



A full equipment Pilates Studio with reformers for group exercise (low risk model)

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A trust-run leisure centre in Leeds recognises the desire to run group exercise reformer sessions to compliment the highly successful matwork sessions, which are part of the club membership. The intention is to run reformer group exercise sessions (each lasting 45 minutes) at an affordable supplementary charge of £4.00 for members and £7.00 per person for non-members (inclusive of VAT).

At the same time the Trust runs a very successful GP Referral scheme and has recognised the need to offer more attention to older local residents requiring supervised training and particularly back pain rehabilitation. There is also support from the Local Authority who recognise the cost in lost days for council employees with back issues and financial support has been offered to subsidise Pilates sessions for employees of the Local Authority.

The available space within the leisure centre is a squash court (670ft²) for the Pilates studio and space in the sports hall store room of 60ft².

One of the matwork instructors has trained as a matwork and reformer certified instructor with STOTT PILATES® but two other instructors have trained in matwork only with another school.

After consultation with Pilates Solutions, a decision is made to start training of the two non-STOTT PILATES staff in reformer initially to support the existing instructor. The training would be paid by the centre on the basis that the instructors accepted £20.00 per hour per class for year 1, £25.00 per class for year 2 and £27.50 for year 3.

The decision was also taken to treat the reformers in the sports hall and the studio as two different business plans.

Sports Hall Area Plan group exercise reformer sessions

Pilates Solutions helped to organise a lease at £800.00 per month over three years to cover 12 Group SPX™ reformers, 12 reformer boxes, 12 jumpboards (large) and 2 rolling trolleys. These reformers stack 6-high and roll into the storage room beside the hall with the boxes and jumpboards on top.

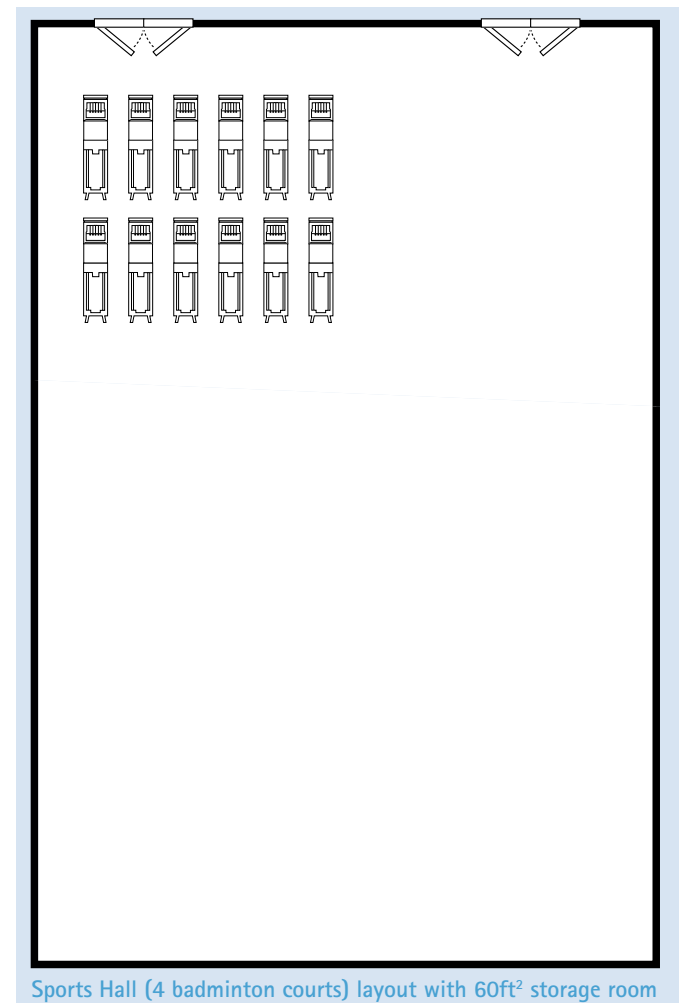
The schedule in the sports hall permits 2 hours of programming Monday to Friday mornings and one hour on 3 evenings a week, with a further 1.5 hours on Saturday afternoon and 1 hour on Sunday morning. With each session lasting 45 minutes, 16 group reformer sessions will be possible each week:

Sports Hall Timetable 16 group exercise reformer sessions per week

Time/Day	Mon	Tue	Wed	Thurs	Fri	Sat	Sun
9.30-10.15	x	x	x	x	x		x
10.30-11.30	x	x	x	x	x		
12.30-13.15						x	
13.30-14.15						x	
18.00-18.45	x	x	x				

The aim of the small fee for the reformer group exercise sessions is to cover the capital cost of the reformers and also the instructor costs. It was estimated that 75% of participants in the reformer group sessions would be members and that it was reasonable to expect an average attendance in these sessions over the week of 10 customers per session:

Total number of reformer sessions per week	16
Average participates in each session	10
75% (7.5) are members paying £4 each	£30.00
25% (2.5) are non-members paying £7 each	£17.50
Average reformer session revenue	£47.50



Sports Hall (4 badminton courts) layout with 60ft² storage room

Instructor fee for session	£20.00
Gross profit for each reformer session	£27.50
Gross profit from 16 sessions per week	£440.00
Gross profit per annum (based on 50 weeks)	£22,000

Squash Court Plan

conversion to dedicated Pilates Studio

In the squash court necessary alterations involved the lining of the walls with panelling (removable in case the court was ever needed again) and four high-mounted space heaters. The gap above the glass rear wall was filled with panelling and a sliding partition arranged to allow the studio to be open as one or split into two parts.

The decision was made that the studio should be able to cater for 3 clients at any one time – instructed by either one or two instructors. The equipment would include 1 cadillac, 2 V2 Max Plus™ reformers, 1 V2 Max Plus rehab reformer, 3 sets of reformer accessories (mat converters / jumpboards / platform extenders), 3 stability chairs, 1 ladder barrel, 3 spine supporters, 1 spine corrector, 3 arc barrels and 3 stability balls with stands.

The cost of the alterations to the squash court was estimated at £10,000 and the equipment cost was £18,000. Pilates Solutions arranged a 3-year lease for the alterations and equipment costing £225.00 per week.

Three STOTT PILATES fully certified instructors were identified as interested in taking on a business at the centre and following interviews and discussions brokered by Pilates Solutions, a mutually suitable business agreement was made. This was based around a 5 year agreement with the studio manager responsible for all staffing, cleaning and maintenance of the studio and the leisure centre wholly responsible for the marketing of the studio.

The centre agreed to pay for the training of the existing mat and reformer instructor to achieve fully certified status within 6 months of the opening of the studio. It also agreed to train the other two staff up to matwork and reformer certified status within 12 months of the opening of the studio.

This business plan saw it as realistic to expect an average of 20 private sessions per week over the first 2 months of opening, an average of 30 sessions per week in months 3 and 4, increasing to 40 private sessions per week in months 5 and 6. During months 7-12 it was believe 50 hours per week of private sessions could be achieved. In Year 2, the target was for 60 hours per week with four instructors.

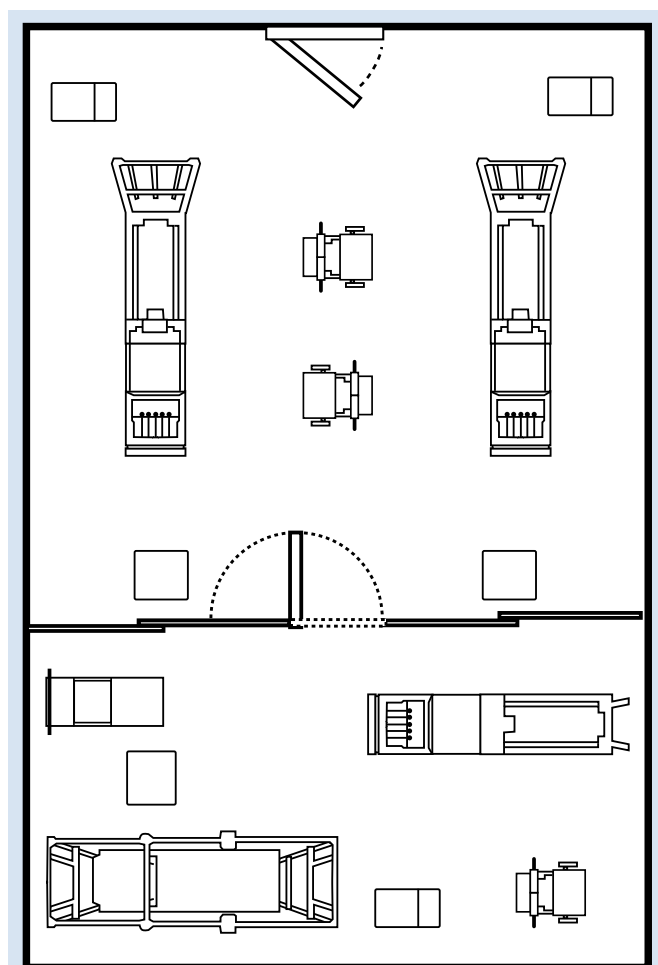
The agreement was made that there would be a rent free period for the first four months with the leisure centre taking 50% of all revenue in this period and then from month 5 a flat weekly charge of £300.00 to be taken from sales revenue with the remaining revenue to be split: 25% centre / 75% studio manager.

Based on the Year 1 estimated weekly private sessions, with a net revenue of £50.00 per hour taught, the income generated for the Leisure Centre is:

Revenue from months 1 & 2	£4,300
Revenue from months 3 & 4	£6,500
Revenue from months 5 & 6	£6,900
Revenue from months 7 - 12	£24,000
Total revenue in Year 1	£41,700
Less marketing costs	£10,000
Net earnings in Year 1	£31,700
Earnings per ft ²	£47.00

Year 1 income generated for the Studio Manager:

Revenue from months 1 & 2	£4,300
Revenue from months 3 & 4	£6,500
Revenue from months 5 & 6	£10,400
Revenue from months 7 - 12	£40,950
Total revenue in Year 1	£62,150
Less staff costs	£18,200
Net earnings in Year 1	£43,950



Squash Court conversion to Pilates studio layout – 670ft²

Pilates Studio Timetable in Year 2 (60 hours per week)

Time/Day	Mon	Tue	Wed	Thurs	Fri	Sat	Sun
9.30-10.15	1	2	2	2	2	1	1
10.30-11.30	1	2	2	1	2	1	1
12.00-13.00	1	1	1	1	1	1	1
13.00-14.00	1	1	1	1	1		
14.30-15.30	1	2	1	1			
15.30-16.30	1	1	1	1			
17.00-18.00	2	2	1	2			
18.00-19.00	2	2	1	2			
19.30-20.30	1	1	1	1			

Based on the Year 2 achieving 60 private sessions per week, the income generated for the Leisure Centre and Studio Manager is:

Leisure Centre	
Annual revenue	£53,850
Less marketing costs	£10,000
Net earnings in Year 2	£43,850
Earnings per ft ²	£65.00
Studio Manager	
Annual revenue	£99,150
Less staff costs	£45,500
Net earnings in Year 2	£53,650