



# Creating a Business Plan for Your Fitness Studio

A STEP-BY-STEP GUIDE 

mindbody



## Introduction

As a passionate fitness professional, we know you're excited to open the doors of your new studio. But before you start shopping for equipment and reaching out to potential clients, you'll need to outline a business plan.

We know, we know; developing a plan might sound daunting, but we're here to help. This step-by-step guide, designed specifically for fitness-lovers turned entrepreneurs, will help you figure out the specifics, like how to build your team, find a space, and fund your dream business. Plus, once you've hashed out the details, you'll have a better understanding of your ideal client, and how to best serve them with appropriate pricing, class types, and more.

Ready to get started? Let's work through your business plan together:

## Executive Summary

This is where you provide an overview of your business – *who is your ideal client? What services will you offer? What makes your business stand out from the competition?*

In your executive summary (the section outlining the specifics to come), you'll want to answer these questions. It's important to organize and pitch your ideas concisely, so they can be understood by any reader.

As the owner, your executive summary will likely include your reason for opening a studio, your target market, and your projections for success. If you're looking for funding, your summary should be compelling enough to catch the attention of a potential investor.

# Company Description and Market Analysis

In your company description, you'll go into more detail about your soon-to-be business. Here, you'll outline the problems you plan to solve, define your typical client, and specify your competitive advantage.

Your competitive advantage is what makes your business stand out in a crowd of competitors—*do you have instructors with specialized certifications? Do you offer unique class types? Does your business provide nutrition services or workshops? Do you offer exciting member benefits?* Getting specific with your business's advantages will help guide everything from marketing to décor to pricing.

Your market analysis describes your approach to your industry and specifies your target market—do you plan to offer a variety of classes to serve a broad audience? Or will you serve a specific niche? For example, if you are located in a college town, you might offer classes targeted at a younger demographic. On the other hand, if you're located in a retirement community, you may want to offer one-on-one personal training or mobility-focused classes. Be very intentional with the type of client you want to attract.

Familiarizing yourself with the competition will help you make informed decisions about how to operate your own facility, especially with location and pricing. And market research doesn't end once you're open—continuing it will help your business evolve and stay ahead of the competition. Also very important: start researching and using a [fitness management software](#) before you open so you have the data necessary to run your business efficiently from the get-go.





## Organization and Management

Your organization page will specify the legal structure of your business. Visit [the IRS page on business structure](#) to review your options, and be sure to consult legal counsel or your local government website to determine the best fit for you.

The management section of your plan should discuss how your staff will be structured and outline who will be responsible for what; a visual aid like an organizational chart is a helpful way to show this. For this section, consider including:

- The number of staff needed to effectively run your business
- Whether or not you should hire a manager
- Whether you will hire employees, independent contractors, or both
- Who will have keys to your business
- How you will pay your staff
- If you will offer staff incentives (bonuses, benefits, free or discounted classes, etc.)

## Service

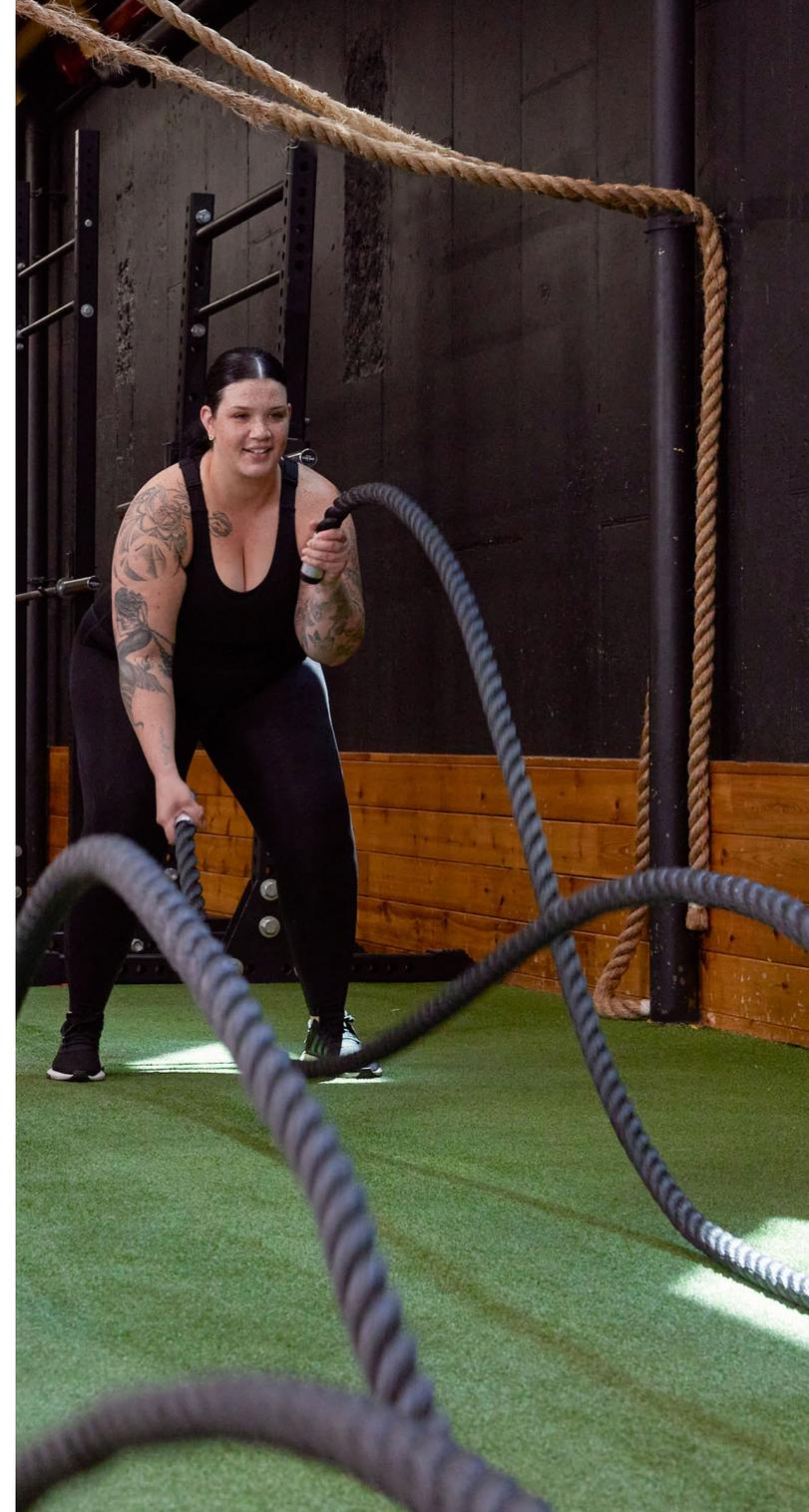
This section includes a description of your services that goes into more detail than in the executive summary. A few topics to include:

- Class types and descriptions
- How clients will schedule classes
- What, if any, inventory you plan to sell
- How your studio will collect revenue
- Patents and licensing (Are you using a trademarked form of training like CrossFit®? Did you design your own form you'd like to license?)

## Marketing and Sales

Your marketing section helps to answer the question, "How will you attract and retain clients?" Without a marketing strategy, no one would know your business exists. This part of your business plan may include options like:

- Print advertising
- Paid online marketing
- Sponsored social media posts
- Networking opportunities and events
- Partnerships with other local businesses





The sales part of your plan outlines the journey of a single customer. Here, you should write all of the ways a customer could discover your business and pay for a class, including:

- In-person discovery
- By word of mouth
- Through your website
- On social media
- Through a branded app

Make sure to include the entire sales cycle for your business, outlining a customer journey from initial discovery to membership, and mention all of the potential sales touch points.

The fitness management software you choose can make a big difference in the effectiveness of your marketing and sales efforts—*does your software allow clients to schedule your services through online channels like Facebook, Instagram, and Google? Does it easily support membership set-up? Does it put your offers directly in front of your target customers?*

## Financial Projections and Funding

Outlining your finances will help you manage spending, and if needed, convince investors to fund your business. In many ways, this is the most important part of your business plan. Class descriptions and marketing strategies are important, but none of it is possible without funding.

**Create a timeline of financial considerations to take you through the next five years. Don't forget:**

- Start-up costs, including licensing, decor, signage, marketing, sales inventory, hardware and software
- Fixed costs, like rent, employee pay and other recurring payments that won't change much
- Variable costs, such as future advertising and inventory • Income projections based on payment type (online versus in-studio)
- A breakeven analysis (how many clients you need to cover expenses)

**Include considerations that will affect your financial projections such as:**

- Class prices
- Realistic membership revenue goals
- Maintenance costs
- Taxes
- Rent and utilities
- Materials and merchandise

In your funding section, you'll specify what assistance you need, how long you need it, and how you plan to use it. You'll want to be as detailed as possible, so banks and investors feel completely confident that your business is a good investment—which of course it is!



# Fitness Studio Business Plan Template

## Business Overview

*(This is your elevator pitch)*

## Marketing and Sales Strategy

*(How people will find you)*

## Mission Statement

*(A formal summary of the aims and values of your company)*

## Projected Annual Costs

*(Estimate)*

1. Start-up costs:

2. Fixed costs:

3. Variable costs:

## Target Market

*(Future customers)*

## Projected Annual Income

## Competitive Advantage

*(What sets you apart)*

## Potential Investors

You can also download our free [Business Plan Template](#) to get your planning started.



## Conclusion

A detailed business plan serves two major functions: it's a guide for getting your dream business up and running, as well as a way to secure the funding to make it happen.

Think of this plan as a way to gather everything you need to succeed before taking the plunge. Finding the perfect location, determining your pricing, choosing management software, securing funding—a business plan includes it all.

Once you officially open your doors, your business plan will serve as an important guide and will continue to evolve as your business does. By pairing your plan with a [fitness management software](#) like MINDBODY, you'll be set up to succeed every step of the way.

Congratulations! Good luck and know that we're always here to help!

Download our free [Business Plan Template](#) to get your planning started.

To learn how MINDBODY can set your new business up for long-lasting success, schedule a guided tour today at [www.mindbodyonline.com/fitness](http://www.mindbodyonline.com/fitness)