Ackerman Sports and Fitness Center

Business Plan Summary

I. Executive Summary

The Ackerman Sports and Fitness Center (ASFC) is an 88,000 square foot multi-purpose athletic facility located on the north side of Glen Ellyn, IL. The ASFC opened to the public on January 18, 2010.

Since the facility opened its’ doors in 2010, close to 300,000 patrons have entered the ASFC. Membership sales have increased each year with 1,162 sold in 2010 to over 1,500 in 2011. These sales equate to a steady monthly active membership of roughly 950. This number is lower than the yearly sales as the total sales are made up of annual, 3-month, and 1-month memberships. Also, the retention percentage of the annual membership renewals from 2010 to 2011 was 72.9%. The national average for fitness centers throughout the United States is between 30-50%.

Included in the 300,000 visitors are participants in Park District programs, special events, rentals for one time and multi-date usage, and leagues. The facility has hosted tournaments from the National Nike Summer Basketball Showcase to local and statewide Tae Kwon Do tournaments.

II. Mission & Vision

Ackerman Sports and Fitness Center Mission Statement: To provide a true community facility where value, relationships, a healthy lifestyle, and variety of state of art programs and services are the focus of its patrons and employees

Ackerman Sports and Fitness Center Vision Statement: Where a sense of community compliments individual health and wellness

III. Facility Goals

Program: To service the needs of the current Park District programs as well as increase the amount of active programs by 20% each year for the next 5 years.

Profit: Aggressively budget to increase net revenue 70% from 2012 through 2016.

Retention: To have an annual retention rate no less than 70%.
Outreach: To promote and program a minimum of 3 three community outreach programs each year (shop a cop, shoe recycling, Eagle Scout support, partner with local events, etc.)

IV. S.W.O.T. Analysis

Strengths

- Diversity and amount of amenities
- Quality of programs
- Growth and flexibility of programs/schedule
- Membership fees
- Relationships with members and staff
- Hours of operation
- Strong daytime staff
- Access to Park District database
- Visibility as Park District facility
- Convenient location
- Cleanliness
- Great atmosphere

Weaknesses

- Reliant on part-time staff (youth)
- Early morning staff coverage
- Weekday daytime usage
- Visibility
- Parking
- Marketing
- Lack of water feature
- Lack of open gym time for members during indoor months (November-March)
- Off season and non-peak programming/usage
- Out of date registration and tracking system
- Lack of dedicated child drop off room
- Lack of true fitness studio
- Lack of party room space
Opportunities

- The economy – take advantage of low costs
- Change of hours
- Party packages
- Special events
- Pool
- Fitness Room
- Dedicated child drop off room
- After hour usage and day-time programming
- Hub of local activity and social interaction
- Increased athletic offerings (athletic driven community)

Threats

- Local private businesses (current and future)
- Quickly aging/out of date equipment
- Economy

V. Budget

In both 2010 and 2011, the facility budget exceeded net revenue expectations/projections.

Over the next 5 years, revenue is projected to increase each year. Net revenue is estimated to increase by over $300,000 in 2016. These projections are benchmarks and staff will work to not only reach them but also to exceed.

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VI. Recommendations

A. Immediate/Short Term (2012)

- Develop consistent and ongoing survey methods for current members implemented 3 times per year (online survey attached).
• Implement exit interview for non-renewal members to determine their reason for not renewing. (summer)
• Add suggestion box at front desk and fitness counter (immediate)
• Maintain membership fees the same for 2012 (see mid-term recommendations for the implementation of non-resident fees)
• Create a youth fitness program for ages 11-13 which requires them to attend an orientation program for use of the fitness equipment. Once they successfully complete the orientation, they can use the fitness room on their own. (currently that age group is not allowed to) The result would be a possible increase in membership of 20+ youth memberships equaling $4,700. (spring)
• Expand group exercise offerings to include classes geared to high school students. i.e. High School spin. Could net an additional $2,000 in fitness. (summer)
• Expand personal training by adding additional staff and skills. More training, more revenue. Projection of $10,000 revenue increase from 2011 (summer)
• Adopt the new rental fee structure to attract and increase usage during “non-peak” hours of the day – early morning, school day hours and late night. Possible revenue increase of $5,000-$10,000. (immediate)
• Upgrade washer and dryer for fitness towels to commercial grade. Current machines are non-commercial units. As membership and usage increase so does towel demand and the current appliances cannot withstand the added volume. This would add an additional $12,000 to the budget.
• Increase fitness center hours on Saturdays and Sundays to meet increased demands (closing at 7:00pm rather than 5:00pm). Continue to evaluate usage and demand and adjust accordingly. Would equate to a $1,600 increase is salaries.
• Maintain and adjust hours for holidays while remaining open
• Extend the child care hours at a minimum of 10 hours per week. Would equate to an additional $6,000 in salaries.
• Develop and initiate staff incentive and accountability programs with the goal of increasing customer service and member retention.
• Add an additional vending machine. $500 additional revenue.
• Contact local food venders for possible partnerships during large and/or special events throughout 2012. Possible addition of $500 to $1,000 in concession revenue. (spring)
• Design and implement non-traditional rentals – inflatable’s, indoor block parties (spring) Equivalent of 8 more field rentals @ $230 = $1,840.
• Increase off-season rentals by continuing to solicit athletic camps, training programs, tournaments and rentals. Potential increase in revenue of $5,000 and up. (summer)
• Develop in-house sports camps such as a basketball camp, sports performance training, etc.
• Allocate 40% of marketing budget to focus on membership retention and “in-house within facility” promotion. Expand facility information centers, literature displays and marketing opportunities within the Center.
• Generate prospective membership information and protocol for facility tours, capturing contact information, follow up procedures and complimentary pass to try facility.
• Develop a welcome packet at a cost of $2,000. This would be distributed to potential customers and new members as part of their orientation. It will highlight the facilities offerings as well as promote a healthy lifestyle away from the gym.
• Install two televisions, one in main lobby and one upstairs lobby of the facility to provide in building marketing of Ackerman programs and Glen Ellyn Park District programs. Also, contributes to overall atmosphere of the facility. This would add an additional $1,600 to the budget (the equivalent of just over 5 memberships).
• Increase storage space within the facility. Build “up” within existing storage area with sturdy shelving as opposed to “out.” Cost: $1,000
• Repair the parking lot immediately to the south of the building. ($35-$90K)
• Plan and apply for a permeable paver grant to re-surface the south parking lot.
• Install programmable thermostats which allows for heating/air condition to be adjusted automatically according to use. Needing 15 thermostats at $220 each, the total would cost $3,300. With the ability to lower energy costs, at 1% of the electric bill, these would pay themselves off in 3 years.
• Purchase quality lacrosse nets. At a cost of $360, would be paid off with one family membership or 120 resident youth “open gym” users.
• Add live plant life to the facility in order to improve air quality and aesthetics. This is estimated to cost around $2,000. (spring)
• Put signage up on basketball courts that distinguishes each court (#1, #2, #3). Also in turf, put home and visitor signage so it corresponds with scoreboard. Cost: $500

B. Mid Term (2013-2014)

• Addition of non-resident annual membership fees in 2013. Grandfather any existing non-members at the resident rates.
• Develop in-house programming such as open turf during the day, mom’s morning away, kindergarten soccer academy. (2013)
• Evaluate rental and “pay to play” rate increases as programs and amenities become more popular. (2013)
• Develop community wellness program partnering with local health care providers and the Village and school district(s). (2013)
• Schedule regular open gym and turf times for November through March. (2013)
• Purchase of a mobile fitness cart for $3,000 which would enable classes to be staged in the gym to be used either when class participation exceeds space allowed or to host multiple popular classes at the same time. To start the program, just having 6 classes per week x 50 weeks x 14 participants @ an average of $3 would = $12,600 in revenue. Minus the instructor salary $7,500 ($25 per class) the class would net $5,000. (2014)
• Increased visibility to Center through signage. This includes way finding signs near the 355/North Ave intersection and on St. Charles Rd. (2013)
• Begin to focus a larger percentage of marketing funds to reach the surrounding communities. (2013)
• Research cost on improving locker space in order to accommodate members who use the facility before commuting. (2014)
• Install a rain barrel system to aid in the watering of building landscape. (2014)
• Review the ROCLAB (White Sox) agreement sooner than 180 days prior to May 30, 2013. Per the agreement, both parties may review their “renewal option” every 3 years.
• Renovation of fitness studio for $30,000 (approx). Includes flooring, mirrors, sound system. (2014)
• Create facility advisory board made up of users, members, etc. They would meet on a quarterly basis and would provide advisory feedback at the direction of staff and Board. (2013)
• Send out RFP’s for the batting cage area in 2015-2016.
• In coordination with Park District, create a sponsorship and partnership program. i.e. score board sponsors (2013)
• Develop on-line virtual tour of Ackerman Sports and Fitness Center. (2013)

C. Long Term (2015 & Beyond)

• Research possible build-out of concessions area. (2016)
• Evaluate staffing and if possible reassign a full-time position within GEPD to Ackerman. (2015)
• Feasibility study and cost of a pool addition and corresponding amenities to be self-funded through private contributions. (2016)
• The addition of an exterior storage build-out. (2015)