



# Business Plan

Indoor Sports Centre

July 2014

# Executive Summary

[Business Name] is a new indoor sports centre that provides state-of-the-art facilities that accommodate golfers and sports enthusiasts of all levels.

The centre will consist of two 'Super Simulators' manufactured by Sports Simulator Ltd ([www.sportssimulator.com](http://www.sportssimulator.com)) and Sports Coach Simulator Ltd ([www.sports-coach.com](http://www.sports-coach.com)). Each system will comprise of a Sports Simulator offering Football, Rugby, American Football, Tennis, Hockey, Gaelic Football, Putting and Soccer Golf as well as a Golf Simulator with 50 indoor Golf courses, Driving Ranges and Short Game Academy.



## Sports Simulator

- Football
- Rugby
- American Football
- Tennis
- Hockey
- Gaelic Football
- Putting
- Soccer Golf

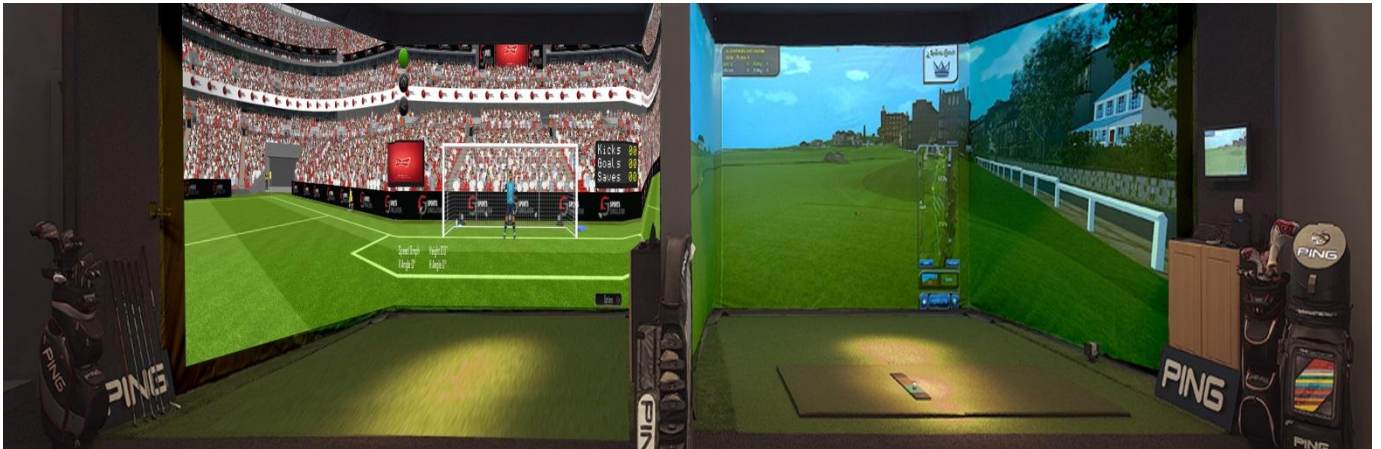


## Golf Simulator

- 50 Golf Courses for practice & play
- 4 Driving Ranges
- Short Game Academy
- Longest Drive Challenge
- Nearest the Pin
- Club Fitting
- Tournaments
- PGA Professional Training Available

The centre will provide practice and entertainment opportunities for sports enthusiasts and golfers of all abilities. There will also be a PGA Teaching Professional available that can be booked to give golf lessons on a weekly basis. The initiative is to capitalise on the indoor sports entertainment market by providing quality sports and indoor golf entertainment that will operate 12 months of the year. It is anticipated that the facility will mainly be used for multi sports all year round offering a variety of sports. High demand is also expected for Golf – particularly for practice sessions, training, and access to Golf outside normal club hours, when the weather or daylight conditions prevent play, and during the winter season when Golf Clubs are closed.

# Business Summary



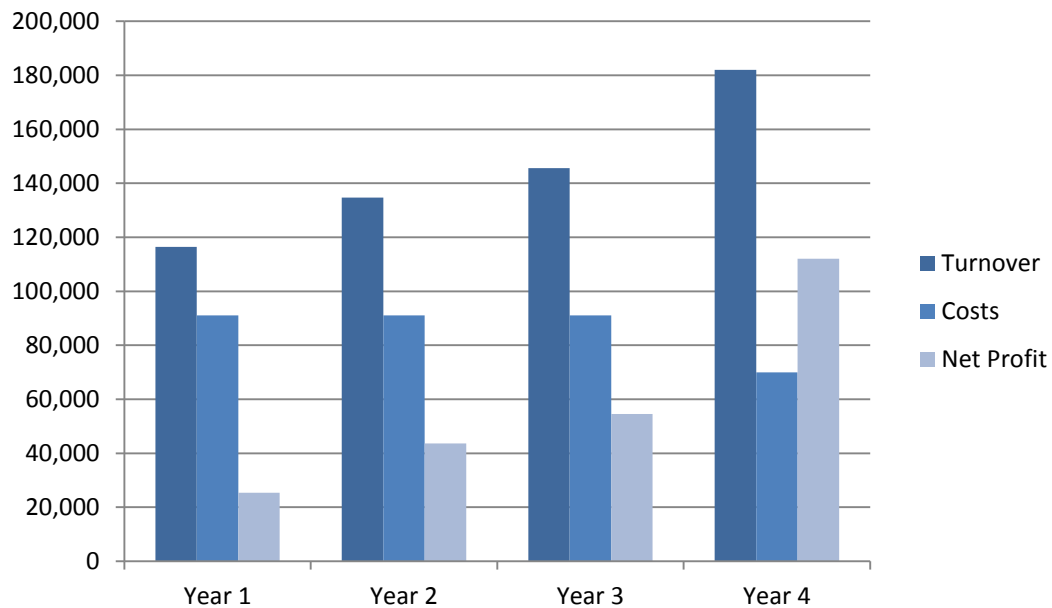
[Business Name], which will be located in [Location] will contain two simulators, each offering both Multi Sports and Golf. The facility will be operational from 10am until 10pm every day, all year round. The facility is unique as it offers several different sports. Currently there is no other local facility that will compete. This provides an opportunity to generate a good revenue return, as there will be several sports enthusiasts that will be attracted by this facility. For sports enthusiasts, the wide range of sporting challenges in Football, Rugby, Tennis, American Football, Hockey, Gaelic Football, Soccer Golf and Putting will encourage repeat business. In addition, there is a decent market for golfers, who are focused on game play, tournaments, entertainment and practice throughout the winter. During the golf season itself, golfers require high quality practice sessions, golf lessons, custom club fitting – all of which can be accommodated by this facility.

The centre will be advertised offering free online membership, with players being able to book hourly slots either online or at the facility. Online bookings will be encouraged with a discount. This will provide valuable information to the facility staff as it will allow them to pre-determine usage and simulator availability.

The projected target turnover for the centre is £182,000 by year 4. To maximise profits and increase exposure and gain recognition, we expect to re-invest profits and expand to 4 centres in nearby locations.

If the owner of the business or a member of their family does the staffing, the profits retained also include the staffing costs, so further profits are gained.

## Sports Centre Profit Projections Including Seasonal Variations

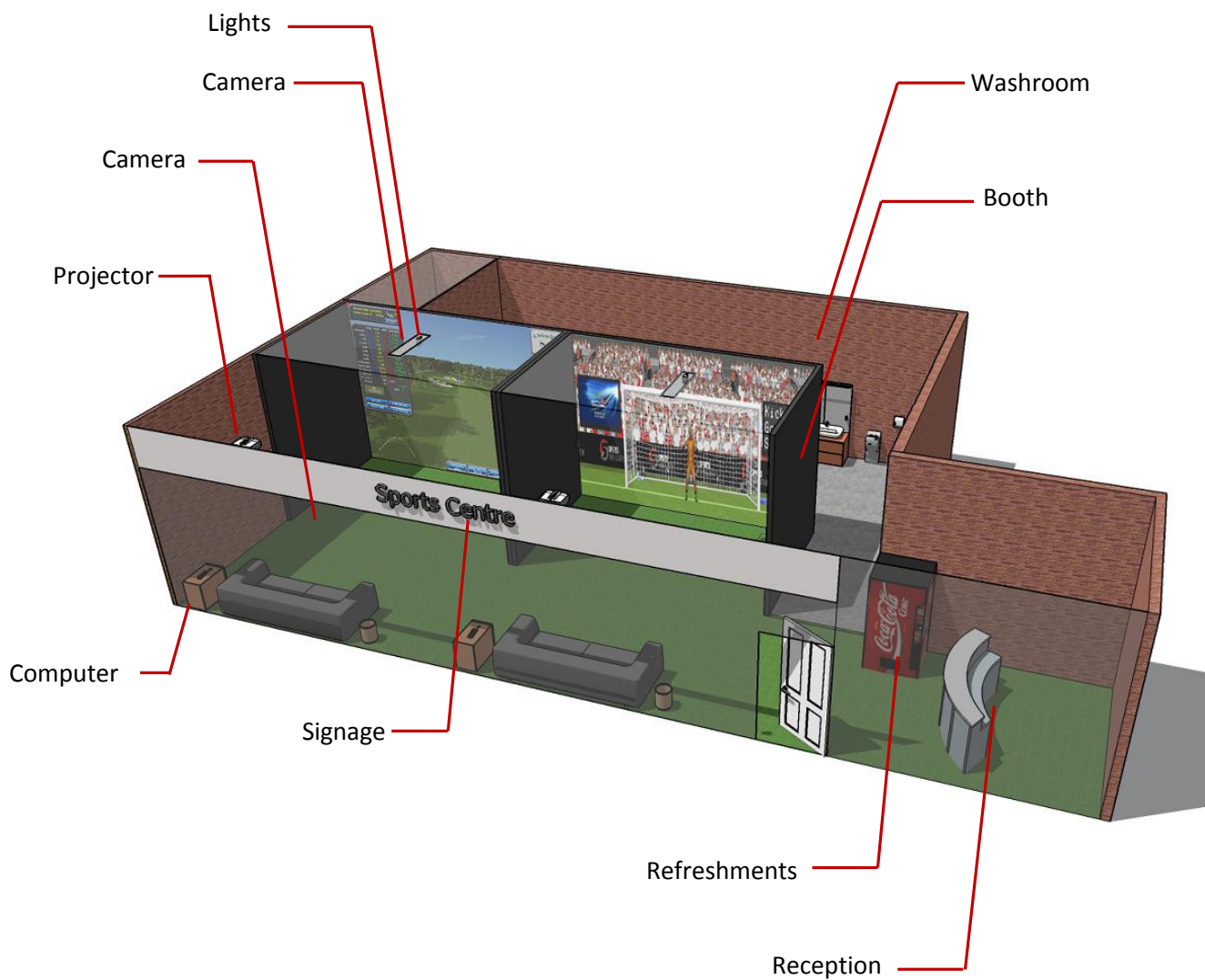


## Start-up Summary

[Business Name] start-up costs will include:

- Legal and Insurance costs
- Signage, Advertising, Preparation and Promotion
- Rented premises (min 5m wide 8m deep 3m high per simulator)
- 2 Super Simulator Systems (incorporating Multi Sports and Golf)
- Internet Connection
- Online Website with Online Booking System





## Sports Centre Design Layout

# Start-up Expenses

Start-Up Costs are estimated at £18,368. When the Simulator Financing is complete at the end of Year 3, after which the annual profit is significantly increased.

## Startup Cost Breakdown (£18,368)

Decorating, Carpet & Sofas      £3,500

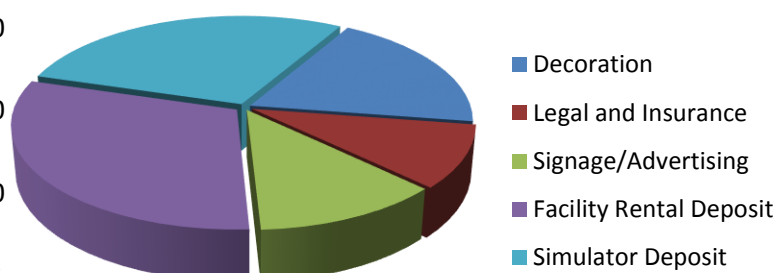
Legal & Insurance      £1,800

Signage & Advertising      £2,200

Facility Rental Deposit      £5,600

Simulator Deposit \*      £5,268

**Total Investment      £18,368**

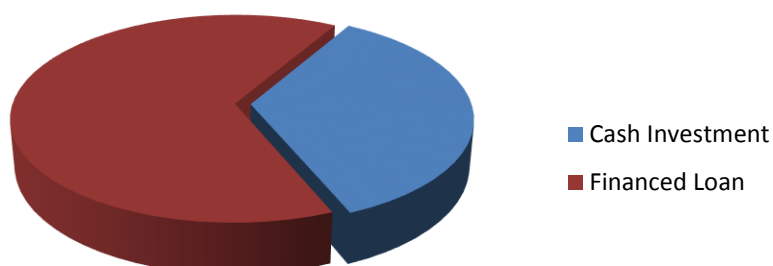


## Startup Funding Breakdown (£18,368)

Cash Investment      £6,500

Financed Loan \*\*      £11,868

**Total Funding      £18,368**



\* 2 HD Super Simulators each comprising of a Sports simulator (Football, Rugby, American Football, Tennis, Gaelic Football), and Golf simulator with 50 Golf Courses).

\*\* Covers decorating, carpet and sofa, facility rental deposit, plus 3 out of 36 months financing for simulators (Interest 6.2%).

## Market Analysis Summary

In Europe there has been a growth in facilities using Golf and Multi Sports Simulators, these are typically shops on the edge of towns, with good parking. There are many vacant shops available on the edge of [location] at very low rents, due to out of town retail park expansion. Opportunities exist to replicate the European model and create a niche market. Expected revenue returns are very good as many leisure facilities are located nearby. Initially, local golf club members, and members of the general public that enjoy the occasional game of Golf or seeking Sports entertainment will become targeted customers.

With two simulators available, the facility is also an ideal and cost effective venue for birthday parties and company events.

## Competition

We do not expect any direct competition, due to the uniqueness of the facility as it offers both Multi Sports and Golf. The facility will complement existing local sports centres and golf clubs and due to the wide range of sports available. Currently, there are not any indoor sports academies in [location], therefore potential opportunities for revenue are vast. Although it is not anticipated that there will be any competition for the Sports Simulator, some competition will may exist for the Golf simulator, specifically from Golf Courses.

## Addressing Competition

Careful pricing strategies will help attract Golfers in the summer months, but the Golf simulator will gain custom from the off-season months, when golf clubs have closed, and at any other time that courses are not playable. The facility will also attract beginner golfers, aiming to improve their game and non-golf course members that wish to use the facility for recreational purposes. In addition, the facility will attract sports enthusiasts with a wide variety of interactive sports including Football, Rugby, Tennis, American Football, Hockey, Gaelic Football, Soccer Golf and Putting.

Hourly game play should not exceed £30.00 per hour, as this rate compares favourably with similar sporting activities and will ensure regular use of the facility. Gameplay usage for Golf is likely to be reduced during warmer months, but the practice usage, club fitting, corporate usage and demand for the Sports Simulator will increase during the same period. Therefore, turnover figures are expected to be constant.

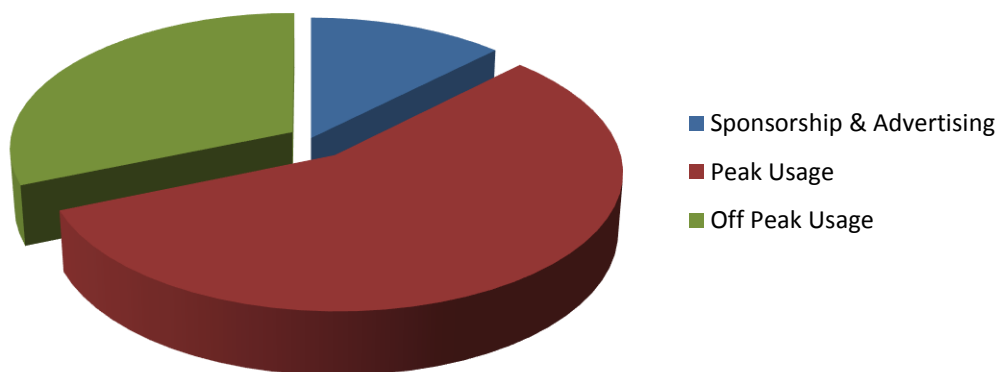
# Revenue Streams

The proposal is to install The Super Simulator, enabling members to practice and play whatever the weather conditions, light conditions or time of year. The main revenue streams are:

- Golf Practice
- Golf Tournaments
- Sponsorship Adverts displayed during gameplay
- Birthday Parties and Corporate Events
- Multi Sports Activities
- Peak and Off Peak hourly pricing.

The facility will offer FREE Membership for customers enabling them to book online.

## Estimated Revenue Breakdown Year 1



Sponsorship	14,560
Peak Usage	65,520
Off Peak Usage	36,400



# Forecasts

## Income Year 1

Facility	Fee (£)	Unit Period	Daily Usage	Weekly Usage	Annual Turnover
Sponsorship	20.00	Per Week	2	14	14,560.00
Peak Usage	30.00	Per Hour	6	42	65,520.00
Off Peak Usage	20.00	Per Hour	5	35	36,400.00
				<b>Total</b>	<b>116,480.00</b>

## Income Year 2

Facility	Fee (£)	Unit Period	Daily Usage	Weekly Usage	Annual Turnover
Sponsorship	20.00	Per Week	2	14	14,560.00
Peak Usage	30.00	Per Hour	7	49	76,440.00
Off Peak Usage	20.00	Per Hour	6	42	43,680.00
				<b>Total</b>	<b>134,680.00</b>

## Income Year 3

Facility	Fee (£)	Unit Period	Daily Usage	Weekly Usage	Annual Turnover
Sponsorship	20.00	Per Week	2	14	14,560.00
Peak Usage	30.00	Per Hour	8	56	87,360.00
Off Peak Usage	20.00	Per Hour	6	42	43,680.00
				<b>Total</b>	<b>145,600.00</b>

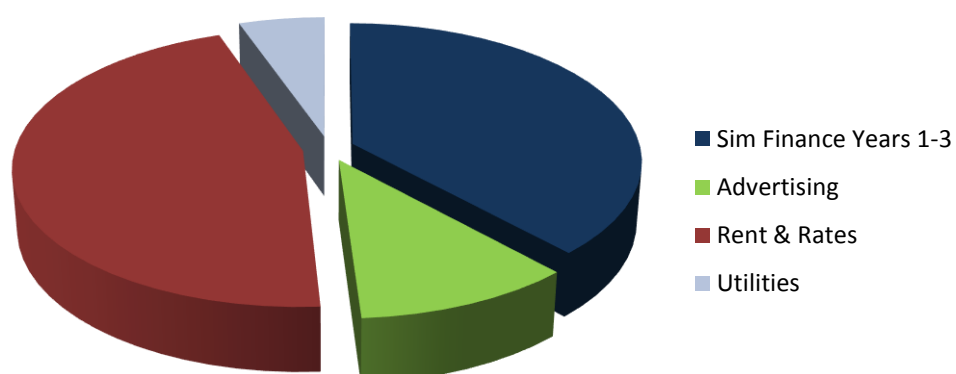
## Income Year 4

Facility	Fee (£)	Unit Period	Daily Usage	Weekly Usage	Annual Turnover
Sponsorship	20.00	Per Week	2	14	14,560.00
Peak Usage	30.00	Per Hour	8	56	87,360.00
Off Peak Usage	20.00	Per Hour	6	42	43,680.00
				<b>Total</b>	<b>145,600.00</b>

# Annual Costs

Expense	Monthly (£)	Annual Cost (£)
Simulator Finance Year 1 - 3	1,756.00	21,072.00
Staffing Costs	3,000.00	36,000.00
Advertising Indoor Sports Centre	500.00	6,000.00
Rent and Rates of Facility	2,000.00	24,000.00
Electricity, Water, Gas & Sundry	333.00	3,996.00
<b>Total</b>		<b>91,068.00</b>

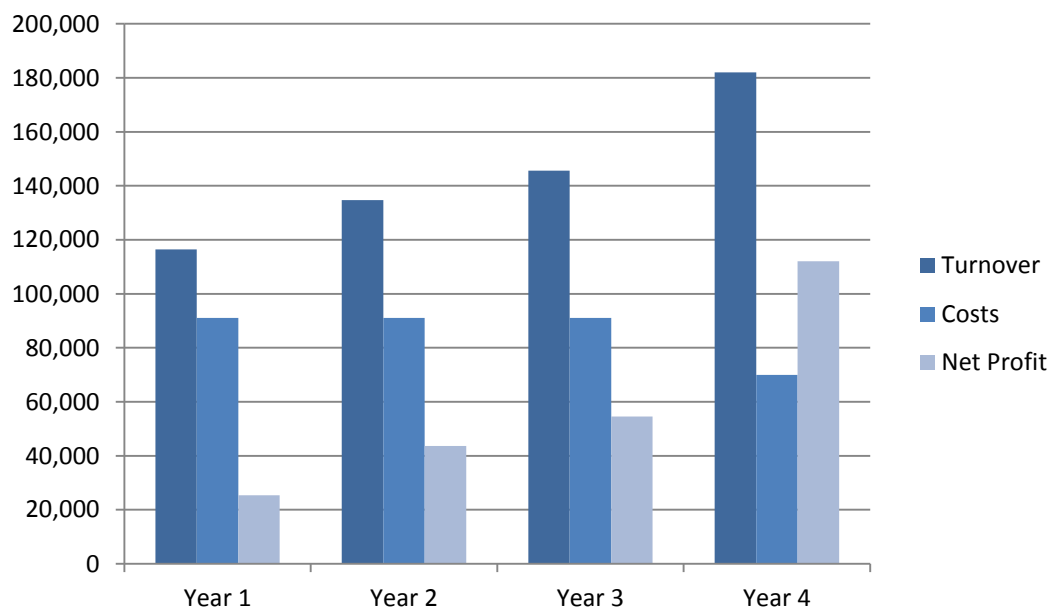
## Costs



# Profitability

	Annual Turnover (£)	Annual Costs (£)	Annual Profit (£)
Year 1	116,480.00	91,068.00	25,412.00
Year 2	134,680.00	91,068.00	43,612.00
Year 3	145,600.00	91,068.00	54,532.00
Year 4+	145,600.00	69,996.00	75,604.00

## Simulator Profit Projections Including Seasonal Variations



Figures shown include seasonal variations with expected average usage over a full year.

Start-Up Costs are fairly small, at £18,368, to cover the deposit for two “Super Simulators” financing, the deposit on the Rent of the Shop, Small Cosmetic Changes, Signage and Local Advertising.

When the Simulator Leasing is complete at the end of Year 3, the annual profit is significantly increased.

The Key to generating significant profits is to open additional centres in nearby towns, so that the local advertising is maximised and the membership will recommend the centres to others in nearby towns.