

CHRISTIAN SERVICE UNIVERSITY COLLEGE-KUMASI

DEPARTMENT OF BUSINESS STUDIES

BARCHELOR OF BUSINESS ADMINISTRATION

EVERGREEN FITNESS AND SOCIAL CENTER

BUSINESS PLAN

**A BUSINESS PLAN SUNMITTED TO THE DEPARTMENT OF BUSINESS
STUDIES OF CRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
COURSE CSAD 443 TEAM BUSINESS PROPOSAL**

BY

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DECEMBER, 2011

STATEMENT OF AUTHENTICITY

I have read the Christian Service University College's regulations relating to plagiarism and certify that this Business Plan is all my work and does not contain any unacknowledged work from other source. I also declare that I have been under supervision for this Business Plan herein submitted.

Names of Students	Index No.	Signature	Date
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EXECUTIVE SUMMARY

Organization Background

Evergreen Fitness and Social Centre provides wellness strategies and programmes for corporate organizations and individuals in the Kumasi Metropolis. A wellness strategy is a long term effort, combining both health-promotion and exercise-related activities designed to facilitate positive lifestyle changes in workers as well as non-workers. EFSC's main target is for busy workers both in the public and private sectors and social groups whose job description makes them prone to building up excess weight due to little physical activity. Our service is also (Nutritionist) to be helped to design a personalized health and fitness programme.

Our Objectives is to provide the means, expertise, motivation and right atmosphere fitness centre in Ghana to enhance individual and corporate productivity through healthy life style.

Our Aims to help business and individual attain good health and simply feel better about themselves.

Realization of Schedule

The company's sales are expected to increase by 30% by the end of year 2. Charges increased by 30%, 25% and 20% for Platinum, Gold and Silver respectively.

Market Analysis

EFSC will concentrate on this product for the five years to ensure it reaches it all of its potential market and this we can expand into enrolling sporting clubs and other social clubs. Additionally, selling of food supplements and immune boosters.

Financial Analysis

Based on this projection, a tailored marketing strategy efficiently executed will be used to achieve this target. A startup capital of GH ₵30,000 will be used but EFSC will be able to break



even between the eleventh months of 2012 of its operation with break even turnover of GH81, 981. From all necessary proof calculations and analysis done, EFSC is financially viable and worth investing in.

EFSC will become profitable before the end of its second year of operation. Our turnover is expected to grow by 25% at the end of second year's performance.

Management Team

We will also furnish clients via postal and email, progress-reports to assist them to know their level of fitness and also to aid management as well as instructors to monitor their progress and adjust their programme accordingly. Evergreen Fitness and Social Centre is not primarily a body-building club as is being done by most of our major competitors. EFSC is in the business of total physical fitness, health education, awareness and socialization. The major function is to conscientize clients by way of good eating habits, healthy living and physical fitness without necessarily becoming "Macho".

In conclusion, Evergreen Fitness and Social Centre intend to serve the Health and Wellness needs of the people of the Kumasi Metropolis and beyond. Our strategically tailored fitness and health education by our highly trained professionals will go a long way in helping people to become healthier and also lowering their overall medical costs. We will achieve our objectives by sticking to our core values and objectives by delivering quality service in a friendly and congenial training environment to meet our clients' needs

VISION

Our vision is to provide the means, expertise, motivation and right atmosphere fitness centre in Ghana to enhance individual and corporate productivity through healthy lifestyle.

MISSION

EFSC mission is to help business and individual attain good health and simply feel better about themselves.

CORPORATE OBJECTIVES

Means EFSC pledge to provide the finest fitness equipment to our clients as we envisage being among the top three fitness and social centre's in the country.

Expertise – EFSC pledge to employ only the best fitness professionals to train our clients achieve results at shortest possible time

Right Atmosphere EFSC pledge to offer our clients a fun, exciting and welcoming atmosphere.

Motivation - EFSC believe in performance recognition and open communication between our management team and our members as a means of achieving fitness goals.



1.0 ORGANISATION BACKGROUND

A Current member of Evergreen Fitness and Social Centre (EFSC) who was struggling with excess weight and its related health problems approached a doctor for solution. After several months of diverse medical and physiological management of the situation without any significant success, she was advised by the doctor to resort to physical exercises. To induce natural management and sustained improvement in her state of health, she was further advised not to take in any form of medication.

A few weeks after following the instructions of the doctor, she realized a marked improvement in her weight and general health status. This encouraged her to spread the good message to colleagues within her neighbourhood. The success story compelled her to discuss with friends the possibility of setting up a health fitness centre to cater for the people in the neighbourhood. The high level of enthusiasm showed by neighbours towards the venture coupled with the pressure from business friends necessitated the commercialization of the social health club into a fully fledged fitness centre. It is tailored to meet the health needs of individuals within the Kumasi Metropolis and possibly even beyond.

COMPANY NAME AND LOCATION

The company is to be known as Evergreen fitness and social center .Which will be located at 17 Ellis Avenue, Dr. Donkor Fordjour street plot 34 near capital radio Nhyiaeso Kumasi.

DATE AND PALCE OF REGISTRAITON

Evergreen Fitness and social centre (EFSC) will be registered, as a Limited Liability Company on 30th January 2012 at the Registrar General Department, Kumasi - Ashanti Region.

DATE OF COMMENCEMENT OF OPERATION

EFSC would begin operation on 4th February 2012.

ADDRESS

Evergreen fitness and social centre

P.O Box KS 5221, Adum Kumasi

Tel 0322-45461

Email: evergreenfitness@yahoo.com

Website: www.ever.greenfitness.com

BANKERS

The bankers of EFSC will be as follows:

- a) Fidelity BANK Gh Ltd

Adum Branch

Kumasi

- b) Barclays Bank Gh Ltd

Main Branch

Kumasi

LEGAL ADVICERS

Our legal advisers will be:

Okyere Chambers

Kumasi

INSURERS.

Phoenix Insurance Gh ltd

Kumasi

AUDITORS,

John Hayes & Simon (JHS)

TYPE OF BUSINESS

PARTNERSHIP AGREEMENT

EFSC startup capital will be provided by the founders.

OWNERSHIP MEMBERS

a) Ernest Kwame Appiah	10%	GH (3,000.00)
b) Daniel Owusu karikari	30%	GH (9,000.00)
c) Nicholas Dwomoh	10%	GH (3,000.00)
d) Anyemedu Kwabena Antwi	20%	GH (6,000.00)
e) Boateng Ernest	30%	GH (9,000.00)

BUSINESS PROMOTERS/SPONSORS

Evergreen Fitness and Social Center would be promoted and sponsored by its founders as mentioned above. Private organizations as well as individual sponsors would be welcomed and their contributions will be noted and acknowledged appropriately.

SUCCESSION PLAN

Successor	Wife / Husband/ Children
Alternative Successor	Family members if chosen successor is unavailable
Buy- Sell agreement	External partner apply
Buyout Detail	Only to external parties

BUSINESS STRATEGY

EFSC will identify our objectives, environmental constraints, opportunities, strength, weakness and culture to develop policies that can aid us in achieving our key organizational objectives. These objectives are to provide quality affordable services to clients, customized services which members can have personal fitness care classes and training as recommended by medical experts.

We pledge to provide tested and proven training programmes performed by expert trainers of EFSC. Moreover, we pledge to provide the right environment with all necessary facilities that will equate clients psychological and financial value to the services provided to them by our employees.

2.0 PRODUCT IDEA

The starting point of EFSC business idea started as a result of several challenges and problems associated with the individual and fitness industry as a whole in Ghana. Most of the fitness centres lack the modern gym facilities and qualified trainers to help their members achieve results without wasting much time.

Additionally, most of the existing fitness centre's are charging higher subscription fees or training cost making it impossible for most people to access these facilities.

Although medical research has pointed out several benefits and effects of fitness and healthy lifestyle, yet little can be said of our prospective customers about fitness awareness .due to inadequate information on the need to exercise.

These and many of such challenges are facing the fitness industry. EFSC is determined to capitalize on the mentioned problems to position its operations and services to serve its clients better.

Health and fitness in Ghana is getting more and more demanding with the passage of time as a result of adoption of western lifestyles with its bad dietary practices and diseases such as cardiovascular diseases, high blood pressure and obesity.

These and many reasons continue to affect the health status and erode workers productivity level. Since the health and productivity of employees in Ghana is crucial to the economic development of the nation, EFSC seeks to assist corporate organizations and individuals to reverse this negative trend.

2.2 REALIZATION OF SCHEDULE

Evergreen fitness and social centre will begin actual business activities after the following have been realized.

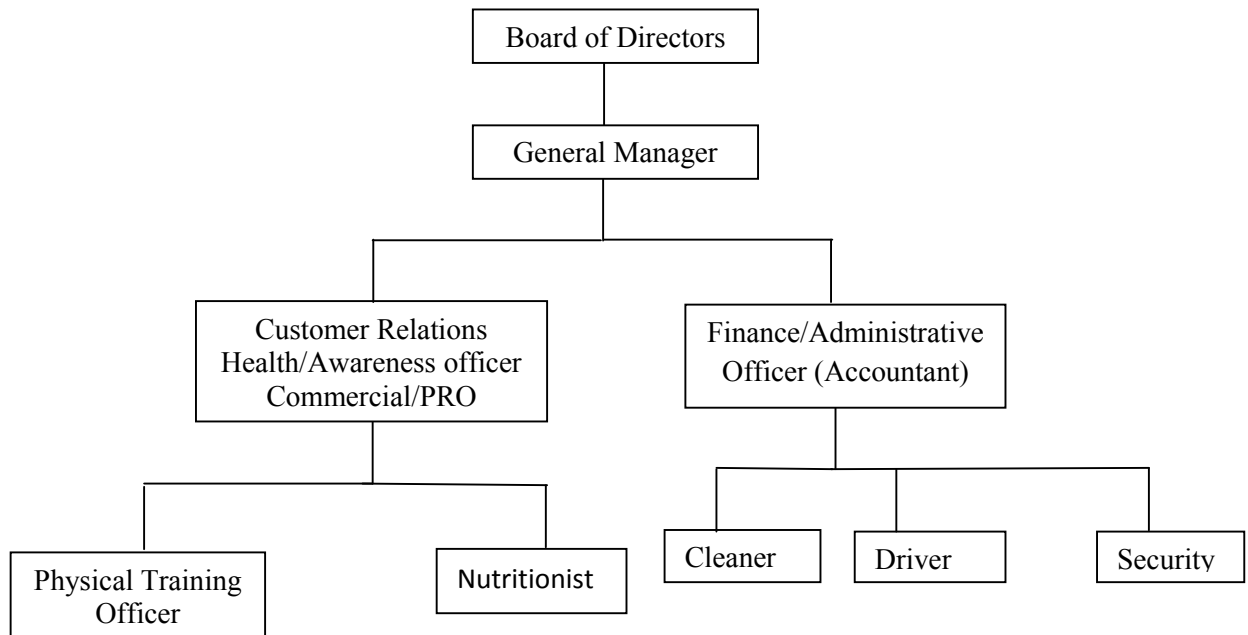
- Registration and incorporation of the firm at the end of the first month of the year 2012
- Acquisition of current and non- current assets.
- Room furnishing and installation of equipment.
- Selection and recruitment of all required personnel and giving the necessary training and the appointment unit heads.
- By the close of the second month the centre would be ready to take off in its training services to clients after outdoorizing the centre and its activities to the targeted customers through advertisements via both the print and electronic media, jingles, posters, banners and flyers

3.0 MANAGEMENT TEAM

There are currently two divisions of Evergreen Fitness and Social centre "Health and Awareness", "Finance and Administration" as the operation units.

The Administrator will be the General Manager and will be assisted by the Finance/Administrative officer who will act as the coordinator for the activities of the driver, security officer and the cleaner. The General Manager will also be assisted by the Customer Relations/Health and Awareness' Officer. He will be responsible for coordinating of the activities of the Physical Training Instructors and the Nutritionist. With the growth of the company, more divisions will be created as the demand for services increases.

THE GENERAL ORGANISATIONAL STRUCTURE AND OPERATING UNITS



General Manager - Mr John Mensah

Qualification: He holds BSc (Management) from the University of Ghana. He also holds HND Accounting from Kumasi Polytechnic.

Working Experience

He worked for Nestle Ghana Ltd as an Account Officer for 4 years.

He also worked at the Golden Tulip, Accra as a Marketing Executive for 3 years.

Duties/Responsibilities

He will be responsible for providing leadership, direction and controls all aspect of the company's activities in order to release optimizing profit compatible with the best short and long term interest of the shareholders, employees, customers and the public.

Customer Relation/Commercial Officer - Mr Mark Asamoah

Qualification.

Diploma in (HRM) from London Management Centre, UK. He also holds HND (Marketing) from Sunyani Polytechnic.

Work Experience

He worked with Sleek Cosmetic as the Sales and Marketing Executive for 3 years.

He also worked with Ecobank Gh Ltd Bank, Adum Branch, Kumasi as the Bank Personal Financial Consultant and Customer Experience Officer for 2-years.

Duties/Responsibilities

He will be responsible for all internal and external customer related issues.

He will be responsible for commercial and marketing aspect of the business.

He will coordinate the Health and Wellness section of the company

He will also handle all the Public Relations issues of the company.

He will assist prospective clients in filling their application forms and directing them to our affiliated health facility (KATH) for assistance when required.

He will administer the Physical Training Instructors and the Nutritionist.

Finance/Administrative Officer - Mr James Nkansah

Qualification: Diploma in Business Administration from Cambridge International College, UK and ACCA Level II holder.

Work Experience

He worked as an Accounts Officer with the Ghana Brewery Ltd, Kumasi for 3 years.

Worked as a Teaching Assistance in Accountancy at the Accra Polytechnic for 2 years

Duties/Responsibilities

He is responsible for guiding and directing financial control activities of the company in a manner designed to protect asset, meet reporting requirements and effectively plan for and audit the financial records of the firm.

Management Team

- a) Board of Directors
- b) General Manager
- c) Customer Relations Officer
- d) Finance & Administration

Other Key personnel

The following group of people forms the other key personnel,

- a) Security personnel.
- b) Physical and health Instructors,
- c) Cleaners,
- d) Driver.

Principal Stakeholders

Other key personnel will be the following people:

1. The founders.
2. Our clients.
3. Suppliers.
4. Bankers.
5. Legal Advisers.
6. Auditors
7. Landlords
8. Employees
9. Nutritionist
10. Kapital, luv, Angel and Fox FM.

4.0 BUSSINES SYSTEM AND OPERATIONS

STAGES	ACTIVITY	LOCATION	RESPONSIBILITY
1	Initial Reception of clients	Company office	Assistance Administration Officer
2	Issuance of forms to clients	Company office	Assistance Administration Officer
3	Clients undergo preliminary health test	Company office	Health Assistance from KATH
4	Evaluation of test results	Company office	Physical instructor
5	Drawing of initial fitness and health programmes for clients	Company office	Physical instructor and nutritionist
6	Health education on good eating habits and healthy life style	Gym	Nutritionist
7	Initial training begins	Gym	Physical instructor
8	Assessment of clients on initial training programme	Gym	Physical instructor and Nutritionist
9	Clients receive progress report on their performance	Gym	Assistance Administrative office
10	Training session for social groups	Gym	Physical instructors

EFSC operating hours of work will be shift system basis which will not exceed the normal eight hours of work.

PESTLE ANALYSTS

The PESTLE is an acronym for Political, Economical/Ecological, Socio-Cultural, Technological factor, Legal and Environment that affect business.

a. **Political Factor:** Government has been overwhelmed by lack of exercise related illness in the society with its attendant economic drain on the national resources.

Consequently, government has demonstrated the political will in the form of tax-exemption on all health and fitness related equipment imported into the country. This will help us to reduce our expenditure on the cost of equipment. This they believe will help to reduce the huge government and corporate organization expenditure on medical cost. EFSC will take advantage of these and many of such business incentives and encouragement from government to expand.

b. **Economic Factor.** Ghana's economic growth in 2010 was 7.7 according to the IMF report. Significant improvements and signs of sustained economic development can be attributed to the relative peace enjoyed by Ghana in the sub-region. Additionally, the level of improvement in the economic infrastructure has made most people live very sophisticated lifestyles that have made them very inactive leading to health and fitness problems. The economic indicators and business prospects in that regard are very good, hence EFSC will take full advantage of this to expand its business activity.

c. Socio-Cultural Factor. Information gathered over the period has shown a marked improvement in the level of awareness on the need to lose weight and maintain a healthy lifestyle. More and more people are becoming aware of the dangers of bad eating habits, alcoholism, overweight and reducing/avoiding any unhealthy lifestyles. The Ghanaian society has in recent times demonstrated an in-depth understanding of the need to appreciate healthy living. The level of fashion consciousness and the need to maintain a relatively lean body structure has necessitated the setting up of physical fitness and health facilities to the needs of our prospective customers.

d. Technological Factors: The current improvement in technology such as multipurpose fitness training equipment has unveiled promising opportunities in giving our prospective clients a better value for their money. Again, EFSC has very qualified health and fitness training instructors who have received the best of training abroad. We intend to use their expertise to the benefit of our prospective clients. This we believe will go a long way in improving our business prospects.

Additionally, research conducted within the industry has revealed that most of the fitness centers have concentrated all their efforts on only body building. We in EFSC intend to blend the body building/fitness aspects with health education and awareness. This will be done by a Professional Nutritionist.

e. Environmental: EFSC will consider the environmental issues with which it must comply. In the case of a fitness centre, things which are likely to be dangerous substances such as massage oils and cleaning chemicals are to taken into serious consideration.

f. Legal: health and safety legislation is both plentiful and restrictive. It is necessary to comply with the basic health and safety regulations.

SWOT ANALYSIS

SWOT analysis refers to the strengths, weaknesses, opportunities and threats of the organization

a. Strength.

Qualified and friendly staff: Our staff consists of professionally trained personnel • that have a true passion to help the community and caring for the needs of its members. This becomes apparent when you look at our staffs professional background. We would prove that we are willing to go above and beyond what our competitors do to suit the needs of our customers.

First Class Equipment: Our customers will be exposed to the latest equipment in the fitness industry. All Scheduling will be automated for fast and efficient communication with our members.

Fun family ambiance: When you walk into our facility, you will feel the family atmosphere. Our members will feel comfortable and eager to cheer each other on making them feel as part of a well contented family.

Clear vision of the market need: EFSC knows what our customers have been missing at their current gyms, knowing that exercises work and keep people motivated. In return we know we will create very loyal and passionate members.

Tested and proven training methods: We will provide our clients with simple results oriented methods that are performed by expert trainers.

b. Weakness

Lack of credibility and Reputation

Because our company is new, it lacks the necessary reputation and awareness in the industry

c. Opportunities

Partnership opportunities

EFSC seeks to enjoy more partnership bonds with corporations and sporting teams.

Social bonds fostered by the group workout: EFSC exercise programmes are building personal bonds and friendships.

Growing Market: EFSC is a relatively new brand in the marketplace. We have a foundation and a reputation within the diehard fitness community, but a significant percentage of our target market has still not been introduced to our services.

d. Threats

Declining Economy: Many people are becoming increasingly conservative with how their money is being spent. This is likely to pose a challenge to our quest to expand. We will work on this to induce interest in our services.

Low barrier for entry into the market

Certainly our competitors will try to copy the success of EFSC , but we are confident that our tailored programmes and reputation will limit the impact of their actions .

Market Segmentation

EFSC intends to segment its target market into three categories based on Demographic, Psychographic and Behavioural segmentation.

a. Demographic Factor: Demographic factor will target clients between the ages of 18 and 60 years. Their level of income and occupation will be our focus.

b. Psychographic Variables: Psychographic variables based on social class and their lifestyles will go a long way in determining the kind of fitness programme to be drawn for them.

c. Behavioural Indicators: Our clients behavioral indicators such as attitude, lack of knowledge and use/response to fitness information will be used to our advantage. The categories are Platinum, Gold and Silver.

d. Geographic Factor will target clients within the Subin sub metro location and all other vicinities closer to Subin metro district as a whole.

Target Market

EFSC main target markets are corporate organizations whose activities and job description make them more prone to becoming obese and its health challenges. Individuals with certain physical fitness related problems who have been recommended by a medical doctor for special training lessons will also be targeted and social clubs.

- 1) **Platinum customers:** Platinum customers belong to the prestige class. They are business executives that have very busy schedules. Also clients who have been advised by a medical doctor for a special fitness attention.
- 2) **Gold customers:** These are corporate customers who have been registered by their respective organizations to ensure that they receive the best of physical and health training.
- 3) **Silver customers:** These are relatively low income earners with the interest to keep fit and learn about healthy living.

Major Competitors.

Some of our competitors are:

- a. Miklin Hotel Gym located at Danyame, Kumasi. This gym is built purposely for visitors who lodge at the hotel.
- b. One Source Fitness Gym located at Patasi behind the Police Depot on the Edwenase road. This fitness gym has standard equipment but its focus is on body building.
- c. Innocent Gym located at Atasemanso, Kumasi. The gym offers high cost services to specific people of the market segments.

MARKET MIX

PRODUCT STRATEGY

a. Customization of services

We pledge to provide clients who are ready to subscribe to a one on one training plan according to their requirement or as per the recommendation of their medical experts such massage, cardio classes, obesity control and fitness consultations.

b. Wellness Strategies

This is a long term effort, combining both healths – promotion, awareness and exercises related activities designed to facilitate positive lifestyle changes in workers as well as non workers.

c. Effective results oriented exercise process.

EFSC services are simple process and result oriented performed by our expert trainers.

d. Affordable Quality Services to workers non workers and social clubs

e. Service sales

On service sales strategy, EFSC on every Saturday will meet at the Ridge Park and encourage all our current clients to bring friends and families to participate in our field training exercises. This will give us the chance to experience what EFSC is all about and show them how effective our fitness programmes are. They will fill out a contact card which will be followed up at a later date to link them up to our programmes.

PRICING STRATEGY

Evergreen Fitness and Service Centre will use the penetration pricing strategy by setting low initial price and increase it as the year goes by. This is aimed at attracting more prospective clients in addition to poaching the clients of our competitors.

PROMOTION STRATEGY

EFSC intends to adopt the customer promotional strategy which entails presentations to corporate organizations, live programme mentioning and jingles, posters, banners and flyers.

This is aimed at creating new clients

PLACE

EFSC will be located at Nhyiaeso for its convenient location to our target customers, siren environment and its high security.

PHYSICAL EVIDENCE

We will provide the congenial environment with all necessary facilities that will equate clients psychological and financial value to the services provided to them such as air conditioners, sound systems,(for Aerobics) and others.

RISK ANALYSIS

Evergreen Fitness and Social Centre (EFSC) will be exposed to the following risk:

a. **Human Risk.** Evergreen Fitness and Social Centre (EFSC) will face the risk of employee turnover if competing gym centers pay more salaries and other motivating incentives to their workers. The risk of resistance to change by workers may also be a threat to EFSC. We are also likely to be faced with the risk of injury to employees and clients which could lead to legal disputes. We will face the risk of damage and theft of our gym equipment and other facilities. The tendency of accidentally dropping heavy equipment and breaking delicate parts is likely to be high. The possibility of fire outbreak at our premises may also be a loss to (EFSC). The cost of replacing stolen items will also be high.

Additionally, EFSC will face potential legal liability losses as a result of relationship with many partners, including our bankers, employees and members of the public. The settlements of legal cost can impose substantial losses on our company. Apart from damaging our reputation as a first class fitness and health centre, the cost of expenditure to minimize damages may also be high.

b. **Financial Risk.** Due to the weakness of the Ghanaian currency, high interest rate means less money in the system which may affect EFSC in a sense that the Company may not be able to apply for loans from our bankers. People may not patronize our services due to increment in prices. Additionally, staff may be compelled to demand for increases in salaries. An increase in inflation will result in high prices which will eventually have a competing negative effect on our operations as prospective clients will prefer to spend on basic survival needs like food, clothing rather than spending on secondary activities like health and fitness solutions like ours. Finally, a fall in the value of the Ghanaian Cedi could push the prices of our gym and other essential equipment from abroad high.

Risk Management Measures

a. **Loss Control Measures.** The two divisions of EFSC; Health and Awareness , Financial and Administration will be given the needed safety training on how to use all the equipment at the centre to prevent accidents . On the walls and in the gym , there will be a display of safety precaution measures to keep clients informed safety in the gym .

Fire extinguisher will be installed at vantage points and staff will be trained on how to use them efficiently when necessary. Routine maintenance and repairs of gym equipment will also be periodically .EFSC will motivate its staff through equitable total reward programmes to increase performance of their job. Our Customer Relation and Commercial Manager will use his experience and knowledge to maintain good working relations with our clients and other key stake holders.

a. **Loss financing measures.** Staff members and clients will be compensated in case of injuries in the performance of duty .Our gym assets will be insured by Phoenix Insurance, Kumasi Branch .Staff members with the National Health Scheme NHIS to reduce the cost of medical treatment when they fall sick.

b. **Internal Risk Reduction Measures.** In our long term risk reduction prospects, the company will dispose off all our gym equipment after five years of use and replace them with new ones. EFSC will also diversify the risk of recruiting people throughout sourcing.

CONCLUSION

EFSC is intended to serve the health and wellness needs of the people of Kumasi Metropolis and beyond .Our tailored fitness and health education by our highly trained professionals will go a long way in helping people to become healthier and also lowering the medical cost .

From all indications, EFSC is a financially viable business venture which is worth investing in. We can achieve our objectives by sticking to our core values and delivering quality service in a friendly and congenial training environment to meet our clients' needs

