#### 7.4 Phases of Development

Fit-4-You-Multiplex will have four phases of development. These are as follows.

1. Fitness and wellness center will be built in Sevierville, TN.
2. A video game “fitness” area will be constructed. Today, videos games such as Nintendo Wii, Sony Playstation, and Microsoft Xbox 360 can be found in homes across the nation. If we cannot beat them, we will join them. We will work with an organization that creates video games. These games will be interactive and will require users to move. Also, we will incorporate the ever popular DDR (Dance Dance Revolution). The game utilizes a dance pad that has four arrow panels; left, down, up, and right. Players use their feet to step in time to the general rhythm or beat of a song ([http://en.wikipedia.org/wiki/Dance\\_Dance\\_Revolution](http://en.wikipedia.org/wiki/Dance_Dance_Revolution)). This will get users moving and “exercising without knowing it!”
3. After our success, expansion into other national markets as well as international markets is likely to occur. States such as Arizona, New Mexico, Oregon, and Texas, are areas of interest. Internationally, The United Kingdom of Great Britain, specifically England is another potential market for us. People in these areas are concerned with their health, and are proactive in maintaining healthy lifestyles.
4. The construction of baseball diamonds and basketball courts are another opportunity that Fit-4-You-Multiplex will consider. The construction of these will be based on

customer feedback, demand, and needs. If there is a demand or need, then construction will take place. After we have been in operations for awhile, we will have a better understanding as to what additional amenities and services are of interest to users of our center.

## 8.0 Leadership/Management Summary

Organizations around the world expect potential employees to prove that they are “worthy” to work for the organization. When these employees are hired, it becomes their responsibility to prove to their new employer or manager that the decision to hire them was the right one. The management staff at Fit-4-You-Multiplex disagrees with this philosophy. It will be our responsibility to prove ourselves to our employees.

Rebecca A. Sebek and Partner K of Fit-4-You-Multiplex will choose candidates for the major key positions in our organization. These future employees will put their career, faith, and future in our hands. It will be our personal responsibility to prove to our employees that they made the right decision to work for our organization.

Leadership and management are different. Yes, leaders *should know* how to manage; however, those that manage *should know* how to lead. These qualities are highly imperative to the success of our organization. Fit-4-You-Multiplex will have a code of ethics that will be followed by everyone. It is being developed very carefully by the management team. Honor, respect, integrity, dignity, and equal opportunity are important to the success of Fit-4-You-Multiplex.

We will spare no expense in our “human resources.” We want people who want to succeed in our organization. These employees will want more than just a paycheck. They will crave personal growth and development. Our employees should enjoy working for us. They

should enjoy what they do and feel good about their job performance. Employees should have a passion for education. Whether it is formal, such as a class or seminar or informal for example, an ideas session with co-workers; employees must have a desire to learn. Our employees will have that “spark” in their eyes. They will possess a spirit that will radiate from them.

The initial management team for Fit-4-You-Multiplex depends on our general partners. Rebecca A. Sebek and Partner K will run the day-to-day operations which include marketing and promotions, scheduling, along with developing various clubs and community programs. A “staff of excellence” will be hired as back-up for Rebecca and Partner K. These people will compensate for the lack of any experience that Rebecca and Partner K may have. For example, qualified employees will be hired for our fitness and wellness areas, café, hair salon and spa, and daycare area. A maintenance crew will keep Fit-4-You-Multiplex operating smoothly and cleanly.

Fit-4-You-Multiplex will start with a staff of 20 in its first year. We anticipate that an additional five people will be needed for the next two years. We conservatively estimate that the salaries will increase 5% per year. This does not include any bonuses that may be given.

### 8.1 Management Philosophy

Fit-4-You-Multiplex will take great care to hire the right employees for our business. *Our employees will be forward thinkers who can think for themselves. Attributes such as creativity, customer service, technological, interpersonal, verbal and written communication skills, enthusiasm, and a willingness to learn are a must!* Experience and education will be reviewed carefully. We want people with a “Yes! I can” attitude and who embrace and accept change! We will stop at nothing to ensure our center has a brilliant team!

Fit-4-You-Multiplex believes in servant leadership. “The servant-leader is servant first.

It begins with the natural feeling that one wants to serve, to serve first” (Greenleaf, 1991, p. 7). Servant leadership will be reflected in our organization. It begins with our management team and continues through to our employees. Our management staff will lead by example. Nothing will be below our management staff. For example, if we notice any litter anywhere in our facility, we will stop to pick it up and dispose of it. If something has to be filed away, we will do that. No job will be “too menial” for us to perform. We expect our employees to act the same way. We are a team that is working for the greater good of human kind.

According to Stephen R. Covey, “leadership can be broken into two parts; one having to do with vision and direction, values and purposes, and the other with inspiring and motivating people to work together with a common vision and purpose” (Covey, 1991, p. 246). It is imperative for the management staff of Fit-4-You-Multiplex to believe and follow its mission and vision. If they do not, then its employees will not believe or follow it either.

Fit-4-You-Multiplex believes in principle-centered power. Our organization believes in honor, integrity and dignity. Stephen R. Covey wrote the following regarding principle-centered power. “Principle-centered power is the mark of quality, distinction and excellence in all relationships. It is based on honor, with the leader honoring the follower and the follower choosing to contribute because the leader is also honored. The hallmark of principle-centered power is sustained, proactive influence. Principle-centered power occurs when the cause or purpose or goal is believed in as deeply by the followers as by the leaders” (Covey, 1991, p. 104)

“Power is created when individuals perceive that their leader is honorable, so they trust him, are inspired by him, believe deeply in the goals communicated by him, and desire to be led. Because of their sense of purpose and vision, their character, their essential nature, and what they represent, a leader can build principle-centered power in his relationships with his followers”



(Covey, 1991, p. 104-105).

Leadership is very important to the management staff of Fit-4-You-Multiplex. In the book *Principle-Centered Leadership* by author Stephen R. Covey (1990), it is stated that principle-centered leadership is practiced from the inside out on four levels: 1) personal (my relationship with myself); 2) interpersonal (my relationships and interactions with others); 3) managerial (my responsibility to get a job done with others; and 4) organizational (my need to organize people-to recruit them, train them, compensate them, build teams, solve problems, and create aligned structure, strategy, and systems) (Covey, 1990, p. 31). Everyone within our center will be expected to follow these guiding principles.

Many employees leave their organizations because of their supervisor or manager ([http://www.flexexecs.com/fe\\_images/WOWno5.pdf](http://www.flexexecs.com/fe_images/WOWno5.pdf)). The work place relationship breaks down because of a lack of trust, communication, timely feedback, appreciation, and fair treatment. At Fit-4-You-Multiplex, our management staff along with our human resource department will monitor employee turnover. We want to know the reasons why are employees may choose to leave us. Attention to employee turnover is a must. Most organizations are unaware of how much money they can lose each year because of employee turnover.

Finally, at Fit-4-You-Multiplex our employees will enjoy a slightly higher competitive salary, medical benefits, vacation, and other incentives such as free daycare. The atmosphere will be relaxed and support will be abundant. We will train employees for their position within our organization. This includes our services, policies, and systems. This will allow employees to advance and grow within our organization. We are confident that our center will attract people who will want to work for us. Our employees will receive 150% commitment from our management team. We want our employees to remain with our organization. Our attraction and

retention of employees will be abundant!

## 8.2 Our “Human Resources”

The following employees will be required in order for our organization to be a success and run smoothly.

1. **Management Team:** general partners, Rebecca A. Sebek and Partner K. They are responsible for day-to-day operations such as marketing and promotions, scheduling, and the development of programs. All of our managers will be responsible for hiring personnel in their area. However, initially the general partners will meet or speak with potential candidates.
2. **Staff of Excellence:** a team will be hired as backup to the general partners. These people will compensate in areas that the general partners may not have the most experience or expertise. Included in our “staff of excellence” will be a stellar human resources department. These people will have experience in many areas from benefits to human behavioral development. We will ensure that our employees are represented and treated fairly.
3. **Fitness Manager:** he or she will be responsible for the fitness area in our center. This person will be responsible for running our fitness area and hiring the necessary personnel. Our fitness manager will develop programs for the area.
4. **Wellness Manager:** he or she will run our wellness area. This person will hire the personnel who will work in the area. Program development will be necessary.
5. **Hair Salon/Spa Manager:** he or she will be responsible for running this area. Hiring the personnel for this area will be expected. Stylists and massage personnel will be expected to be knowledgeable about current trends.

6. Daycare Manager: he or she will run our daycare. This person will be responsible for hiring the personnel.
7. Maintenance Crew: these employees will be responsible for the cleanliness of our center. They will be responsible for making sure our center is functional (electricity, water, plumbing, etc.). These employees play a significant role in our organization. Without them, the center would not be “fit” to operate, literally!

## 9.0 Financial Plan

We assume a start-up capital of \$400,000. We will seek a long-term bank loan of \$1,250,000. The balance will come from the financing will be from investors in Fit-4-You-Multiplex. The financial plan will outline our assumptions, break-even analysis, operating budget, budget, profit and loss projection, cash flow projection, and balance sheet projection.

### 9.1 Assumptions

Our financial plan depends on important assumptions. These are shown in the table below. In the beginning we understand that our collection days are important. However, we cannot easily influence them. We expect the problem, and it will be handled. The interest and tax rates and personnel burden are conservatively based assumptions.

The following are important underlying assumptions. First, we assume no recession, which means the economy will be strong. Second, an interest in fitness and wellness will continue to grow across the nation. Third, the growth rate of memberships for fitness clubs will continue to increase.

General Assumptions	FY 2007	FY 2008	FY 2009
Plan Month	1	2	3

Current Interest Rate	12%	12%	12%
Long-Term Investments	12%	12%	12%
Tax Rate	16.75%	15%	16.75%
Sales on Credit %	60%	60%	60%
Other	0	0	0

## 9.2 Break-Even Analysis

The break-even point is “the point when total cost equals total revenue” (Parkin, 2005, p. 240). This is the point where there is no profit or loss; the organization breaks even. It should be noted that a break-even analysis does have limitations. For example, it assumes that fixed costs will be constant.

Fit-4-You-Multiplex is providing a table that shows our break-even calculation. We based this table solely on memberships. No regard was given to daily walk-in fees, café revenue, program revenue, or hair salon and spa revenue. Fixed costs are approximately \$60,000 at the outset; we must sell an average of 92 memberships per month. Due to our promotional efforts of the opening of our center, we expect to exceed the number of memberships sold per month.

The following summarizes our break-even analysis. The break-even point for Fit-4-You-Multiplex was calculated in the following way. First, our fixed costs are \$60,000. Second, we have no variable costs. Finally, our membership fee (average per-unit revenue in the table) is \$650. The formula used is: fixed costs of \$60,000, plus \$0 variable costs, equals our contribution margin of \$650, ( $\$60,000 / \$650 = 92.3$  units).

### Break-Even Analysis

Monthly Units Break-Even	92
Monthly Revenue Break-Even	\$ 60,000.00

*Assumptions*

Average Per-Unit Revenue	\$ 650.00
Average Per-Unit Variable Cost	\$0.00
Estimated Monthly Fixed Costs	\$ 60,000.00

## 9.3 Operating Budget

The following is an operating budget Fit-4-You-Multiplex.

Payroll	\$0
Insurance	\$0
Sales & Marketing	\$0
Depreciation	\$0
Accounting Fees	\$0
Loan Payments	\$0
Supplies	\$0
Leased Equipment	\$0
Repairs & Maintenance	\$0
Landscape Maintenance	\$0
Telephone	\$0
Utilities	\$0
Payroll Taxes	\$0
Miscellaneous Expense	\$3,000 annually
Taxes	30% of earnings

## 9.4 Budget

The following table shows a budget for the first-year for Fit-4-You-Multiplex. The budget is broken out by month. Fit-4-You-Multiplex expects a loss in the first year of operations. Fit-4-You-Multiplex expects that it will show a substantial profit in the second and third years of operations.

Business Plan 46

2007 Budget	Mar07	Apr07	May07	Jun07	Jul07	Aug07	Sep07	Oct07	Nov07	Dec07	FY2007
Sales	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$880,500
Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$880,500
Gross Margin	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$88,050	\$880,500
Gross Margin %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<i>Expenses:</i>											
Payroll	\$48,200	\$48,200	\$48,200	\$48,200	\$48,200	\$48,200	\$48,200	\$48,200	\$48,200	\$48,200	\$482,000
Sales & Marketing	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$90,000
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounting Fees	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$4,900
Leased Equipment	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000
Repairs & Maintenance	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$490	\$4,900
Landscape Maintenance	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$3,700
Telephone	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$3,100
Utilities	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$57,000
Payroll Taxes	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$72,000
Miscellaneous Expense	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,000
Total Operating Expenses	\$77,060	\$77,060	\$77,060	\$77,060	\$77,060	\$77,060	\$77,060	\$77,060	\$77,060	\$77,060	\$770,600
Profit Before Interest & Taxes	\$10,990	\$10,990	\$10,990	\$10,990	\$10,990	\$10,990	\$10,990	\$10,990	\$10,990	\$10,990	\$109,900
Interest Expense	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$125,000
Taxes Incurred	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$11,500
Net Profit	(\$2,660)	(\$2,660)	(\$2,660)	(\$2,660)	(\$2,660)	(\$2,660)	(\$2,660)	(\$2,660)	(\$2,660)	(\$2,660)	(\$26,600)
Net Profit/Sales	-3.02%	-3.02%	-3.02%	-3.02%	-3.02%	-3.02%	-3.02%	-3.02%	-3.02%	-3.02%	-3.02%

### 9.5 Profit and Loss Projection

The profit and loss projections for Fit-4-You-Multiplex are shown on the following table.

The projections are for a three year period. Our net profits/sales show a loss in the first year.

They will increase in the second year. In the third year they increase 6.24%. These numbers are

conservative figures.

Profit and Loss	FY 2007	FY 2008	FY 2008
Sales	\$880,500.00	\$1,119,438.00	\$1,347,468.19
Direct Cost of Sales	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Total Cost of Sales	\$0.00	\$0.00	\$0.00
Gross Margin	\$880,500.00	\$1,119,438.00	\$1,347,468.19
Gross Margin %	100.00%	100.00%	100.00%
<i>Expenses:</i>			
Payroll	\$482,000.00	\$506,100.00	\$ 597,198.00
Sales & Marketing	\$89,661.00	\$91,461.00	\$68,461.00
Depreciation	\$0.00	\$0.00	\$0.00
Accounting Fees	\$4,900.00	\$5,020.00	\$5,300.00
Leased Equipment	\$50,000.00	\$52,400.00	\$52,400.00
Repairs & Maintenance	\$4,900.00	\$5,020.00	\$5,300.00
Landscape Maintenance	\$3,700.00	\$3,800.00	\$3,990.00
Telephone	\$3,100.00	\$3,255.00	\$3,417.75
Utilities	\$56,700.00	\$59,535.00	\$62,511.75
Payroll Taxes	\$72,300.00	\$88,206.00	\$103,844.92
Miscellaneous Expense	\$3,000.00	\$3,000.00	\$3,000.00
Total Operating Expenses	\$770,261.00	\$817,797.00	\$905,423.42
Profit Before Interest & Taxes	\$110,239.00	\$301,641.00	\$442,044.77
Interest Expense	\$125,000.00	\$125,000.00	\$125,000.00
Taxes Incurred	\$11,575.10	\$27,147.69	\$53,045.37
<b>Net Profit</b>	(\$26,336.10)	\$149,493.31	\$263,999.39
<b>Net Profit/Sales</b>	-2.99%	13.35%	19.59%

\*Supplemental Information: Salaries

*Salaries*

Management Team (2)	\$ 120,000.00	\$	126,000.00	\$	132,300.00
Staff of Excellence	\$ 140,000.00	\$	147,000.00	\$	154,350.00

Fitness Manager	\$ 42,000.00	\$ 44,100.00	\$ 46,305.00
Wellness Manager	\$ 42,000.00	\$ 44,100.00	\$ 46,305.00
Hair Salon / Spa Manager	\$ 40,000.00	\$ 42,000.00	\$ 44,100.00
Daycare Manager	\$ 43,000.00	\$ 45,150.00	\$ 47,407.50
Maintenance Crew	\$ 55,000.00	\$ 57,750.00	\$ 60,637.50
Note: 5% Yearly Increase	\$ 482,000.00	\$ 506,100.00	\$ 531,405.00

### 9.6 Cash Flow Projection

The cash flow projections for Fit-4-You-Multiplex show our annual amounts. A cash flow statement reflects the “in-flows and out-flows of cash.” It is made up of three operating, financing, and investing activities (Gallagher & Andrew, 2003). Cash flows are imperative for capital budgeting. The focus is on cash flows instead of profits when evaluating proposed capital budgeting projects because it is the cash flow that changes the value of a firm. Cash *outflows* reduce the value of the firm, whereas cash *inflows* increase the value of the firm (Gallagher & Andrew, 2003).

Statement of Cash Flows	FY 2007	FY 2008	FY 2009
Cash flows from operating activities:			
Cash sales	\$ 352,200.00	\$ 447,775.20	\$ 538,987.28
Cash from receivables	\$ 475,470.00	\$ 604,496.52	\$ 727,632.82
Cash Spending	\$ (37,377.23)	\$ (47,520.14)	\$ (57,200.02)
Payment of Accounts Payable	\$ 757,230.00)	\$ (962,716.68)	\$ 1,158,822.64)
Net cash provided (used) by operating activities	\$ 33,062.77	\$42,034.90	\$50,597.44
Cash flows from investing activities:	\$0	\$0	\$0
N/A	\$0	\$0	\$0
Net cash provided (used by investing activities	\$0	\$0	\$0
Cash flows from financing activities:	\$0	\$0	\$0
N/A	\$0	\$0	\$0
Net cash provided (used by financing activities	\$0	\$0	\$0



Increase (decrease) in cash during period	\$ 33,062.77	\$ 42,034.90	\$ 50,597.44
Cash balance at the beginning of the period	\$ 400,000.00	\$ 433,062.77	\$ 475,097.67
Cash balance at the end of the period	\$ 433,062.77	\$ 475,097.67	\$ 525,695.11

### 9.7 Balance Sheet Projection

The balance sheet shows the assets, liabilities, and owner's equity. We believe that Fit-4-You-Multiplex has managed growth. The net worth of the organization is sufficient. We believe the organization to be in a healthy financial position. Our monthly estimates are reasonable when compared with other facilities within our industry. For example, we reviewed a facility called The Supreme Courts located in Henderson, NV. This facility is a "full-service multi-sport facility" (<http://www.bplans.com/sp/businessplans.cfm#M>). They offer exercise programs like ours, but the facility does not feature a wellness center. Therefore, our numbers will slightly vary but are still within the range of the industry.

We plan to have more centers in the future. Our plan is to grow our organization within the state of Tennessee and then enter other national markets and an international market. We realize the need to stay ahead of current trends within the industry. This will be done through the purchase and acquisition of more assets such as property, plant, and equipment. We may consider the pursuit of acquisitions in the future as we experience success from our business.

We are confident that our fitness and wellness center will generate a profit each year for our investors. Fitness and wellness programs are becoming more popular. This is a multi-billion dollar industry that experiences membership increases each year. Today many organizations provide its employees with the opportunity to join a fitness center and or attend wellness seminars. Websites such as [wellness.com](http://wellness.com) provide people with fitness and wellness information. As the industry experiences growth so will Fit-4-You-Multiplex.

Balance Sheet  
December 31,

	12/31/07	12/31/08	12/31/09
Assets			
Current Assets:			
Cash	\$433,063	\$475,098	\$525,695
Accounts Receivable	\$44,025	\$55,972	\$67,373
Inventory	\$0	\$0	\$0
Total Current Assets	\$477,088	\$531,070	\$593,069
Fixed Assets:			
Property, Plant, & Equipment	\$0	\$0	\$0
Leasehold Improvements	\$0	\$0	\$0
Less: Accumulated Depreciation	\$0	\$0	\$0
Equity & Other Investments	\$0	\$0	\$0
Other Assets	\$0	\$0	\$250,728
Total Assets	\$477,088	\$531,070	\$843,797
Liabilities & Owner's Equity			
Current Liabilities:			
Accounts Payable	\$24,703	\$28,622	\$31,277
Current Borrowing	\$0	\$0	\$0
Other	\$178,721	\$79,291	\$125,364
Total Current Liabilities	\$203,424	\$107,913	\$156,641
Long-Term Liabilities:			
Investment	\$1,250,000	\$1,250,000	\$1,250,000
Owner's Equity:			
Paid-In Capital	\$1,250,000	\$1,250,000	\$1,250,000
Retained Earnings	(\$2,200,000)	(\$2,226,336)	(\$2,076,843)
Earnings	(\$26,336)	\$149,493	\$263,999
Total Owner's Equity	(\$976,336)	(\$826,843)	(\$562,843)
Total Liabilities and Owner's Equity	\$477,088	\$531,070	\$843,797

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## Appendices

1. Example of a logo design for Fit-4-You-Multiplex.
2. Example of a mural for Fit-4-You Multiplex.
3. Financials for Fit-4-You-Multiplex