



Smart Gym Equipment Ltd

Business Plan Draft

Smart Gym Equipment is a start-up business that has been formed as an Ireland registered Ltd. As one of Ireland's leading smart gym equipment suppliers, specializing in digital training machines, fitness apps and software, we offer you a unique training experience that is perfectly adapted to users' individual physical requirements, fitness level, and personal fitness goals.

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Preliminary Details

[WILL BE DONE BY SHANE]

Executive Summary

As one of Ireland's leading smart gym equipment suppliers, specializing in digital training machines, fitness apps and software, we offer you a unique training experience that is perfectly adapted to users' individual physical requirements, fitness level, and personal fitness goals.

Smart Gym Equipment is a start-up business that has been formed as an Ireland registered Ltd. The company has been formed to become the exclusive supplier of the innovative smart fitness equipment. Smart Gym Equipment Ltd is poised to receive the exclusive license to sell the smart gym equipment.

Today more and more people consider health to be one of the main values of life. According to [Statista](#), approximately 20 million people all over the world are actively exercising in some form. Thanks to modern technology, exercising has become much easier and more comfortable. Now users can create users' own diet and exercise plan, as well as track users' records with the help of numerous apps. For example, such apps as [MyFitnessPal](#), [Fitocracy](#), and [Weight Watchers](#) aim at helping users track users' diet and fitness goals.

Smart gym equipment is gym equipment that is connected to an app that records users' workouts and displays the data about workouts. These devices can be easily integrated with the contemporary gym equipment. The user can wear the devices while working out, which will record and share all the bio-metric information on a web-based platform. Connected gym equipment links to the Internet and taps the cloud-based data, such as workout goals, health history, and nutritional habits to create personalized exercise plans and track how users are doing in the gym. Such technology makes the process of doing sports more interesting and entertaining, lets a user have access to their data in one place and track their records looking at the past experience. This can be achieved by implementing technologies such as IoT and AI, which create the ability to connect the machines with a smartphone or a wearable.

Dealing with health data

Dealing with Health Data is a big risk for companies yet it has not been identified as a key risk, i.e. GDPR, security etc. The data gathered through smart sports equipment is a precious resource for athletes and trainers, and can also be used by companies and gyms to track consumer behavior. These databases will be interesting for the manufacturers of sport and food products, equipment, as well as fitness centres and similar organizations. In other words, shared health data connect people who take up sports with the sport product manufacturers, meanwhile encouraging people to keep fit.

The success of users' fitness training depends greatly on the training machines users are using to get fit. Smart Gym Equipment Ltd allows users to experience the next generation of effective machine training with an integrated smart device to track real-time data. Experience state-of-the-art gym training supported by [scientific sports research](#) today. According to [Health Club Management](#), the universal connected gym equipment market is set to grow at an annual rate of 45 per cent by 2021.

Smart Gym Equipment Ltd is not competing with other manufacturers. Instead, it is providing Smart Gym Equipment Ltd to support third parties in making their existing products even better through software support and connectivity with other devices.

The Smart Gym Equipment Ltd open web-based platform is completely accessible. Everyone in the fitness sector can get on board! Smart Gym Equipment Ltd provides its partners with its technical infrastructure so that they can integrate their devices into Smart Gym Equipment devices at any level they desire, no matter whether it's a cardio machine, body analyzer, or something else. We really want everything to be connected!

Vision Statement

Transforming the health and fitness industry with technological innovation and excellent user experience to bring a measurable impact in terms of happy and healthy customers that see the unprecedented improvements and immersive experience of

coming to the gym, and improve the effectiveness of gym experience by making it smarter than ever before.

Mission Statement

Smart Gym Equipment Ltd's mission is to offer the finest, most innovative and smart fitness equipment to the Ireland market with real-time connectivity via web-based software platform. Smart Gym Equipment Ltd will ensure all of their customer's expectations are exceeded. By only offering the highest quality product with premium support, Smart Gym Equipment Ltd will become the premier smart fitness equipment supplier.

Keys to Success

- Provide value to customers with the best, most innovative product.
- Develop strong relationships with health centres, anticipating their needs.
- Employ strict financial controls to ensure profitability.

Objectives

- To become the sole Irish supplier of the revolutionary new smart exercise system equipment.
- To generate revenue of \$1million within two years.
- Achieve profitability within the first year.

Current Situation

The last 10 years has seen significant spikes in membership and usage of this equipment. On a societal level, Irish are beginning to realize that their unhealthy eating habits and lack of physical activity can have a profound impact on their lives. Consequently, fitness participation is booming. Smart Gym Equipment Ltd has identified three customer segments that are particularly attractive:

- Health Clubs– This is another huge customer segment. According to [Statista](#), Irish market's largest segment is Wearables with a market volume of US\$21m in 2019.
- Distributors– This distribution layer accounts for majority of the sales of fitness equipment. These sales occur primarily to independent fitness clubs. The [statistic](#) displays the results of a survey on the share of sport club members in Northern Ireland for 2017/18, by age group. In 2018, it was found that 22 percent of respondents between the age of 25 and 34 stated that they are members of a sport club. The data indicates that the proportion of elderly people in Northern Ireland who are sports club member constantly increases (Scott, 2007).
- Vertical Markets– These are non-fitness industry facilities. [Data](#) Indicates that many mergers and acquisitions are happening, e.g. Adidas acquired Runtastic and Under Armour has invested in MyFitnessPal or Jabil Clothing+, but the overall amount of technical innovation in this market is underwhelming.

The Product

Digitalization is fundamentally and permanently transforming the health sector and fitness industry (Cammerata, 2005). Smart connections across the entire training area – by connecting hardware and software solutions and adding centralized member and training data management – we are creating completely new business opportunities and competitive advantages in Europe (Guérineau et al., 2019).

The connected training area offers enormous benefits for all involved – gym owners and operators, personal trainers, and gym-users alike.

For a long time, there were a plethora of sophisticated and yet completely isolated solutions, because there was no standardized software platform to connect and combine all devices. For gym customers, a big problem has been isolated systems that are not joined up. The conventional gyms fail to address the frustrated users that cannot access their data in real-time to track their progress in traditional gyms. With these solutions, we allow them to stay motivated by tracking results in real-time and share and enjoy their progress with friends and family.

On the other hand, gym owners were unable to predict customer satisfaction and determine retention levels in membership due to the lack of an interconnect and smart system. As a result, they were not able to build a deeper and immersive experience for customers that may lead to additional cross sell activities.

As innovative pioneers in our industry, we have developed Smart Gym Equipment Ltd – software-based technology that enables complete digital connectivity for every single user who wear the smart devices. Everything from gym equipment to fitness trackers, apps, and management software can be connected via Smart Gym Equipment Ltd.

The member logs into all connected equipment in the training area using their Smart Gym Equipment Ltd account. All gym equipment automatically adjusts to the member's requirements based on their physical condition and fitness level, so the member can start their perfectly tuned workout session. This ensures that the member is always training at the right intensity.

The trainer can generate training plans for the member using the Smart Gym Equipment software, based on the real training data provided by various training machines, body analyzers, and wearable devices, which can all be accessed from one location: the web-based platform. The member is awarded Smart Gym Equipment points for all completed exercises and is motivated to continue training to increase their level in the activity level system.

We have developed apps to help users harness the full advantages of the Smart Gym Equipment connected training area. These apps allow users to make practical use of the wealth of data available. This user-friendly solution brings the benefits of digitalization to everyone, every day.

Members can use the dedicated Smart Gym Equipment Ltd Fitness App. This provides a full overview of users' entire training. Progress is visible via users' tracked data. This web-based software enables valuable training analysis and plays a big role in long-term motivation.

Gym operators and trainers can use the Smart Gym Equipment App to provide their members with an unprecedented level of support. It simplifies routine activities such as referring back to a member's case history and training plans, turning the trainer into an all-round fitness coach, able to give targeted advice inside the gym and beyond.

Smart Gym Equipment makes cardio machines smarter

The Smart Gym Equipment device for cardio machines demonstrates the limitless potential of cardio workout.

Smart Gym Equipment is an up-to-the-minute combination of Smart Gym Equipment's software expertise with the extensive hardware expertise of Smart Gym Equipment's partner companies. Until now, an average of 84% of people training on cardio machines simply press 'Quick start' to start their workout and just get on with it – without a conscious plan, exercising roughly based on their own judgement of what seems appropriate. As a result, long-lasting training success almost inevitably remains a dream unlikely to materialize.

The Smart Gym Equipment for cardio machines has forever changed this: This innovative feature for all connected cardio machines from Smart Gym Equipment's partner companies has made the use of start button smart! Smart Gym Equipment measures the user's endurance via regular interval endurance tests and then calculates a personalized cardio program for more effective endurance training.

Leading fitness equipment supplier and top-class fitness software providers trust our expertise in digitalizing the training experience and the potential of Smart Gym Equipment. We are continuing to develop new interfaces to support additional

equipment and software solutions. It is only a matter of time before the entire gym is digital and connected.

Thanks to Smart Gym Equipment Ltd and our partners, the following areas can be connected:

Cardio machines

The customer logs into all connected cardio machines using their Smart Gym Equipment account and their entire workout is automatically logged.

Partner apps, wearables, and gadgets

All training data generated by members – whether in the gym or beyond – is recorded and taken into account when planning that person’s training.

Body analyzer

The data provided by connected body analyzers support the development and improvement of member profiles and training plans stored in the App.

Gym software

Interfaces with gym software means all member profiles are automatically copied to the Smart Gym Equipment App for efficient customer relationship management.

Management

[INFORMATION FOR THIS SECTION IS REQUIRED]

The combination of exceptional products and an experienced sales and project manager will allow Smart Gym Equipment Ltd to quickly gain market share. Revenue

for years two and three have been forecasted to reach _____ and _____ respectively. For the same years net profit will be _____% and _____%.

Company Summary

Smart Gym Equipment Ltd has been formed as an Ireland company with the express purpose of supplying the finest smart fitness equipment in the Ireland market. The company was founded by _____Shane O'Neill_____ in __June 2019_____ of this year.

Start-up Summary

Smart Gym Equipment Ltd is in the process of opening an office in anticipation of receiving an exclusive supplying contract from various gyms regarding their innovative smart exercise equipment. The office is located in _____North County Dublin in Santry_____ and requires the following equipment and service provider expenses:

Three computer workstations with the following equipment:

- Three microsoft office licenses
- Broadband internet connection
- Two laser printers
- Accounting software
- Fax machine
- Copier
- Three sets of office furniture
- Large desk and chairs for meeting room
- Two-line phone system
- Mobile phone
- Attorney fees for contract generation and ltd formation
- Accountant fees for accounting system set up
- Website development set up fees
- Brochure creation and printing

START-UP FUNDING	
Start-up Expenses to Fund	
Start-up Assets to Fund	
TOTAL FUNDING REQUIRED	
Assets	
Non-cash Assets from Start-up	
Cash Requirements from Start-up	
Additional Cash Raised	
Cash Balance on Starting Date	
TOTAL ASSETS	
Liabilities and Capital	
Liabilities	
Current Borrowing	

Long-term Liabilities	
Accounts Payable (Outstanding Bills)	
Other Current Liabilities (interest-free)	
TOTAL LIABILITIES	
Capital	
Planned Investment	
Max Perrugio	
Family and Friends	
Other	
Additional Investment Requirement	
TOTAL PLANNED INVESTMENT	
Loss at Start-up (Start-up Expenses)	
TOTAL CAPITAL	

TOTAL CAPITAL AND LIABILITIES	
Total Funding	

START-UP	
Requirements	
Start-up Expenses	
Legal	
Accountant fees	
Brochures	
Website development	
Insurance	
Rent	
Research and Development	

Expensed Equipment	
Other	
TOTAL START-UP EXPENSES	
Start-up Assets	
Cash Required	
Start-up Inventory	
Other Current Assets	
Long-term Assets	
TOTAL ASSETS	
Total Requirements	

Company Ownership

[INFORMATION REQUIRED FOR THIS PART]

_____Shane_____ is the sole owner of Smart Gym Equipment Ltd. To finance operations, Shane has invested _____€30000_____ in the business, and has received money from friends and family as well as taken on investment.

Challenges and opportunities

Despite the fact that connected gym equipment is very in demand and is pretty developed but still there is always space for improvement. Such issues as constant development and growth, customers' high demands to the quality of the equipment, and sharing of the health data should be solved.

No longer is a user at home or at a health club; people spend significant amounts of time on treadmills, exercise bikes, and cross trainers to reach their health and fitness goals. They want to spend this time with pleasure and enjoy their workouts. During workouts, the equipment's console plays an important role because it tracks progress, displays vitals, and entertains. But in an always-connected world, this is no longer enough. Consumers expect a more integrated partner that enables them to watch films and videos during a workout, answer phone calls/text messages, sync biometric data, post results on social media, and compete with others. The console should seamlessly connect their mobile devices and allow users to multi-task by performing multiple functions at the same time. Although people are still interested in professional advice and accountability and are not ready to leave them. They think smart machines won't replace professional trainers but they will result in fewer injuries and in the more entertaining training process.

Consumer expectations around fitness consoles are shaped by the rich experiences delivered by the latest tablets and smartphones.

According to [Statista](#), more than 52% of phone users gather information about their health using phone applications. In fact, 76% of club members bring a mobile device with them to the gym. For fitness console manufacturers, quickly delivering the capability of the equipment and apps connectivity in a cost-effective solution presents a major challenge. The console needs a high-quality touch screen, TV tuner, and associated drivers to deliver high-definition (HD) video, as well as connect wirelessly to Bluetooth devices. Consumers want to have access to the Internet for social media, entertainment content, or training programs. They would also like consoles to seamlessly communicate with their wearable fitness devices, like heart rate monitors

or GPS devices. Many of these devices require Android support to run their applications.

Product and Services

Smart Gym Equipment offers a new and unique type of smart strength training fitness equipment. Unlike all other strength fitness equipment where users sit when users are doing users' exercise, our devices have real-time tracking which gives it many advantages.

The data gathered through smart sports equipment is a precious resource for athletes and trainers, and can also be used by companies to track consumer behavior. These databases will be interesting for the manufacturers of sport and food products, equipment, as well as fitness centres and similar organizations. In other words, shared health data connect people who take up sports with the sport product manufacturers, meanwhile encouraging people to keep fit.

Data are essential for measuring athletic performance, and smart technology allows users to capture and track their performance data. The equipment and devices collect and transmit information to smartphone apps or cloud systems that can analyze it and provide diagnostics. Smart gym equipment can be integrated with coaching software, for example, to create virtual coaching programs and personalized workout schedules. Now you can create your own diet and exercise plan, as well as track your records with the help of our app. It creates a personalized program for your diet and exercise based on the results you want to see. It's for people who like a lot of guidance, suggestions, reminders, and instructions for achieving their fitness goals. You choose a goal, whether it's to lose weight, get fitter, or gain muscle. Then you make your goal more specific, such as decrease body fat to 20 percent in three months. The app takes into consideration a lot of details about you when creating your fitness plan, such as what time of day you exercise and whether you're an ambitious cook or prefer simple meal prep. Additionally, the app gives realistic assessments of how hard or easy it will be to reach your goals. Then, once you embark on your fitness journey, you use the app to log what you eat, explore meal

ideas, and workout using videos in the app. It's an all-in-one fitness plan that you can customize to your tastes.

The holy trinity in our app would consist of real-time bio-metric stats from Gym, customised Virtual Coaching videos, customised Nutrition programme based upon goals and objectives. The Bio Metric stats should be informing and suggesting routines, nutrition programmes and suggesting personal trainers based upon their objectives within the gym.

Companies can gain intelligence on consumers through the individual fitness data collected by smart sports equipment, and that information can be used to direct marketing to customers. Such data often give information about the user's health status, and companies that own the information could share it with third-party firms (gym products manufacturers, fitness centres, insurance companies, healthcare, etc.).

Apps for sharing health data are likely to be very successful since they tend to attract lots of users who are interested in self-improvement through fitness. Regardless of the challenges of implementation and app integration, fully integrated IoT apps are the way of the future. But what is more inspiring is that the healthcare industry's access to such data will help improve the quality of life for society and open new horizons in this field.

Value Proposition

What makes the investment in Smart Gym Equipment so profitable for business? We offer proven concepts for achieve positive ROI in the first year with Smart Gym Equipment Ltd. Smart Gym Equipment solves the lack of standardized software platform to connect and combine all devices. For fitness console manufacturers, quickly delivering the capability of the equipment and apps connectivity in a cost-effective solution presents a major challenge that Smart Gym Equipment addresses.

Leveraging the right technology in fitness clubs can put customers more in control of their health and provide personal trainers with increased efficiency. In the gym membership of the future, remote coaching, streaming workouts at home and highly

targeted recommendations from wearable data will become standard, say industry watchers and researchers. Following are the key points of Smart Gym Equipment Ltd's value proposition.

Increased Retention

Smart Gym Equipment Ltd offers unique functionality: Automatic weight determination ensures effective muscle stimulation from every workout. Feedback on the display makes it easy to track critical training parameters. Automatically periodized training programs that incorporate different training methods double their effectiveness.

Higher Efficiency

Smart Gym Equipment upgrades fitness training, making it more convenient, safer, and more professional by automating user recognition, workout tracking and analysis, and adapting to training progress. Digital technology increases the quality of training and support, ensuring optimal utilization of facility.

Ancillary Revenues

The Smart Gym Equipment Ltd system creates more committed clients, because it is more motivating and enjoyable than training on other exercise equipment. The smart system makes every training success immediately visible. A structured program with a personalized goal arouses the interest of potential new clients while also ensuring existing clients train more often and are less likely to drop out.

High ROI through profitability and productivity gains

Competitive services, satisfied customers, efficient staff workflows – there are many factors users can adjust to optimize users' success. The exclusive Smart Gym Equipment concept is users' chance to control all key factors using one solution and to make users' system more productive and profitable. Smart Gym Equipment Ltd attracts new customers to gym, optimizes the time members spend there, improves the flow through the facility and the capacity utilization of the training area, raises the efficiency and quality of support provided by staff, increases revenue generated per hour worked by each employee – and more besides.

Optimum capacity utilization

Our software-controlled automatic device adjustment and periodization reduce the time members spend on individual machines. When doing Smart Gym Equipment training, all devices are perfectly coordinated to ensure that the data is perfectly recorded. This ensures better utilization of exercise equipment with higher throughput and optimal overall capacity utilization.

Higher space efficiency

The exclusive Smart Gym Equipment system is designed for efficient use of space in the training area: According to an evaluation of currently available data, choosing to set up Smart Gym Equipment devices for training results in time saving. The device arrangement also allows trainers and employees to supervise multiple members at the same time.

Higher staff efficiency

Automated processes and software solutions support gym's employees, making their work easier. Features such as automatic measurement of maximum strength and fully automatic periodization and precisely timed training can halve the time it takes to familiarize customers with machines and save valuable time for users' trainers. An

intuitive customer management system simplify work processes and increase the quality of client support.

Lower dropout rate and client turnover

Smart Gym Equipment Training is both fun and effective. Trainees increase their maximum strength by around 10% in the first month. This reduces turnover among existing customers. It is estimated that members who train on Smart Gym Equipment training devices have been shown to have a lower dropout rate compared to members who do not train on Smart Gym Equipment especially during the first 10 weeks, and contracts that are on average 33 days longer than those of members who do not train using Smart Gym Equipment.

More new customers

The unique selling points of Smart Gym Equipment Ltd devices and the digitization of the training area increase the attractiveness of the gym. These numerous advantages make it easier to win new customers. By increasing the efficiency of users' employees, they can engage better with potential customers and get walk-in customers excited about Smart Gym Equipment with features such as maximum strength testing and assessment of muscle imbalances.

Higher revenue per customer

Smart Gym Equipment Ltd's exceptional technology meets the highest customer expectations, which is why experience has shown that members are willing to pay higher average membership fees. At the same time, there are a number of interesting monetization options for gyms in the form of higher fees for all or for new members. It's also possible to charge an instruction fee to help people get the most out of Smart Gym Equipment training devices or integrating Smart Gym Equipment as an optional extra available for a supplementary fee, accessible in a special training area.

External Environment

Market Analysis

According to a study conducted by Deloitte, in Ireland 504,000 people were members of 720 health and fitness clubs in 2018, generating sales of €281 million. Today's gym equipment market is represented by such machines as treadmills, dumbbells, benches, strength machines, elliptical and stationary bikes. Treadmills, elliptical and stationary bikes are the most popular among users and let them take up sports without too much efforts and challenges. Now let's have a quick look at how they are modified. Today's market of treadmills impresses with its growth and variety. The machines are incorporated with features such as television screens, CSAFE connectivity, iPod compatibility, sound systems, Bluetooth connectivity, and others.

Regarding elliptical, the most popular modifications are improved resistance in a flywheel, color enabled display, and multi-position intensity ramps. Such technologies allow the users to seamlessly interface with the equipment via apps or Bluetooth for smooth operations of the device.

Exercise bikes are gaining popularity in the connected gym equipment market owing to the increased popularity of spinning exercises. There are machines that are connected with a smartphone and transfer the information from it, track, record, and make a plan of workouts depending on the difficulty and intensity of a workout.

The [Irish Gyms and Fitness](#) Centres industry has been off to a flying start. Over the five years through 2019, IBISWorld expects industry revenue to increase at a compound annual rate of 5.6%. In 2019, revenue is forecast to grow by 6.1% to reach €178 million. Industry demand has been buoyed by public health initiatives that have shed light on the role of exercise in fighting diabetes, obesity and other health ailments. Healthy lifestyle trends and a strong emphasis on appearance in the media have both heightened people's focus on self-image and fitness. However, growth has not been equal between operators and the industry's structure and operating models have undergone a radical shift in favour of budget gyms.

Irish Industry Threats & Opportunities

- Intense price competition has contributed to a decline in industry profit margins
- Some budget gyms offer round-the-clock opening hours, which has helped firms draw greater membership
- Smart equipment enables operators to personalise the consumer's gym experience

Ireland Industry Report

There are a wide range of gyms and health clubs in the industry that cater to different markets. Examples include traditional gyms, women-only gyms such as Curves, premium full-service health clubs, 24-hour gyms and budget-model gyms. Gyms generally offer their services on a membership basis and require customers to sign a contract. As competition in the industry has risen and low-cost, budget operators have entered, clubs have begun to offer more flexible options. Some gyms offer more casual memberships that can be renewed monthly without a joining fee. Although these are a convenient option, the monthly rate of these memberships is higher on average than those with long-term contracts.

IBISWorld identifies 250 Key Success Factors for a business. The most important for the Irish Gyms & Fitness Centres Industry are:

- Easy access for clients
- Having a loyal consumer base
- Having a clear market position

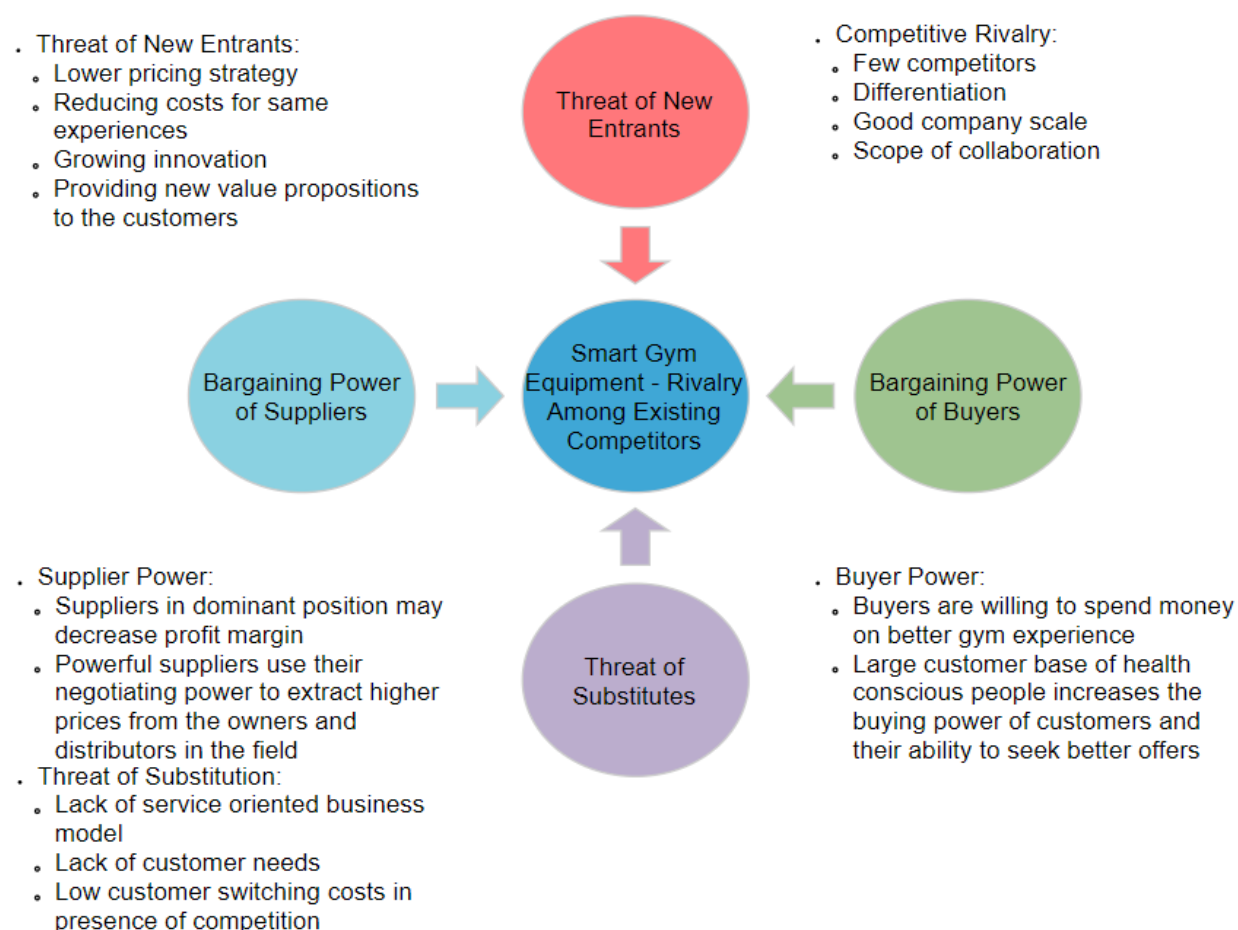


Figure 1 Porter's Five Forces Model for Smart Gym Equipment

Smart Gym Market Growth

While the market for sports goods equipment is expected to grow at a compound annual growth rate (CAGR) of 3% from 2016 to 2020 globally, smart sports segments are likely to grow much faster. For example, the market for platforms that integrate sports equipment with coaching software is expected to grow at a CAGR of 51% globally from 2014 to 2021.

Global Market

The geographical analysis of the global connected gym equipment market covers North America, Europe, Asia-Pacific, and LAMEA. Various countries covered under each region are studied and analyzed to identify the major trends demonstrated by these respective regions. North America dominated the market in 2016, followed by

Europe. North America extensively uses connected gym equipment across residential, and commercial areas. According to the research, the U.S. and Canada collectively have the largest number of fitness clubs across the world (in the range of 35,000–38,000), thereby supplementing the North American connected gym equipment market. Cardiovascular training is the most preferred equipment in both the countries in addition to other countries. Global Connected Gym Equipment Market is expected to reach \$1,048 million by 2023, registering a CAGR of 31.1% during the forecast period.

Customer Behavior

Rise in obesity rates, increase in health consciousness, and awareness of benefits provided by these smart devices would lead to larger number of new fitness facilities to set up and increasing membership rates (Macintosh and Doherty, 2007; Mullen and Whaley, 2010). To sum it up, it should be noted that connected gym equipment market is facing rapid development and growth and the main reason for it is people's interest to their physical health and activity. Thanks to the emerging market of health startups such dreams as watching TV while training, texting users' friends and family working out, full access to the gathered data can come true or may have already come. Therefore, today there are all the conditions for taking up sports and keeping users' body healthy and young, the only thing is the willing to do sports.

Smart Gym Equipment Ltd has identified three distinct customer segments that will be targeted for sale of the smart fitness equipment:

- Retailers
- Fitness Clubs
- Vertical Markets

The following section provides detail regarding each respective segment as well as background information regarding the industry, a large growing industry. The competition that Smart Gym Equipment Ltd faces is also provided.

Market Segmentation

Fitness equipment is distributed in the Ireland through distributors or direct from the manufacturer/importer. The majority of sales are done through distributors. Distributors typically carry one (sometimes a couple of) vendor for each type of equipment (strength, cardiovascular, etc.) and this explains the number of distributors in the Ireland. Manufacturers will typically provide an exclusive geographic area for each distributor to sell the products.

Large corporations (whether fitness clubs, franchises, corporations, etc.) that have significant buying power are often able to sidestep the distributor layer of the distribution channel by buying direct from the manufacturer. This means that Smart Gym Equipment Ltd will have distributors as well as end consumers as target customers.

Distributors

As previously mentioned, distributors sell the bulk of fitness equipment. Data is sparse regarding distributors because the various industry associations serve manufacturers more than distributors. The key information is that 60% of the fitness club market is composed of independent clubs, all of which purchase their equipment through distributors. The remaining 40% is composed of chains, franchises, etc., some of which purchase from distributors, some of which exert their superior buying power and purchase direct from the manufacturers.

Health Clubs

Health clubs are the second largest market of fitness equipment behind home fitness equipment (of a lower grade and price point relative to commercial equipment). The 1990s saw a significant increase in health club membership. In addition to significant increases in membership, health clubs have seen a shift in their customer demographics.

The demographic shifts are significant. Fitness clubs were once populated primarily by 18-34 year olds who were interested in body building. As Irish have made a paradigm shift, they are now making the cognitive connection of fitness and health.

Consequently, there is far greater cross section of the population having fitness club memberships. Our devices are appealing to smart, tech savvy millennial members looking for a more immersive workout experience and giving gym owners the opportunity to add new members and maintain member retention level. We are targeting gyms that provide quality gym experience at low cost with members that are Smart tech savvy millennials with low loyalty.

Vertical Markets

Another market that will be attractive to Smart Gym Equipment Ltd is the vertical market which includes non-health club environments such as hotels, hospitals, apartment complexes, corporations, universities, and senior citizen centres. This relatively new market is growing fast as consumers are increasingly valuing convenient access to exercise facilities.

MARKET ANALYSIS							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
Potential Customers	Growth						CAGR
Retailers							
Health clubs							
Vertical markets							

Total							
-------	--	--	--	--	--	--	--

Strategy and Plans

Target Market Segment Strategy

Smart Gym Equipment Ltd has chosen the three enumerated market segments for several reasons:

Health Clubs– the larger health clubs, because of their size and superior buying power are able to purchase equipment from the retailer, supplier or distributor. While the manufacturers are unhappy about this, there is little leverage that they can attempt to apply to the manufacturers because of the sheer size advantage that the larger clubs have.

Retailers– this is the network of companies that sells the fitness equipment to health clubs in Ireland. Specifically, 60% of the health clubs make their equipment purchases through the distributors and retailers’ network.

Vertical Markets– these markets, by virtue of the fact that they are outside the traditional industry of fitness equipment, and also because of some of the companies' size, are able to buy direct from the importer or manufacturer. While these companies within the vertical market are more difficult and widespread in terms of identifying and contacting, they will still be a good source of sales.

Industry Analysis

While the industry is valued and tracked as a standalone industry, it is generally considered part of the larger sporting goods market. The fitness market grew at an exponential annual rate, almost twice the rate of the sporting goods market.

One trend that has been a significant driver in the growth of the fitness industry is the increasing recognition of the relationship between health and fitness. The societal

epidemics have driven people to fitness clubs in an effort to take control of their health (weight, well-being). This has helped Irish people value the importance of fitness as it relates to their health. Looking good is no longer more important than feeling good and having a healthier and happier lifestyle (Baumeister et al., 2003). This is important because it provides a far larger foundation of customers with a more intuitive appeal toward fitness. Additionally, Millennials have become more committed to exercise and fitness in a more immersive and engaging ways. This is fueled by their recent increases in disposable income as well as the perceived threat of not being able to enjoy their later years because of a decline in health (Veenhoven, 2008). Moreover, social media and online dating apps are leading to increasing proclivity towards gym membership and fitness goals as pointed out by Centola (2013).

The fitness industry is currently witnessing two significant trends. The first trend is the desire for equipment that is able to target specific body parts. Irish are also increasingly aware of the decrease of free time they have. Consequently, people are looking for machines that provide the greatest fitness benefit in the least amount of time. Another trend the industry is experiencing is the accessibility of fitness equipment in nontraditional venues. In the 1990s fitness equipment was available primarily to people through fitness club membership.

Competition and Buying Patterns

Facing the rapid development of the connected gym equipment market there appear many amazing startups that strive to attract as many clients and followers as possible. Such technologies as AI (Artificial Intelligence) and IoT (Internet of Things) are actively used in the field of gym equipment. Here are several examples of them.

The first one is Peloton. It is a private indoor cycling studio in home. The Peloton allows users to have access cycling experience and 24-hour access to the daily live classes from their NYC studio directly into the home. A user can find a perfect fit for them depending on the length, type, and difficulty of the ride. Also, there are options of cardio, strength, and cardio workouts. How about smart technologies? With the Peloton a user can monitor their metrics including cadence, resistance, output, and

heart rate directly on users' screen. The bike keeps a detailed record so a user can get back to their previous experience after some time.

Another fun startup is Skillrun. This machine can be extremely helpful for the professional sportsmen but of course it meets the needs of sport amateurs. This innovative technology detects users' parameters and sets the machine according to them allowing users to choose the difficulty and intensity of the workouts. Skillrun combines cardio and strength training in a single equipment allowing to perform running sessions and resistance workouts. It allows users to raise users' endurance efficiency with Biofeedback (Patent Pending). The exclusive interactive technology by Technogym tracks and monitors users' main running parameters in real time, providing colour-coded feedback that enables users to improve users' performance. Skillrun can be connected to users' Apple Watch. Users can login with the mywellness app and recall all programmes and settings at once.

Bowflex is going to blow up the market with its stunning solution. These dumbbells have integrated Bluetooth to connect to users' iOS or Android smartphone. There, the data they collect about the exercise is sent to the "3D Trainer" app, where users can log reps and sets, watch video tutorials, and find specific workouts for each muscle group users want to train. The weights also make use of Bowflex's SelectTech system, where a user picks the weight they want via an LCD screen on each dumbbell, then that weight is automatically locked into place when they pick it up. Each dumbbell can be configured to weigh between 10 and 60 pounds.

We can't imagine our lives without wearables and they have different modifications as well which allows them to provide better service and be more useful. Here's smartwatch Wahoo. Many smartwatches and fitness trackers feature heart rate sensors. Some of them have been found to be genuinely life-saving. The equipment worn on the chest gives the freedom to exercise without carrying a smartphone or wearing a watch, and is cheaper than smartwatches, and is generally considered to be more accurate. The Wahoo Tickr X is the official heart rate monitor of the Tour de France-winning Team Sky. The device can be set to send live data to users' smartphone, or save it and transfer once users get home, so users don't need to carry users' phone on every workout. Data can be synced with more than 50 exercise

apps, including Nike+ Running, MapMyFitness, Runkeeper, Strava and Apple Health. As well as heart rate, it measures calories burned, running data and reps completed.

Pendex is the startup built by our team and we are proudly listing it among the most innovative tech solutions in the health & beauty industry. Pendex is a smart set of revolutionary training machines powered by IoT, Machine Learning and Blockchain technologies. Each Pendex machine has sensors installed in it to trace and record each motion and guide users through exercises to reach health targets. A machine senses and monitors every person's motion every minute. The recorded information is displayed as feedback on the monitor inspiring users to achieve their fitness goals. With the help of integrated IoT technology powered by AI every user tracks their own training progress and receives instant visual on-screen feedback, keeping all the information in the cloud, on whether they're performing a particular exercise correctly or not. Pendex strives to replace the trainer's presence on maximum providing better guidance and control.

Strategy and Implementation

Smart Gym Equipment Ltd will leverage their competitive edge of intellectual property (IP) that takes the form of a supplier's right for the innovative device approach to strength training. The marketing strategy will have an emphasis on the development of the customer network and relationships. Lastly, the sales strategy will be the work on moving the fitness devices into a variety of different facilities through the emphasis of an efficient, innovative workout.

The first step that Smart Gym Equipment Ltd must accomplish to prepare itself for the implementation of the marketing and sales strategy will be the development of a support infrastructure. The costs of importing which include shipping, duties and tariffs, warehousing, and distribution will be captured and detailed as a direct costs of goods founding the sales forecast. The following areas will need to be addressed:

- Import and logistics
- The devices will then be warehoused until they are sold.
- Distribution once the devices are sold and need to be delivered.

- Customer service– as the sole importer Smart Gym Equipment Ltd will offer customer service for the equipment.
- Training– Smart Gym Equipment Ltd will offer many different seminars that are designed to train the gyms or large individual users on the proper and most efficient use of the smart fitness devices.

Competitive Edge

Advantages of the fully connected training area

The Smart Gym Equipment Ltd cloud platform offers clear advantages for all participants at every stage, from simplified logins to complete tracking of all activities in the training area.

Advantages for members

Gym members can be quickly overwhelmed by all the data spat out by various systems at the gym. Cross-provider tracking makes all health and training data available to users – even after users have left the gym! This makes users' complete training progress transparent and easy to follow. Thanks to the intelligent software, everyone is automatically prescribed training routines that are perfectly tailored to their preferences and current fitness level. After a one-time registration, members can use the Smart Gym Equipment successfully and with maximum motivation on the full range of gym equipment.

Advantages for personal trainers

Without a standardized solution, trainers lose a lot of time with redundant tasks with little to no added value. Without smart support tools, they don't have access to relevant – let alone comprehensive – information on members. Smart Gym

Equipment Ltd saves trainers valuable time that they can dedicate to customers. More than that, it ensures that they have access to all relevant member data at all times, ensuring they can speak to every member at the right time and adapt their training to their goals and current progress. Smart Gym Equipment Ltd makes the trainer's work simpler, more efficient, and more personal.

Advantages for gym owners and operators

Smart Gym Equipment Ltd standardizes and strengthens all support chains and procedures in the gym with state-of-the-art software and processes. This means more customers can be served more effectively and efficiently. This in turn increases profitability and reduces the drop-out rate. Utilization of gym equipment is also optimized. Smart Gym Equipment Ltd even generates new target groups, including customers for whom training used to seem too complicated or not sufficiently promising in terms of expected results. The connected gym brings in more members and makes it easier to establish long-lasting customer loyalty.

Our connected training area demonstrates that our vision of a modern gym that works for everyone is becoming a reality. Members are able to consistently follow their precise training plan, making it much easier for them to achieve their training goals. This is fun, motivating, and keeps people going to the gym for a long time to come!

Marketing Strategy

The marketing strategy will consist of the following activities designed to develop a network of customer relationships:

- Focus groups with high-end fitness centres for direct marketing
- Private presentations to gym instructors
- Private showings to high-end fitness centres
- Meetings and presentations with personal trainers and other specialists with word of mouth approach
- Social Media Marketing and Advertisement
- Mailings and direct calling

Sales Strategy

The sales strategy will initially be based on the goal of trying to get large clubs to adopt smart gym equipment. This is quite attractive to Smart Gym Equipment Ltd for a couple of reasons:

A large fitness club will have many different outlets so a contract with one fitness company will yield multi-location sales. This is good for sales volume.

The adoption of a large fitness company brings legitimacy of smart devices in the Ireland market.

Sales Forecast

The sales forecast has been developed as a means for predicting and tracking sales. The direct costs of goods reflect the following components that have been converted into a percentage of sales:

- Cost of the actual equipment
- Warehouse costs
- Handling and receiving of the pallet
- Storage fees
- Handling and shipping
- Importing
- Ireland government taxes
- Merchandise process fee
- Harbor maintenance fee
- Duty
- Custom & clearance

SALES FORECAST

	YEAR 1	YEAR 2	YEAR 3
Sales			
Distributors			
Health Clubs			
Vertical Markets			
TOTAL SALES			
Direct Cost of Sales	Year 1	Year 2	Year 3
Distributors			
Health Clubs			
Vertical Markets			
Subtotal Direct Cost of Sales			

Milestones

Smart Gym Equipment Ltd has adopted a series of milestone as goals for the organization. Different sections within the company are responsible for different milestones. The following table provides detailed information about the milestones.

MILESTONES					
Milestone	Start Date	End Date	Budget	Manager	Department
Business plan completion					Business Development
Office set up					Operations
Warehousing established					Operations
Distribution services arranged					Operations
First sale					Sales
Profitability					Accounting
Totals					

Web Plan Summary

A website will be developed as a sales and marketing tool for the smart gym products. While the parent company has a nice Flash-based website that provides a general overview of the technology, the site is geared more toward individual consumers

(fitness users). Smart Gym Equipment Ltd will be developing a website that is more technical in nature with the target audience being gyms or the procurement department of a large fitness club. The expense of the website has been listed as a start-up expense. The web-based platform will also provide a way for the users to access their in-depth data on all the bio-metrics that are recorded continually via their training sessions.

Website Marketing Strategy

The marketing of the website will be primarily based on inclusion of the URL in all printed material. Because the audience is fairly specialized, the most efficient means for marketing the site will be working specifically with the intended customers and pointing them to the site. Smart Gym Equipment Ltd will submit the website to the various search engines.

Sustainable Growth Strategy

Our software-supported solutions mean users' technology is always up-to-date and they are always able to address new target groups with personalized training. This means client's unique investment in our high-quality Smart Gym Equipment Ltd technology will ensure the long-term success of their business for many years to come.

Regular, automatic and free software updates keep Smart Gym Equipment Ltd smart exercise devices and services continually up to date with the latest sports science research, ensuring optimal adaptation to the needs of users' members.

The continuous improvement and expansion of the software constantly creates new training experiences, e.g. through design updates or further gamification elements. This makes it easier for users to retain customers.

In short: Smart Gym Equipment Ltd will ensure users never stop growing.

PERSONNEL PLAN			
	YEAR 1	YEAR 2	YEAR 3
CEO			
Sales			
Marketing			
Finance			
CTO			
Sales			
TOTAL PEOPLE	6	6	6
Total Payroll			

Financial Analysis

The following sections will outline important financial information.

Important Assumptions

The following table details important financial assumptions.

GENERAL ASSUMPTIONS			
	YEAR 1	YEAR 2	YEAR 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%
Other	0	0	0

Break-even Analysis

The Break-even Analysis indicates that approximately _____ will be needed in monthly revenue to reach the breakeven point.

BREAK-EVEN ANALYSIS	
Monthly Revenue Break-even	
Assumptions:	

Average Percent Variable Cost	
Estimated Monthly Fixed Cost	

PRO FORMA PROFIT AND LOSS			
	YEAR 1	YEAR 2	YEAR 3
Sales			
Direct Cost of Sales			
Other Costs of Goods			
TOTAL COST OF SALES			
Gross Margin			
Gross Margin %			
Expenses			
Payroll			

Sales and Marketing and Other Expenses			
Depreciation			
Rent			
Utilities			
Insurance			
Payroll Taxes			
Other			
Total Operating Expenses			
Profit Before Interest and Taxes			
EBITDA			
Interest Expense			
Taxes Incurred			
Net Profit			

Net Profit/Sales			
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Projected Cash Flow

PRO FORMA CASH FLOW			
	YEAR 1	YEAR 2	YEAR 3
Cash Received			
Cash from Operations			
Cash Sales			
Cash from Receivables			
SUBTOTAL CASH FROM OPERATIONS			
Additional Cash Received			
Sales Tax, VAT, HST/GST Received			
New Current Borrowing			

New Other Liabilities (interest-free)			
New Long-term Liabilities			
Sales of Other Current Assets			
Sales of Long-term Assets			
New Investment Received			
SUBTOTAL CASH RECEIVED			
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending			
Bill Payments			
SUBTOTAL SPENT ON OPERATIONS			
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out			

Principal Repayment of Current Borrowing			
Other Liabilities Principal Repayment			
Long-term Liabilities Principal Repayment			
Purchase Other Current Assets			
Purchase Long-term Assets			
Dividends			
SUBTOTAL CASH SPENT			
Net Cash Flow			
Cash Balance			

Projected Balance Sheet

PRO FORMA BALANCE SHEET			
	YEAR 1	YEAR 2	YEAR 3

Assets			
Current Assets			
Cash			
Accounts Receivable			
Inventory			
Other Current Assets			
TOTAL CURRENT ASSETS			
Long-term Assets			
Long-term Assets			
Accumulated Depreciation			
TOTAL LONG-TERM ASSETS			
TOTAL ASSETS			
Liabilities and Capital	Year 1	Year 2	Year 3

Current Liabilities			
Accounts Payable			
Current Borrowing			
Other Current Liabilities			
SUBTOTAL CURRENT LIABILITIES			
Long-term Liabilities			
TOTAL LIABILITIES			
Paid-in Capital			
Retained Earnings			
Earnings			
TOTAL CAPITAL			
TOTAL LIABILITIES AND CAPITAL			
Net Worth			

Conclusion

Facing the growing people's awareness of the health value, appearing of modern high-technology smart gym equipment the fitness market is definitely on the pick of its development and progress. The raise in technology provides the industry with such useful solutions as wearables, sensors, connected gym equipment powered by IoT, AI, and blockchain, which definitely attracts more people interested in their life quality. All these devices make the process of training more interesting providing better guidance and control and giving the feedback for faster goals achieving. The connected gym equipment market already presents such fun startups as Peloton, Skillrun, Bowflex, etc. They have got many thankful users all over the world who enjoy every work out and appreciate the fact that IT technologies are used in such an important industry as fitness and healthcare and really improve the quality of life.

Regardless existing challenges in the implementation and spreading of the solutions (such as rapid development and growth of the field technologies, customers' high demands to the quality of the equipment, and restrictions in sharing of the health data) the connected gym equipment market is growing at a quick pace presenting new exciting startups and fitness solutions disrupting an ordinary image of doing sports.

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Appendix

Management Summary

[WILL BE COMPLETED BY SHANE]

Personnel Plan

The people behind Smart Gym Equipment Ltd are experts from various fields, including the fitness sector, healthcare, sports science, and technology, creating an amazing team with unbeatable experience.

When clients invest in Smart Gym Equipment Ltd, they are enhancing their business model with our extensive experience for even greater success in the sports and health sector.

Our team includes sports scientists who work closely with research institutes and universities. We combine this research data with findings from the Smart Gym Equipment Ltd training data generated by users and continuously utilize this knowledge for further developments and improvements. This is how we ensure all our training programs and methods are scientifically based and always in line with the latest findings.

Our concept consultants are specialists with many years of experience in the fitness and health sector, as well as the successful integration of intelligent and efficient systems into various facilities. This enables us to provide users with expert advice on matters such as the optimal setup for client's facility, improving work processes, or unlocking additional revenue potential.