



A full equipment Pilates Studio with separate area for one-to-one training (full revenue model)



Chris Onslow

Director, Pilates Solutions Limited

A Golf Complex in Southampton, with an existing gym run on a membership basis, has an existing small equipment studio and wishes to have the most up to date Pilates studio provision in the area

The available space is a 150ft² treatment room, currently rented part time to a physiotherapist with a return of £5,000 per annum (£33.00 per square foot). Adjoining this, a larger meeting room (600ft²), currently rented out for functions generating £18,000 per annum with a return of £30.00 per square foot.

The Physiotherapist has recently trained as a STOTT PILATES® matwork and reformer teacher and a second fully certified STOTT PILATES instructor has expressed an interest in working 20 hours per week at the studio. An existing STOTT PILATES certified matwork instructor is prepared to advance their training to become equipment certified also and there is a need to train a fourth instructor in matwork and reformer within 9 months to bring the studio up to full capacity.

The decision is taken to equip the small room for one-to-one work with a focus on rehabilitation clients. This equipment is a cadillac, rehab reformer with accessories, stability chair and ladder barrel.

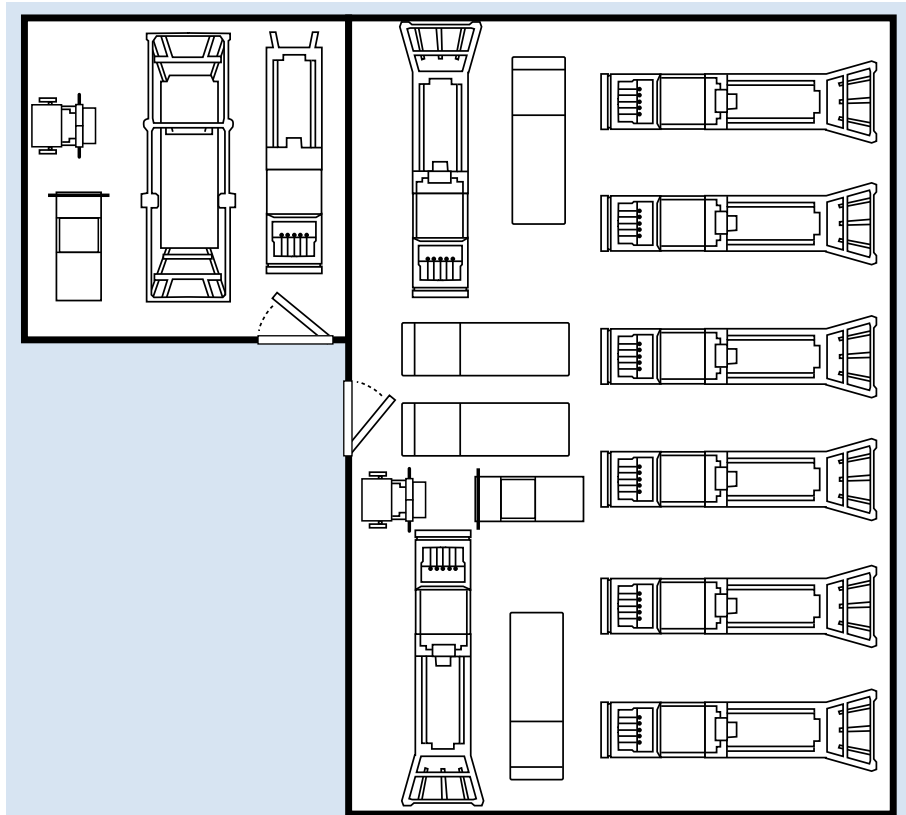
The larger room is big enough to accommodate a further 8 reformers and V2 Max Plus™ reformers were chosen with related accessories including boxes, mat converter, jumpboard and platform extender. The 8 reformers can be converted into matwork stations and there is room on the floor for a further 4 portable mat stations. Matwork accessories were purchased for these 12 stations including: mini-flex balls, foam rollers, 2 strengths of flex-band, fitness circle and a variety of foam pads. Other equipment purchased for this room includes a stability chair and a ladder barrel.

The investment in equipment was £40,000 net of VAT.

At any one time, the facilities can be running three private sessions with two of these having up to 3 clients in them and the third, a single client. The large studio can accommodate an 8-person equipment class or a 12-person matwork class. The management is also aware that there isn't a STOTT PILATES instructor training facility within 50 miles and that it would be possible in their facilities, to run hosted STOTT PILATES courses and workshops, which will generate an additional income stream.

It is believed that matwork sessions for up to 12 customers would be pitched at a lower price and act as a feeder into equipment classes and privates. A net revenue of £6.38 per head is proposed for matwork and £10.65 for equipment group sessions.

Privates would be charged at £50.00 net for a single private and £60.00 net for a duo or trio private.



Studio layout example with combined space – 750ft²

The plan is to have two instructors working during the 7 peak hours of each weekday and one instructor working 4 off peak hours on weekdays and at the weekends. In addition, at weekends the intention is to host two STOTT PILATES instructor matwork courses and one reformer course. These require 12 weekends and a further four weekends will be taken up running a series of STOTT PILATES workshops suitable for any fitness or Pilates instructor.

A third instructor will be called in when needed to teach private sessions where demand requires (it is estimated that there will be 100 such hours in the year).

The club has agreed to commit to pay each of the three main instructors for a minimum of 20 hours per week provided they accept the following pay rates:

Fully certified STOTT PILATES instructor £30.00 per hour
Matwork & Reformer STOTT PILATES instructor £25.00 per hour

Example 1: Full capacity (best case scenario)

At full capacity the studio requires 100 instructor hours per week teaching:

Matwork classes	.....x 12
Reformer classes	.....x 20
V2 Max Plus specialist classes	.....x 14
Private sessions	.....x 54

The centre is family owned and managed and as such closes for 21 days in the year for family holidays (two weeks at Christmas and one week at Easter).

Studio target for annual net revenue

Matwork classes	.....	£45,000
Reformer classes	.....	£83,500
V2 Max Plus specialist classes	.....	£58,300
Private sessions	.....	£133,000
Net Revenue (from public)	.....	£319,800
Hosted instructor courses	.....	£15,000
Hosted instructor workshops	.....	£10,000
Net revenue (from instructor training)	.....	£25,000
Total annual net revenue	.....	£344,800
Cost of instructors	.....	£128,000
Marketing (approx 10% of target revenue)	.....	£35,000
Total costs	.....	£163,000
Net return from studio	.....	£181,800
Return per square foot	.....	£242.40 per square foot

Example 2: Less than full capacity (worst case scenario)

As a worse case scenario the studio is working on 33% occupancy of matwork classes, 50% occupancy of equipment classes and 35 private sessions per week. This is a total of 81 instructor hours and half of the proposed revenue from instructor training hosted courses and workshops:

Annual net revenue (worst case)

Matwork classes	.....	£18,000
Reformer classes	.....	£41,750
V2 Max Plus specialist classes	.....	£29,150
Private sessions	.....	£85,750
Net Revenue (from public)	.....	£174,650
Hosted instructor courses	.....	£7,500
Hosted instructor workshops	.....	£5,000
Net revenues (from instructor training)	.....	£12,500
Total annual net revenue	.....	£187,150
Cost of instructors	.....	£104,125
Marketing (approx 10% of target revenue)	.....	£35,000
Total costs	.....	£139,125
Net return from studio	.....	£48,025
Return per square foot	.....	£64.00 per square foot

