

Business Administration

By Prof. Ulrich Daldrup

Business Plan of Yoga Center



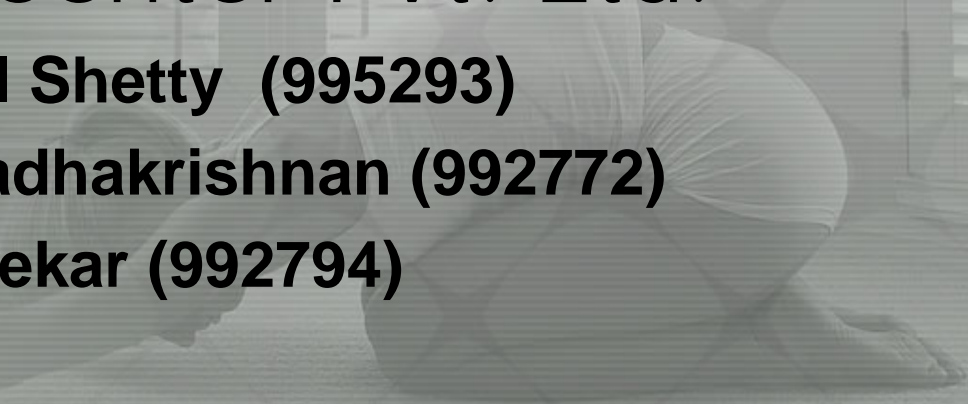


Om Yoga Center Pvt. Ltd.

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 - Business Idea
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Executive Summary

- Business Idea
- Business Description
- Facilities



Business Idea

- Yoga is a profound system of holistic health
- Originated in India over 5,000 years ago
- Stretches and strengthens muscles
- Brings vitality, health, deep relaxation and peace of mind
- Handles stressful situations more easily
- Focuses your energy where you want it to go
- Encourages positive thoughts and self- acceptance



Business Description

- Located in the commercial downtown near Aachen, Herzogenrath
- Center offers 8 eight-week sessions of classes
- Morning, evening, weekend batches
- Boutique that will sell workshop clothing and yoga training aides



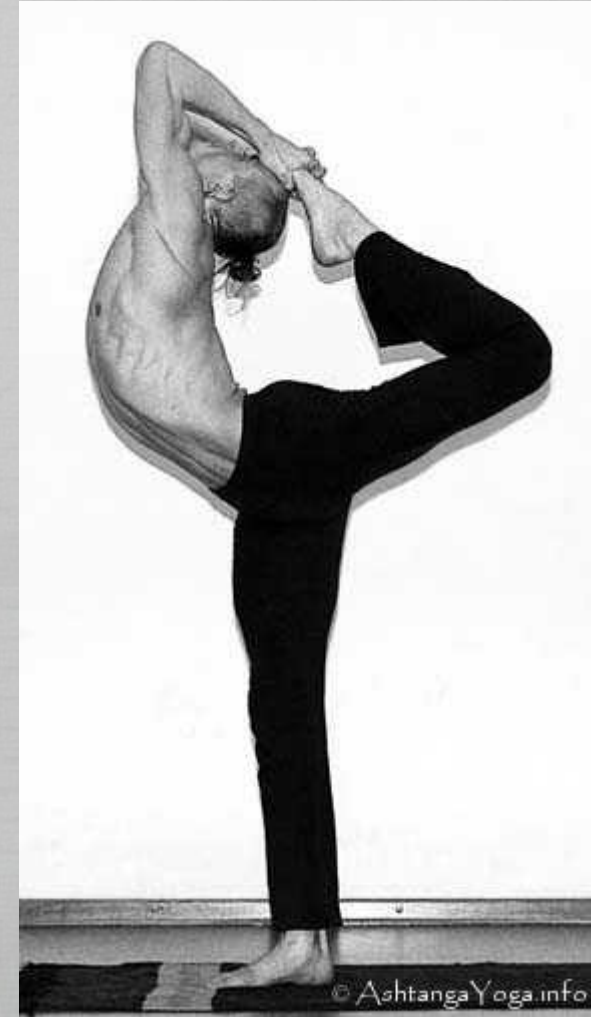
Facilities

- Well-trained, professional instructors
- Progressive teaching methods
- Non-competitive and encouraging atmosphere
- Beautiful light-filled facility



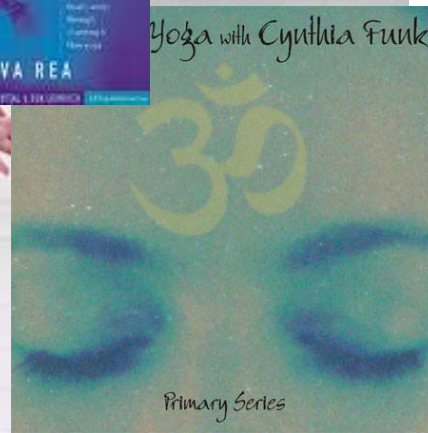
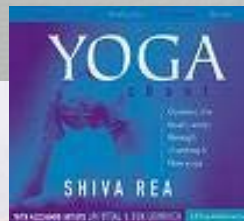
Products & Services

- Description of products & Services
- Building Plan
- Organization Structure
- Future Products & Services



Description of products & Services

- Beginners Course focusing on poses to stretch and strengthen the legs, back, and shoulders
- Workshop Clothing: Shirts, shorts, athletic bras and pants
- Workshop Equipment: Mats
- Yoga training aides: CDs, instructional manuals, inspirational books.



Products

- Weekdays Batches
(18 € per session)

Morning Batch

First Session: 8:00 to 10:00

Second Session: 10:30 to 12:30

Evening Batch

First Session : 14:00 to 16:00

Second Session: 16:30 to 18:30

- Weekend Batch
(40€ per session)

First Session: 9:00 to 12:00

Second Session: 14:00 to 17:00



Building Plan

60 m ² The class room	5m ²	5m ²
	10m ²	10m ²
60 m ² Administrative office & Exhibition area	30 m ² Refreshment room	

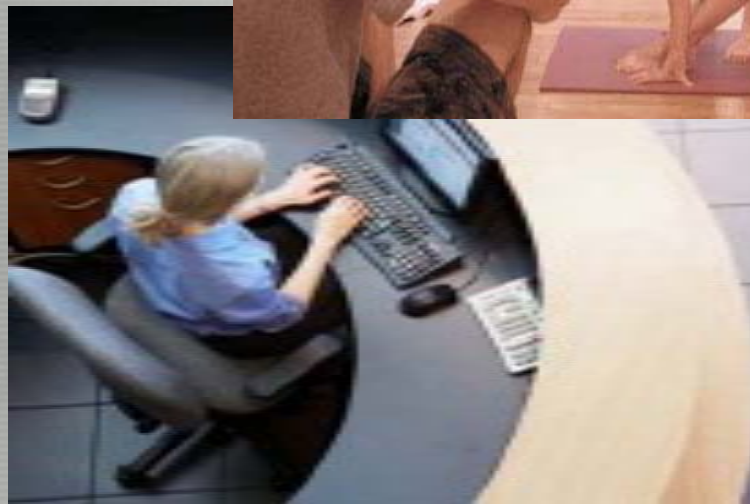
Changing room ,
Locker & WC



Organization Structure

- 3 -Owner
(Acting Managing Director)
- 1- Manager
- 1- Receptionist
- 3- Instructor

MANAGEMENT



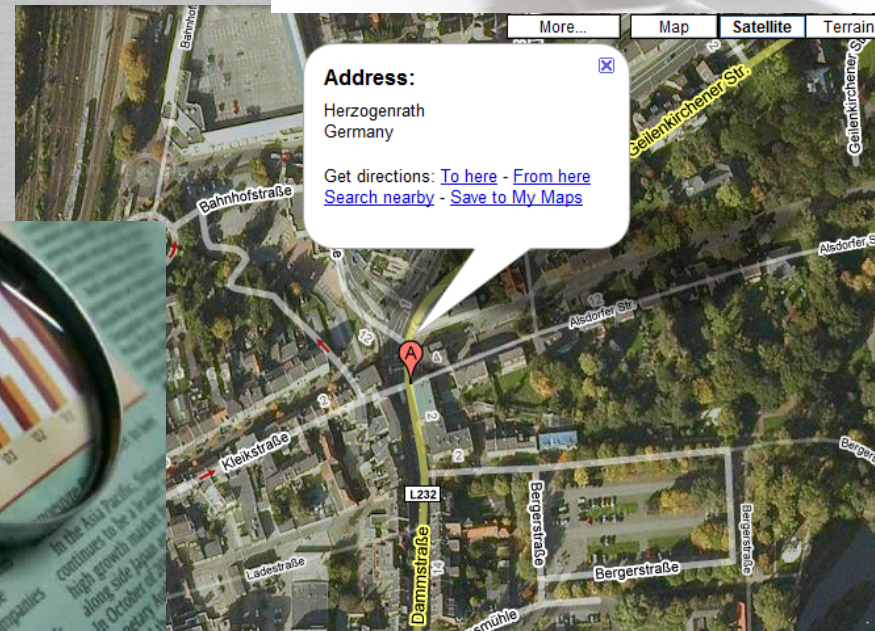
Future Products & Services

- Advanced courses
- Courses for different ailments
- Seminars & Workshops for companies



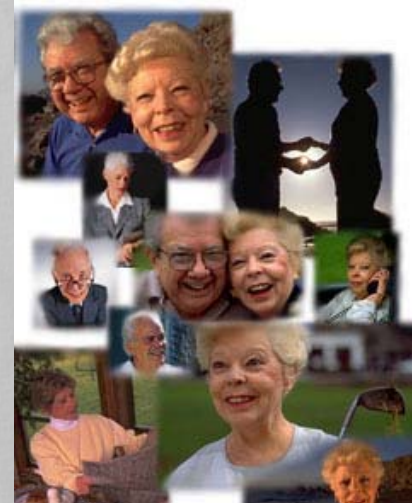
Market Analysis

- Target Market
- Location
- Competition
- Marketing Strategy



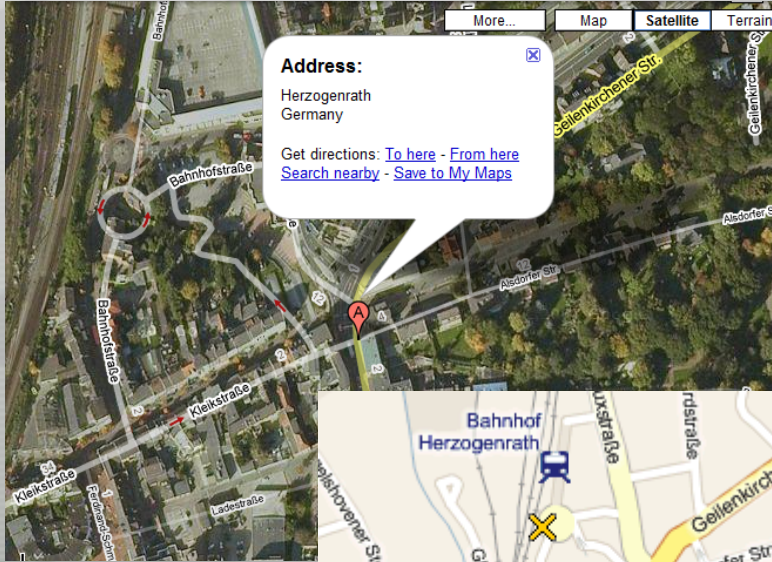
Target Market

- Middle Income Urban Professionals
- The upper income group
- Students
- Employees from nearby companies
- Patients & Senior Citizens



Location

Herzogenrath



Kleikstr. 63
52134 Herzogenrath

Population : 47.199 (31/12/2006)

Density : 1.413 /km² (3.660 /sqm)

Male : 23.133

Female:24.066

- **Industrial Area**
 - Coking plant
 - Sony Ericsson
 - Saint Gobain
- **Residential Area**
- **RWTH & FH Aachen**

20 mins from Aachen

Competition

IYENGAR® - Yogastudio Aachen

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Single €11 per hour,-

Group of 5 €10 per hour,-

Yoga Worx- Aachen

Per hour per person 13.50 €

Praxis AYUR-YOGA

€60 per session (each session 75 Min)

Point of Balance

€46 per month for 4 session of 90 min



Praxis AYUR-YOGA

Point
of
Balance



Marketing Strategy:

- Quality of Instructor
- Ambiance of the Facility

Publicity & Advertising

- Mouth publicity
- Posters
- Handouts
- Newspapers
- Internet Website



Financial Plan

- Variable Costs
- Fixed Costs
- Investment Funding
- Financing & Labour Costs
- Self Cost Calculation
- Price and Turnover
- Cash Flow Calculation



Variable Costs

Building Investment Calculations

Utilities			
		per month	per year
	Rent	2500	30000
	Heating	200	2400
	Electricity	300	3600
	Marketing/Advertising	300	3600
	Insurance	500	6000
	Water	200	2400
	Cleaning	200	2400
	Food Stuffs	200	2400
		Sum	52800
Inventory			
	CDs / DVDs	500	6000
	Track Suits	1000	12000
	Books	500	6000
	Wallpapers	300	3600
	Office items	300	3600
	Mats	1500	18000
		Sum	49200
Total			102000

(All values are in Euro)



Fixed Costs (All values are in Euro)

		Investment Expenditure	Depreciation in %	Depreciation Costs
Building				
	caution deposit(2 month)	6000	0	0
	renovation	10000	5	500
	additional	5000	5	250
	sum	21000		750
Furniture				
	2 Desk & Bench	600	10	60
	3 Cushion Chair	1200	10	120
	1 Sofa	1000	10	100
	1 Rolling Chair	500	10	50
	1 office table	400	10	40
	1 Show case	3000	10	300
	2 Benches	400	10	40
	2 Wall Mirrors	600	10	60
	20 Lockers	4000	10	400
	sum	11700		1170
Electronics				
	2 Computer	600	25	150
	1 Printer Scanner Xerox	100	25	25
	1 Landline + Fax + Internet	100	25	25
	Projector Set + Screen	700	25	175
	Audio system	700	25	175
	sum	2200		550
Refreshments				
	Refrigerator	1000	10	100
	2 Vending Machine	3000	10	300
	Water Purifier	800	10	80
	sum	4800		480
Unexpected				
		50000	0	0
Circulation Cost				
		100000	0	0
Total		189700		2950



Investment Funding

Total Investment	189700
Own Capital (40%)	75880
Bank Loan (60%)	113820

(All values are in Euro)

A bank loan will be needed to finance 60% of the total investment. We assume a bank loan over a period of 5 years with constant annual loan redemption and a 7% interest rate



Financing & Labour Costs

Year	Balance of Debt	Interest (%)	Interest p.a	Payback p.a
1	113820	7	7967.4	22764
2	91056	7	6373.92	22764
3	68292	7	4780.44	22764
4	45528	7	3186.96	22764
5	22764	7	1593.48	22764
		Total Interest Paid	23902.2	
	Total Repayment			113820

Labour Cost

		per month	per year
	2 weekdays' Instructors	5000	60000
	1 weekend Instructor	3000	36000
	1 Receptionist	2000	24000
	1 Manager	3000	36000
Sum			156000

(All values are in Euro)



Self Cost Calculation

Costs	1 Year	2 Year	3 Year	4 Year	5 Year
Depreciation Cost	2950	2950	2950	2950	2950
Financing Cost	7967.4	6373.92	4780.44	3186.96	1593.48
Labour Cost	156000	156000	156000	156000	156000
Utilities and Inventory Cost	102000	102000	102000	102000	102000
TOTAL	268917.4	267323.9	265730.4	264137	262543.5
Self Cost per Product	11.67	11.60	11.53	11.46	11.40

A morning and evening batches of 20 persons in each session

40 products of a weekend batch divided for 2 days

In total of 23040 products per year.

(All values are in Euro)



Price and Turnover

We decide the price of the product on weekends to be 40€ & on weekdays 18€

Year	Weekdays Products	Price per Weekdays Product	Weekend Products	Price per Weekend Product	Turnover
1	19200	18	3840	40	499200
2	19200	18	3840	40	499200
3	19200	18	3840	40	499200
4	19200	18	3840	40	499200
5	19200	18	3840	40	499200

(All values are in Euro)



Cash Flow Calculation

	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year
Turnover	499200	499200	499200	499200	499200	499200
Depreciation Cost	2950	2950	2950	2950	2950	2950
Financing Cost	7967	6374	4780	3187	1593	0
Labour Cost	156000	156000	156000	156000	156000	156000
Utilities and Inventory Cost	102000	102000	102000	102000	102000	102000
Losses carried Forward	0	0	0	0	0	0
Profit before Taxes	230283	231876	233470	235063	236657	238250
Taxes(40%)	92113	92750	93388	94025	94663	95300
Profit after Taxes	138170	139126	140082	141038	141994	142950
Cash Flow(net profit + depreciation)	141120	142076	143032	143988	144944	145900
Repayment Credit	40764	40764	40764	40764	40764	40764
Dividend	100356	101312	102268	103224	104180	105136

(All values are in Euro)

Conclusion:

- Yoga is a growing trends. It was popular in the seventies and has come back full force into vogue in the 21st century. Movie stars such as Madonna, Meg Ryan, Julia Roberts and Sting are advocates of the discipline.
- We will focus on serving a large number of beginners and is more focused on obtaining long term students.
- We offer our members excellent instruction that fits into their busy day, providing them a sanctuary from daily pressure.



Thank You for your Attention

