

“Did you create a business plan before starting your training business? How did having a plan—or not having one—impact your business?”

I did create a business plan—several of them in fact. Breakeven, max capacity and in-between. The sky is the limit when it comes to planning. As the saying goes, “If you fail to plan, you plan to fail.” With respect to business, this statement is as true as it gets. Analogy: Would a baseball manager go into a season or even a *single game* without a multifaceted plan of action? Certainly not a good manager! Don’t think for a minute, even if you are a “star” fitness professional with clients coming out of your gills, that you can just rent a space and “off you go.” I believe lack of planning is one reason so many small businesses fail in the first year or within the first 5 years.

A well-thought-out business plan is an absolute must, even if you are an independent instructor. (I dislike using the word “trainer” from a business perspective.) Business plans are not hard to create. Don’t get overwhelmed. You don’t need an MBA or a CPA degree. Use standard business-planning software, as I did. Your pro forma must be comprehensive and realistic, and it must contain numerous fail-safes. Build in a decent profit margin, or else why are you working? With our business plan we were able to carefully track whether we were on target *day to day* and make adjustments accordingly.

Additionally, take business courses and read business books. Ask questions of friends and family members who you think are good at their businesses. Take notes. Become a business brain! If you are committed to starting your own business, realize that you are no longer an exercise professional first and foremost. You are now a businessman who happens to be an exercise instructor as well.

Take care of your business as you would your very own child. A business is a growing, changing, painful yet extremely rewarding living entity that requires your undivided attention and unrelenting love and care. It really is alive! Here’s the best piece of advice you’ll ever get: Never abdicate; always delegate. In other words, *keep your eye on the business ball.*

Fred Hahn
Owner, Serious Strength Inc.
New York City

My husband, Scott, had always dreamed of leaving his high-school teaching career and opening his own fitness facility. I really wanted to support him, but this endeavor was way over my head. I knew nothing about commercial leasing, market analysis or advertising. Then I picked up a copy of our local junior-college class schedule, and it contained all kinds of courses related to business planning. This led me to the SBDC (Small Business Development Center), which offered several types of free business support!

I began working on our business plan. As it developed, we discovered that there were a number of things to take into account:

- our mission statement (What were our core values?)
- our short- and long-term goals (We learned always to begin with the end in mind.)
- who our competitors were, what they were offering and how much they were charging for it
- all the different positions that would need to be filled
- who would fill the positions and

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whether their services would be paid, unpaid (us) or bartered

- our marketing options (There are hundreds of ways to market a business—we would need to choose some to try.)
- how effective newspaper, radio, TV or direct mail advertising would (or wouldn’t) be in our community
- how much we could pay our trainers (and still be generous, competitive and profitable)
- how much we should charge our clients (and still be competitive and profitable)
- how many sessions were actually possible each day (based on our studio size)
- the number of trainers we felt it would take to achieve our goals
- how many training sessions it would take to cover our studio expenses
- how many more sessions it would take

to replace my husband's teaching salary

- how long we anticipated it would take to get to these two levels (covering expenses and replacing my husband's salary)

Based on all of this "guesstimated" information, we were able to decide how much money we would need to borrow to stay in business long enough to "pay our own way." We had heard all the horror stories of people running out of "nest egg" money before they started making a profit, and we were determined not to let that happen to us. While I feel that the financing is one of the most crucial components in starting a business, you can't know how much financing you'll need until you have completed all of the other steps.

However, the process of completing a business plan is bigger than all of these things. It proves that you are committed to success, that you are serious enough about your business to treat it like a business and not a hobby, and that you have put thought into the decision to go into business.

For trainers who are considering starting out on their own, please take advantage of consulting other people who have done well. Talk to successful people you know, and ask for their advice. Read *The Seven Habits of Highly Effective People* by Stephen Covey (Free Press 2004) and *The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It* by Michael E. Gerber (Collins 1995). These books are two of our favorite "must reads" for anyone considering the leap.

Barbi Jackson

*Co-Owner, Scott Jackson's Real Life Fitness
Nevada City, California*

Because I was not seeking a bank loan or any other type of outside investment, I produced only a "skeleton" business plan.

It was more or less an outline that answered many important financial and marketing questions. I knew I wanted to start a private personal training studio and made sure I answered many of the basic questions, such as who my target market was, what my expenses would be, what income I'd need to generate to make a profit, and so on. It helped tremendously to borrow a few library books on creating business plans, because these resources addressed many questions that I might not have thought of on my own.

Although I did not create the kind of full-fledged business plan that you would present to a bank, I still found that having a plan was very helpful. It helped me stay focused on my target market, my budget and my monthly goals for client appointments. It gave me direction as far as how and what to advertise to my potential clients.

Every year I look back at how my business has performed and I decide what modifications I need to make, if any, to my initial business plan. Like any endeavor, my business requires different things at different times. Although my plan guides my decision making, it does not prevent me from making important adjustments.

Liz Guscott

*Certified Personal Trainer/Owner,
Renaissance Woman Fitness
Lakewood, Ohio*

I did create a business plan before launching my personal training business.

Having started a software consulting business in the past, I understood the value of having a plan. Working through the sections of a business plan makes you stop and think things through. Here are some of the questions you need to ask yourself:

- What are your goals and objectives? (Goals are where you want your business to get to, and objectives are progress markers you achieve along the way.)
- What products and services will you provide?
- Who will buy your products and services?
- How will you market to your customers?
- How will you differentiate yourself from your competitors?
- How will you price your products and services?
- What is happening in your industry? Is it growing? Where? How can you take advantage of that growth?
- What will you do *in* the business, and what will you outsource?
- How will you finance the business during the startup phase?

By sitting down and writing this information out, you can think these things through and not just make decisions on the fly. You may not always follow the business plan. It is important to take time

weekly, monthly or quarterly to look at what you are doing and where you are in your business plan. You may find that a product or service you thought would sell doesn't sell well at all. In a small business you can make decisions and initiate changes quickly.

If you find that a product is not selling, you should ask yourself, "Is it the product, or am I not marketing it properly?" A marketing plan for your business, and even a marketing plan for a particular service or product, might be necessary.

Having a business plan is the same as having a fitness plan for your clients. You set goals, and you measure your progress along the way. I think that by having a business plan I focused a lot on what differentiated my business from other personal training businesses. I had to keep asking myself who my target market was. It helped me define my specialty area and market to that customer base. I also set up my accounting system to track how my customers came to me. This system enabled me to see where my marketing efforts paid off.

I refer back to my business plan on a quarterly basis. I had set revenue growth goals in the plan, and it is nice to see that I have met and most times exceeded my goals. I have also made changes to the plan based on new services I offer.

My goal was to gradually grow my business and increase my working hours as my children grew. My youngest just started first grade (full days at school now), and my business has grown to the point of expansion. I am hiring another trainer to work with me.

Holly Kouvo, MA

*Owner, Fitting Fitness Inc
Stow, Massachusetts*

When I decided to start my own personal training company back in 1990, I knew I needed a plan but didn't know it was called a business plan.

I was making the transition from modern dancer to business owner/personal trainer. Little did I know what a business plan even was, but I knew I had to get information and get organized.

This was my plan at the time:

1. Attend the IDEA Personal Training Conference in Washington, DC, in 1990 and take only the business classes.

2. Meet with our local SCORE. SCORE is a national nonprofit organization that provides small-business counseling and training

through a national network. Through SCORE I learned how to choose a name, open up a business bank account, figure out taxes and hire independent contractors.

3. Open a checking account and get business cards, stationery and equipment for fitness assessments with under \$500 to start. This was before computers were in, so I relied on cheap printing companies and a typewriter.

4. Figure out both the paperwork for clients to fill out (medical history, lifestyle information, fitness goals, fitness assessment form, billing, and informed consent) and the flow from initial consultation to continued exercise sessions. A lawyer looked over the informed consent form.

5. Use my biggest asset (me) for marketing and PR.

Solo Fitness was born in April 1990. I continued to work various other jobs (secretary, fitness instructor at various Ys and corporations) for about 3 years. At that time, I had enough clients to sustain me without relying on outside income.

My business plan wasn't the standard formal one. It was handwritten on a yellow legal pad (which I still have as a reminder of what one can accomplish on drive and desire alone). The plan has continued to change and grow as my career has. I've found that it's a great help to reassess my goals every few years and have a mentor brainstorm with me.

Since I didn't realize I was missing something (like a business plan), I didn't feel hindered at the time. However, moving forward and keeping my business in the forefront of potential clients' minds takes a lot of work. Now I'd like to sit down with an advisor to work on a business plan.

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