



# **INTERNATIONAL BUSINESS GRADUATION PROJECT**



**ACADEMY CONTAINER**

## **Gym Container Business Plan**

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### **EXECUTIVE SUMMARY**

Nowadays we are living in an age of beautiful and perfect body culture over the world. Following this trend, Brazil is a great player in this market, bringing with it a lot of opportunities to gain some money. This project showed the innovation, profitability, and the opportunity to earn money with a low-cost and easy installation gym academy using a modified shipping container. The project was called Academy Container.

The business plan used moderns administration methodologies to create a profitable company, able to compete in a fierce market, bringing profit to the shareholders, and made the customers dreams bringing health and joy. The business plan was focused on an audacious operation, able to comply with any order at any place over the country. Our greatest challenger was to personalize each order according to customer desires and keep the cost-benefit at a reasonable level. The Model Business Canvas was used to explain how this project was structured.

Keywords: Profitable, Health, Opportunities.

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## 1 Introduction

Son of two Brazilian entrepreneurs, working in the industrial automation market, it can be said that I grew up in an entrepreneurial environment. Since I was a child I created ideas and developed products that could eventually be manufactured and could have a positive return in the market.

As my friends know me as a creative person who likes to find solutions to problems, a couple of friends proposed me a challenge; to develop a project for a gym that could be built quickly, with low financial cost and that could eventually be transported, since the place where they live is rented.

From my first impression, I fell in love with the idea as it combines my two passions, product development and sports. I then started to research more about the potential product and discovered an extensive market

The fitness age came to stay, the health worry and aesthetics bring every day more people to the healthy clubs. The fitness business sector has spun about 2,5 billion dollars only in Brazil, according to data reported by ACAD (Brazilian Academies Association). There are more than 30 thousand gyms across the country, bringing a lot of opportunities in this trade. The gym academy is a part of the services segment with a straight connection with aesthetics, entertainment, and health sectors. This market is in a big growth phase, and its main attraction is to join health, beauty, and fun in one activity which is attracting the public, which is more than ever convinced of these benefits. This behavior became a routine in modern life and the trend is to grow even more.

A very important step to start a profitable business is to dedicated time to create a business plan about the whole thing. A very ordinary business model used nowadays is Business Model Canvas, which will guide this dissertation in a way to describe the rationale of how to creates, delivers, and captures value in the fitness business sector with a container academy.

The main opportunity of this business is the possibility to install the project in a strategic location, placed inside an intensive flow of people and easy way to access too, or even in a desert place, without competitors in the area. It will be able to attend in a full way the needs of all kind of people. The value proposal of this business will be quality of life,

health restoration, innovation, well-being, and cost-benefit. The gym in a container shows to be a great opportunity to generate value and health.

The business model chose will guide this work through nine basics steps that show the logic of how this project intends to make money. The nine steps can be divided by customer segments, value propositions, channels, customer relationship, revenue streams, key resources, key activities, key partnerships, and cost structure. As shown in figure 1, below.

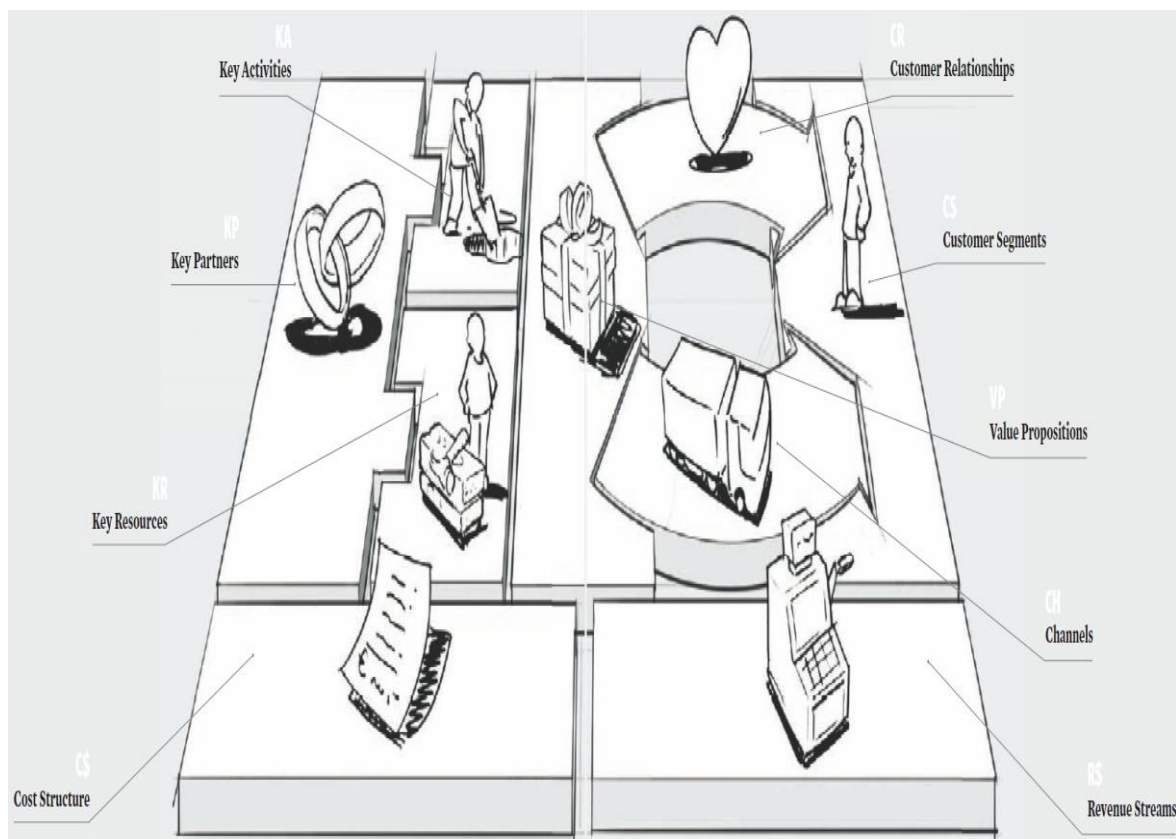


Figure 1- The nine buildings blocks



## **1.1 Research problem**

The main subject of this work says about the opportunity to create health and wealth, creating a low-cost, multi-use, gym using a container. The intent is to create a business plan, which will be the tool used to define the business strategies.

The issue is to create a business plan able to identify all the needs to build a gym in a container, ready to please customers needs whatever the place he was, making possible easy access with a great cost-benefit to users.

Some topics should be studied before starts this project. The COVID 19 situation is an issue to be overcome but could be an opportunity if worked with a specific marketing campaign. Another aspect to be considered is the need to attract people to work out in a small place, with a specific kind of need or a specific workout.

## **1.2 Research question**

This paper has one question to be solved and its main issue is to answer how profitable an academy on a container could be?

## **1.3 Objectives**

### **1.3.1 General objectives**

- Demonstrate the advantages of using a Container Academy
- Demonstrate whether it is financially beneficial to build the containers.
- Demonstrate my knowledge acquired in the International Business course.

### **1.3.2 Specific objectives**

The main specific objectives for this project are:

- Objective 1: Forecast future sales.

The Business Plan must show us the appropriate sales volume for the business to be profitable.

- Objetivo 2: To demonstrate the advantages that our clients will have.
- Demonstrate the economic advantages of using refurbished shipping containers to create a gym
- Objective 3: Establish a contingency plan.

Every business has its risk, in this case we will determine a plan with the measures to be taken in case the business is not profitable.

Objective 4: Analysing competitors is part of the business strategy for setting prices and making other strategic decisions.

## **1.4 Hypothesis**

This paper proposed to show arguments against the philosophy around the big healthy clubs. There is a preference for gyms with a wide space and full of types of equipment. The gym using a container will show that a profitable business can be build-up. The low initial investment turns this project into a great opportunity. A low-cost structure will be created to ally the cost-benefit with a profitable business.

The use of used shipping containers is a strategy to reduce the CAPEX and made this project economically viable. The hypothesis is to buy used shipping containers in a good conservation status.

## **1.5 Justification, relevance and interest**

### **1.5.1 The relevance**

This work justifies itself by realizing the increase of the people conscious for seeking a quality of life, health and all the other benefits related to work out exercises practice. Following this rational line, this paper aims to build up a gym using a container, and so, give the right support to these practices at any place customer wants. Another point to be reached is to follow the results of this enterprise and create a supply chain of academies on containers around the country.

### **1.5.2 Interest**

My interest in this topic came from helping my friends find a solution to their problem and it has become a challenge to meet a personal goal and the prospect of building my own company on these parameters.

## 2 STATE OF THE MATTER

The Ishikawa Diagram is one of the most effective and most used tools for improvement and quality control actions in organizations, allowing for grouping and visualizing the various causes that are at the origin of any problem or a result that is intended to be improved.

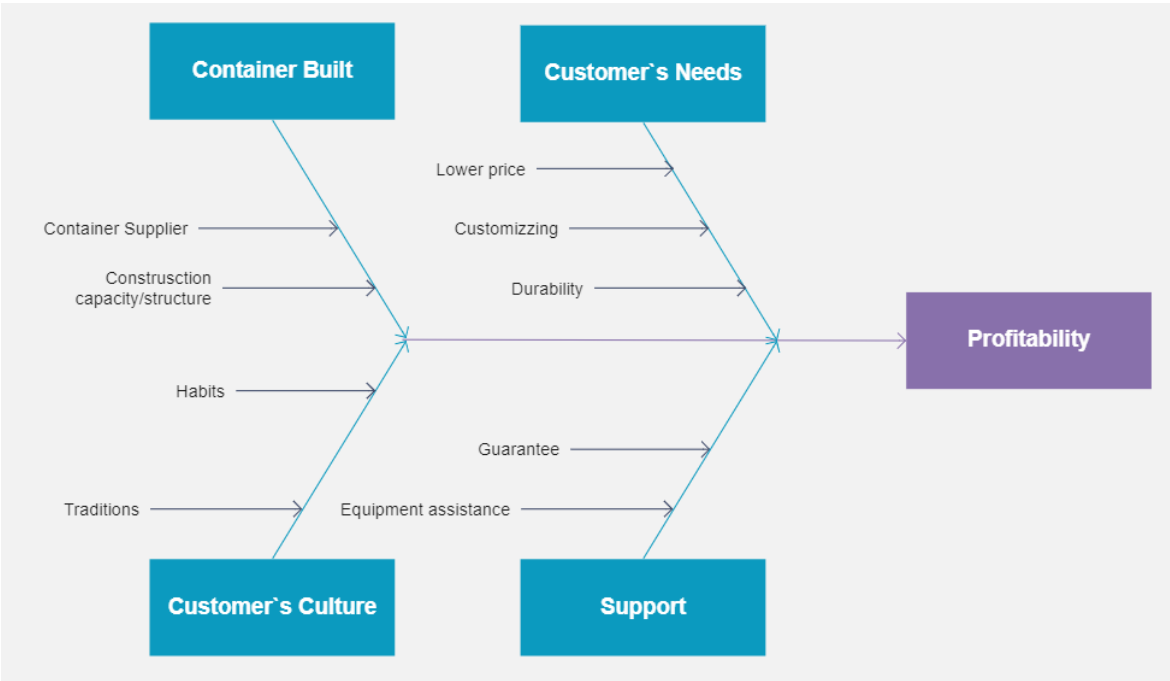


Table 1: Ishikawa Diagram

According to the diagram, there are four activities bringing potential throughput to this business. First of all, our first problem is to establish a strong and healthy partnership with our container supplier. International cargo transport follows strict quality standards, and containers need to be “retired” after a certain period of use, which also depends on the materials that loaded. Because they are made of steel and are therefore very resistant, these parts offer different possibilities for use. From metal cuboids, toilets, warehouses, offices and even homes can be created, thanks to the thermal insulation layers and acoustic.

The services provided by Academy Container put these alternatives into practice. The company purchases unused or new cargo containers and makes them available for use to gyms. Although every year thousands of containers are retired in Brazil alone, our partnership with the supplier must be consolidated so as not to lack the supply of containers in excellent conditions of conservation, which will guarantee the quality and useful life of the final product, that is the only way to meet the customers' need.

We also have to take into account all the necessary structure for the construction/customization of these containers, today we have more than 5,000m<sup>2</sup> of storage area and all the necessary equipment to advance this project, thanks to the support of the company TecnoProd in Brazil, which is making its entire structure available for the advancement of this project, which also reduces our initial and fixed costs, which are detailed in the Financial Plan.

The second important point that can have a negative impact on the project's progress is the culture of the clients, many are used to the traditional method of gyms in general, large, full of equipment, collective rooms. And the main objective of this work is to demonstrate the benefits that a smaller gym, more focused on a single type of specific training, the athlete can have better performance as well as training accompanied by a personal can be much more exclusive and personalized .

We always aim to satisfy our customers' expectations, so we must be concerned with their demands and requirements. It is important to emphasize that one of the biggest benefits for those who want to purchase a container gym is the cost, so from the selection of a container in good condition it will generate cost reduction for our customers, as its useful life will increase. As I mentioned before, the container can have several layouts, we will have our prototype container, but each project will be unique and exclusive, which makes it a little difficult at the time of construction and reduces our purchasing power with suppliers.

Finally, we must be concerned with assisting our customer, we must provide all the necessary support to ensure that the structure and equipment are in perfect condition. Will be provided to our customers for optional purchase, a catalog with all electrical and mechanical equipment for bodybuilding available through our partner and supplier X-Fitness Equipamentos , which is a reference manufacturer in the market, ensuring quality,

price and warranty direct from the manufacturer.

To help determine what activities are the most essential to the business, a Pareto analysis (Haughey, 2010) is provided in Table 1: Pareto analysis. Estimated revenue is calculated considering variables described later in the Financial plan.

Throughput Activity	% of total value	% critical for the business
<b>Container Built</b>	30	30
<b>Culture</b>	30	20
<b>Customer Needs</b>	30	40
<b>Support</b>	10	10
<b>Total:</b>	<b>100</b>	<b>100</b>

Table 2: Pareto analysis

The word academy was created by Plato in 387 b.C. to honor "Academus", an Athens hero. In this "school" they learn some ludics and sportives practices. So, to honor this hero that place was called "Akademia". According to Saba (2001), an academy is a place to practice several kinds of exercises with profitable goals, in other side, Toscano (2001) defines an academy as a business that gives to your customers more than this, they give physical evaluates and orientation for the society. With the gym academy evolution in Brazil, it's possible to observe a growth after the '70s, with specific centers to bodybuilding practice and martial arts.

According to Silvestrini e Silva (2008), this kind of establishment came to stay and should evolution, seeking to correspond to the actuals and future needs of the customers. More than this, people seek for a new life style, with health and quality in first of all. A new style of business emerge on this landscape.

In recent decades, physical inactivity has contributed to an increase in sedentary lifestyle and its harms associated with the individual's health and well-being. All of this, and the consequence of a new standard of living in modern society (SAMULSKI, 2000). These changes in habits resulted in an enabling environment for physical inactivity and together with excessive and erroneous eating for an incorrect lifestyle. In this case, the

practice of regular physical activity and its health benefits is seen as an important ally against the consequences which seem to be quite clear, and being one of the factors for having a greater probability of developing chronic degenerative diseases. These results are often debated among health professionals and are widely documented in the current literature (FARIA JÚNIOR, 2009). That In this sense, several studies on the subject are carried out in the search to know and inform modern society about the evil of physical inactivity.

As is known, physical activity in its entirety has beneficial effects on health, in addition to delaying aging and preventing the development of chronic degenerative diseases, which are derived from the sedentary lifestyle, being one of the biggest problems and spending on public health in modern societies in recent years. All this has been caused by physical inactivity and caused by technological innovations and bad eating habits (GUEDES, 2012). Studies (Mota, 2010; Silva, et al, 2010) indicate to have a better quality of life it is necessary to know the importance of physical activity regularity and its health benefits. Currently, these results are evidenced in several studies that point to regular physical activity as an important ally in the fight against sedentary lifestyle and its evils. a sedentary lifestyle is consequence of physical inactivity and one of the main factors for the development or worsening of coronary heart disease and cardiovascular changes and metabolic processes.

Physical activity is understood as any and all bodily movement that results in energy expenditure above resting levels. In this way, the activity physical activity, whether at work, leisure, or in other daily activities is identified as an important ally when it comes to body maintenance and disease prevention degenerative chronic diseases (GLANER, 2002). While, physical fitness has been defined as a biological attribute related to the ability to perform specific movements, but needing guidance and adequate planning to have significant results. However, both will promote significant results in both prevention and health maintenance (FLAUSINO; ET AL, 2012). To have a good quality of life, health, and longer longevity, one of the fundamental factors is the practice of regular physical activity, which in addition to acting in the prevention/maintenance of diseases of the metabolic order also improves well-being and high self-esteem. In this sense, a sedentary lifestyle has increasingly reached modern society, especially the young

population. However, the practice of physical and sporting activities is essential for a lifestyle healthy and active in addition to habits that tend to remain in adult life.

However, several studies point to a decrease in activity levels in adolescents, this reduction is due to several factors such as biological, psychosocial, and environmental, in addition to the technological innovations that have favored the increase of inactive habits. Thus, this issue has worried researchers from different areas of health, who seek to understand this theme. It is known that the practice of physical activity/regular physical exercise comes to contribute positively to a healthy and active lifestyle of this population. Although much is known about the benefits of physical activity for health, a large portion of the population does not practice it frequently. recommended (SILVA; ET AL, 2012).

There are more and more studies focused on the practice of physical activity as a production of knowledge aimed at the public health area. such studies allow knowing factors that can be aggravating in modern society. With based on this, the responsible government bodies should develop policies. public health policies, that is, policies that offer health programs such as regular physical activity offering places and professionals for guidance. These programs will contribute to the maintenance of health and disease prevention, in addition to favoring the monitoring of this population. This will favor both individual and individual health assessment collective conditions. In this sense, a study aimed at the practice of physical activity has starting to occupy a prominent space in health assessments, due to its importance regarding health events and quality of life in young people, adults, and the elderly (KNUTH; ET AL, 2011).



- **Brazilian Health Market**

Since the '90s, is growing the awareness of the major part of the population about the themes related to health and quality of life, and so, the seeking for gym academies have win visibility and importance. According to SEBRAE, there are over 34.500 gym academies in the country in 2018 giving Brazil second place with the major concentration of this kind of establishes. A very important matter is the importance of the following of a prepared professional and certified on Federal Council of Physical Education.

On the national scene, there is a real demand for the practice of physical exercise, where it allows you to evaluate the possibility of betting on this segment that presents itself as a business opportunity for companies that want to open or leverage, offering greater added value within the industry. The result is a very fragmented market, under constant pressure from the Federal, State, and Municipal governments to reduce the informality. Long-term funding sources are scarce. The market demands a high level of professionalism, while industry professionals are pressing employers to formalize labor relations. The business models of low cost and price emerge in this scenario, impacting small gyms. Regarding sales, the Fitness sector in Brazil is growing at a fast pace since 2007, with rates above 13% per year. The number of customers practically doubled in 4 years, surpassing the 7 million Brazilians enrolled in an academy – the 6th largest audience in the world ranking. The sector's revenue was higher at \$2 billion and we are already the 10th largest market in the world.

The statistic below depicts the annual revenue of the health and fitness club industry in Brazil from 2013 to 2016. It's possible to note that in 2016, the annual revenue generated by the Brazilian health and fitness club industry amounted to approximately 2.1 billion U.S. dollars, down from 2.4 billion U.S. dollars a year earlier.

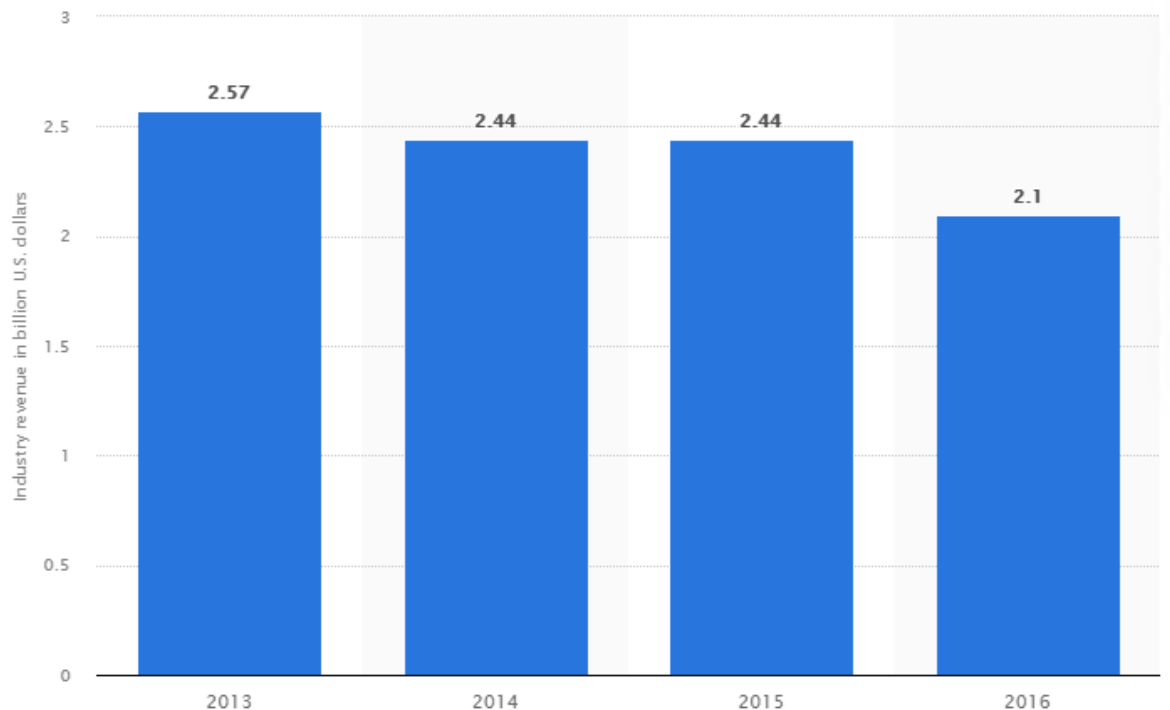


Figure 4 - Annual revenue of the health and fitness club industry in Brazil from 2013 to 2016

- **Trends in Brazil's Health and Fitness Industry**

The American College of Sports Medicine (ACSM) shows since 2006 the trends in the physical conditioning market, providing guidelines for the development of physical activity and sports professionals. According to the 2019 IHRSA Global Report, Brazil has 34,509 gyms, approximately 9.6 million clients, annual revenues of U.S. \$2.1 billion, and a penetration rate of 4.62%.

This section focus to show, in an independent way, the trends for the country in this market. According to ACSM, the salary of a physical education teacher within a gym in São Paulo is the U.S. \$ 666,00 for 2200 hours of labor. The trend in Brazil is the professionals in this sector be in their second job career, this trend is in otherwise from world trend. The next lines will show trends in Brazil for the next years. Exercises and weight loss is the first trend on the list and addresses a national health issue. 18,9% of the Brazilian population are obese. Another important trend is lifestyle medicine. The trend is health and fitness professionals use behavior change techniques to create an alternative

lifestyle, in an attempt to make people healthier. There is a growing trend in the use of personal training. The trend is the provision of personalized physical training services with the proper application of overload to improve physical fitness according to the customer's needs.

A growing market is the fitness programs for older adults. Currently, 13,5% of the population of Brazil are elderly. It is estimated that in 2050 the percentage will rise to more than 29% of the general population of Brazil, in a scenario where people are getting old, fitness programs for seniors are a segment to pay attention to. The rehabilitation area is always on top. The trend now is functional fitness training, which originated in the area of physiotherapy in the rehabilitation process, using exercises that mimic activities at home or at work. The table below shows the top 20 Fitness Trends for Brazil.

Rank	Trend
1	Exercise for weight loss
2	Lifestyle medicine
3	Personal training
4	Fitness programs for older adults
5	Functional fitness training
6	Employing certified fitness professionals
7	High intensity interval training
8	Small group personal training
9	Online training
10	Sport-specific training
11	Circuit training
12	Outdoor activities
13	Outcome measurements
14	Mobile exercise apps
15	Boutique fitness studios
16	Children and exercise
17	Low-cost and budget gyms
18	Training with free weights
19	Health/wellness coaching
20	Core training

Table 4 - Top 20 Fitness Trends in Brazil

- **Administration Questions**

The administration could be defined as an organizational alignment to reach the goals in your operations using the available resources. Chiavenato (2004) said that the administration sorcery is to transform resources and skills in extraordinary results. The main function of the administrator role is to bring the best results for the company, and these results should be efficient in a way to maximize the growth possibility. A useful tool to start a business administration is to create a business plan. The business plan is an excellent opportunity to avoid, or at least, minimize possible mistakes in the planning step.

The main objective of this tool is to plan and develop the steps to build a company checking and measuring all the risks of the enterprise. It's also an excellent tool to know better the business future and make it possible to describe in a systematic way the business goals and the things that should be done to achieve them, identifying and reducing possible mistakes on the planning step, avoid to do these mistakes in real situations. Dornelas (2001) said that the business plan is a very important tool in an entrepreneur's process. It's a tool to use for attracting possible investors and show the financial resources needs for the enterprise. As said by Dolabela, (1999), this tool could be also used to release a new enterprise, using as data baseline the company on the market in the same business sector. So, the business plan will show the viability of the enterprise and its potential before putting it into practice.

According to Blanco (2015), the Canvas business model was created in 2008 by Alexander Osterwalder and spread on his book release, called Business Model Generation. The Canvas model is nothing more than a graphic representation to contribute to the creation of new business models. It's so simple to use and allows you to visualize all the board on a unique sheet of paper. According to Chiavenato (1999), in the age of information, organizations should be fast, mobile, and innovative in all kinds of ways. These changes are needs to face the new threats and opportunities in an intensive environment of changes and storms. With this futuristic vision about the business, the business model Canvas using a visual map with 9 pre-formatted blocks helps to create a profitable plan for the container academy proposal. Figure 2 shows a board with an example of this model.

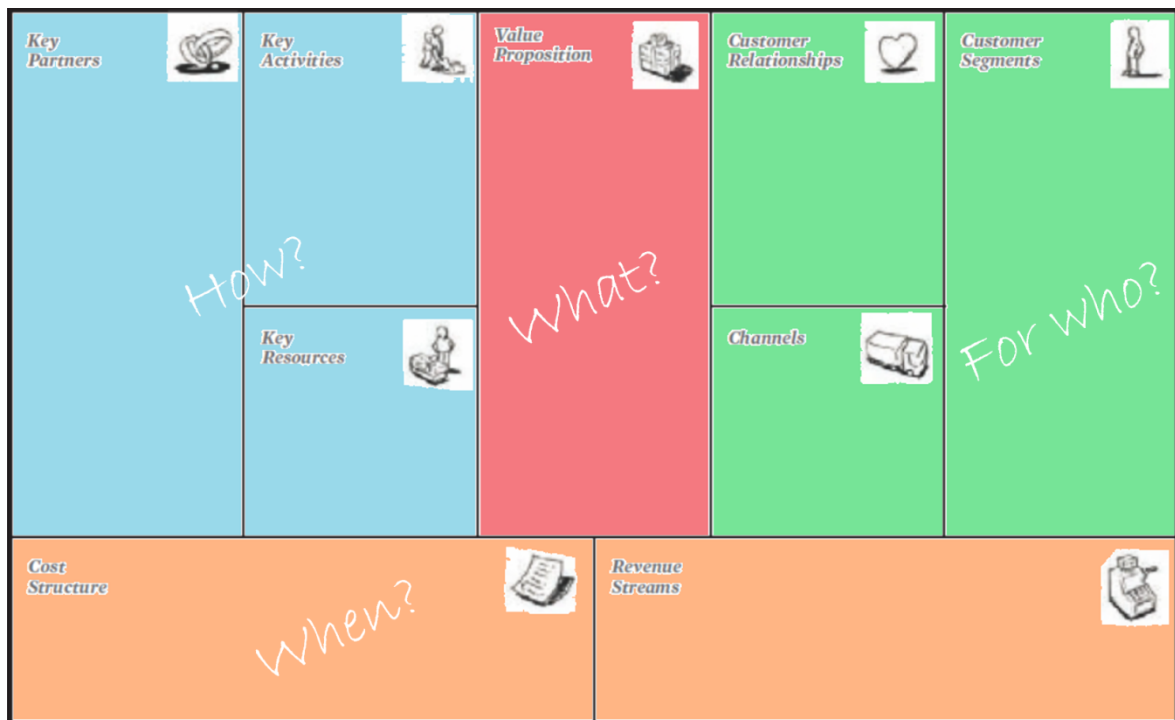


Figure 5 - Board showing the steps of Canvas business model

This business model can best be described through nine basic building blocks that show the logic of how a company intends to make money. The nine blocks cover the four main areas of a business: customers, offer, infrastructure, and financial viability. The business model is like a blueprint for a strategy to be implemented through organizational structures, processes, and systems. For the best understanding of all the processes, let's take a little walk through the nine steps.

Motivated by the complexity of the real world where the companies made their business and by the difficulty to visualize the main factors which impact directly the goals or consumers value delivery, Alexander Osterwalder develop, with another 470 people from 45 different countries, the Business Model of Canvas. (Osterwalver; Pigneur, 2011). To spread this new administration theory, he counts with Yves Pigneur, the theory co-author, according to them, this is a business model which describes the logic of how an organization catches, creates, and delivers values. It's a simple methodology that consists of a graphic representation, using pen and post-its to write in a succinct way all the ideas, and then, glue it in a Canvas board all the different aspects involved in a business.

It's a quick tool, easy to use and to access, for companies that need to test diversified business models, given its simplicity that allows visualizing all the Canvas

board in a unique sheet of paper. The main objective is to keep the structure visible all the time, so all the team could access e so propose ideas for changes along with the project planning. The Canvas methodology can also be used to evaluate the performance of an existent business.

According to Araújo (2015), the modeling is most dynamic and seeks to mitigate some uncertainty intrinsic to the business, as expected in a soo mutable market. The methodology has a prototype facility that allows the analysis of new business quickly and in different formats, these characteristics made this tool a very useful tool for companies beginning their business planning.

Observe that the blocks are grouped in four steps. The step highlighted in green corresponds to the area about the customers and the actions made by the company over them. The block in red corresponds with what that will offer to its customer. The blocks highlighted in blue corresponds with infrastructure, which means, how the company will execute the offered services. And the last, but not less important the orange block which corresponds with the monetary questions, the flow of cash, or in a simple definition, the financial viability of the other blocks' actions development. According to Osterwalver (2011), the nine blocks can be described in a generic way below:

1. Customer Segments: a valuable proposal could be directed for one, or several customers segments, dividing the costumers into potential markets and observing de same variables
2. Value Proposition: it consists in defining the offer of the value of the business, which means, the packet of products and/or services, as so the benefits delivered to the customers by the company.
3. Channels: they are the means used by the company to reach the customer's segment and to deliver value, describing which ways a company uses to deliver value to the customer. Using the channels, the defined customer segments can have the knowledge and evaluate the product value proposition, decide about de product's buy and use.
4. Customer Relationship: this block describes strategies and actions taken by the company to loyalize customers and with these actions, avoid them

looking for the concurrent.

5. Revenue Streams: the incoming flow determines the way of how the company receives financial return by the value delivery, which means, the customer pays by the received benefits.
6. Key Resources: describes the tangible and intangible actives available to do the buildup, the delivery, and value receiving.
7. Key Activities: are the actions done by the company to create and to offer a value proposition for your customer segments
8. Key Partners: this block details the allies for everything that the company can't solve by itself, it could be resources, activities, channels, relationship e other procedures which will need to be done for other company.
9. Cost Structure: describes the mains costs needed to operate the business, which means, all needed expends to ensure that the value proposition will come and will be realized by the customer, including the efforts observed in another blocks' construction.

The figure 3 below shows how this structure interacts in itself and with the customers.

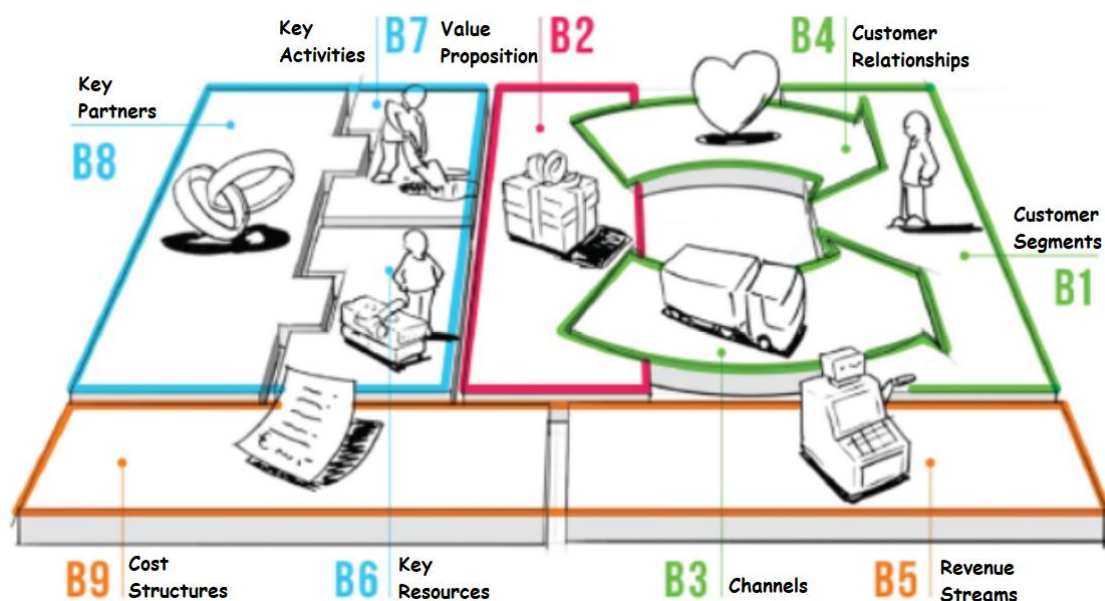


Figure 2 - Visual Representation of Model Business Canvas

Marinho (2016) said that Canvas works as the artist's screen, by the systematic way it is made, with one idea taking to the other. Osterwalder and Pigneur point that this visual characteristic is one of the big advantages of the Model Canvas. According to them if you are designing a new business model, draw the model will allow the team to discuss different options easily, adding, removing, and moving images on the board.



## 2.1 Strategic plan

### 2.1.1 Macro-environment analysis

PESTEL Analysis: Academy Container							
	IMPORTANCE	-2	-1	0	1	2	TOTAL IMPACT
<b>POLITICAL</b>							
*Tax policy	3				●		3
*Labor Law	2		●				-2
*Environmental law	2		●				-2
*Trade restrictions	2				●		2
*Tariffs	3			●			0
*Political stability	2					●	4
<b>ECONOMIC</b>							
*Economic growth	3	●					-6
*Interest rate	1		●				-1
*Exchange rate	2	●					-4
*Inflation rate	1			●			0
<b>SOCIAL</b>							
*Cultural aspects	1				●		1
*Health consciousness	1			●			0
*Population growth rate	3					●	6
*Age distribution	2				●		2
*Career attitudes	3		●				-3
<b>TECHNOLOGICAL</b>							
*R&D	1	●					-2
*Automation	2			●			0
*Technology incentives	1		●				-1
Technological change rate	2			●			0
<b>ENVIRONMENTAL</b>							
*Environmental policy	2		●				-2
*Waste treatment	3			●			0
*Energy consumption	2		●				-2
<b>LEGAL</b>							
*Discrimination law	1		●				-1
*Consumer law	2			●			0
*Antitrust law	1			●			0
*Employment law	2	●					-4
*Health and safety law	1	●					-2
<b>TOTAL</b>							<b>-14</b>

Table : Pestel Analysis.

The Gym in a Container project is situated in Brazil, and the following analysis is based on its location, according to Srdjevic (2012).

- Political: Brazil is a Federal Presidential Representative Democratic Republic, there is freedom in the business environment, without political interferences.
- Economical: Brazil is a Capitalist economy, with the income predominantly coming from the agro-business sector. The scenario points to a growth in activities linked to the fitness business.
- Social/Cultural: The growth of the culture of the perfect body brings with it a wide of business opportunities linked to the fitness culture. Food, clothes, personals trainers, gyms academy and etc. This market grows in an expressive number of users every day, becoming an extraordinary opportunity to invest some money.
- Technological: Due to some taxes for imported types of equipment, the cost to start a new business will increase.
- Ecology: Brazil has specific laws for water use in industry, like so many other laws related to security in the workplace which should be obeyed.
- Legal: There are some steps to be done before starts a new business in Brazil. Some bureaucracy could appear on the way, and all of this needs to be considered.

### **2.1.2 Industry analysis**

According to Porter (1985), the analysis of the competitive advantage of any organization should be done by the diversity of activities offered and which, in some way, income money for the company. The competitive advantage exists in the way of how those forces are defended. Porter (1985) defines five forces that can help in a competitive analysis of any company. They are the threat of new entry, competitive rivalry, the threat of product substitution, buyer power, and supplier power.

To create a parameter it's needed to define some factors for each force, and they could be sorted as low, medium, and high.

**New entry:**

In the first force, the possibility of new entry is high, which means that the business is profitable considering a growing market slice, bringing profit, and differential services and products. The intensity of this power is medium.

**Competitive rivalry:**

As the first force, the second also has medium intensity. The competitors on the market are prepared for the new model of business required by the customers and are prepared to offer high-quality products with a good cost-benefit for any kind of public.

**Threat of New Entrants:**

For the matter of this works, force number three is again a medium force. On this business represents the variety of services offered as new kinds of exercises and classes, equipment that aggregates more than one exercise. These results point to a need to see this force with care, to define the differential product to be offered, the way to deliver the product, and quality as so the price.

**Buyer power:**

Force four refers to buyer power. Its intensity is medium. This aspect represents the market influence above the life quality of the Academy on Container customers.

**Supply power:**

Force five is related to supplier power, and its intensity is high. This occurs by the fact to be a company with differential and with an innovative proposal for the model of business. A high supplier power gives to the company the opportunity to control better the buy and sell negotiation.

### 2.1.3 Competitor analysis:

The competitors are already acting on the market and have the loyalty of their customers. Their structure is strong, and it's needed to innovate to captivate customers and to acquire them. Another important point is the credibility on the market of the existent's gyms.

Table 6: Sample of competitors offering similar services: To make a fair analysis we need to take some points into consideration, such as the difficulty in finding a competitor that offers a service exactly like ours, not because it is a bad business, but because the sea container can be used in various types of projects and constructions. Currently we are acting in the state of São Paulo, and no direct competitor was found, only in the state of São Paulo live approximately 20 million people, which represents an important volume in the portion of the total Brazilian population.

Below are some of our indirect competitors:

Company	Operations	HQ
<b>EcoContainer</b>	Construction using containers	Minas-Gerais
<b>NHJ do Brasil</b>	Rent and Sales of containers	São Paulo
<b>EKONTAINERS</b>	Sustainable projects	Cuiabá-MT

Table 6: Sample of competitors

- EcoContainer is a Brazilian company, based in MG, that focuses on the use of the maritime container as a tool for civil construction, that is, they use maritime containers to manufacture houses, buildings, commercial shops, etc... Their main goal is the replacement of cement blocks with the use of containers to structure their constructions.
- NHJ do Brasil is a company based in SP, which focuses on selling and renting maritime containers, habitable modules, Refrigerated Containers, Offshore Containers. Its main goal is to find smart solutions for any space need.
- EKONTAINERS, develops and executes sustainable projects in containers in a

modern way, with reduced environmental impacts. Recently they designed a 470m2 cossfit gym using maritime containers.

As we can see, we have many indirect competitors, that is, they also work using the sea container in civil construction, but none of them uses the sea container focused on building gyms.

It is also important to highlight that the world leader in this type of business, is the company TheGymPod, but instead of adapting the containers for the sale of the same, they buy the containers already assembled to place in strategic points, and charge a monthly fee for the use of the gym by its customers. More than a competitor, we believe to be a supplier for the company TheGymPod. Remembering that this company only operates in North America at the time of the conclusion of this work.

Figure 8: Performance matrix comparing two competitors analyses the proposed business against EKONTAINERS and NHJ do Brasil, the two competitors that could be closer in terms of services offered. As seen in the matrix, the proposed business tends to stay in the appropriate area by delivering proportionate services in balance with an acceptable price while delivering a good quality experience.

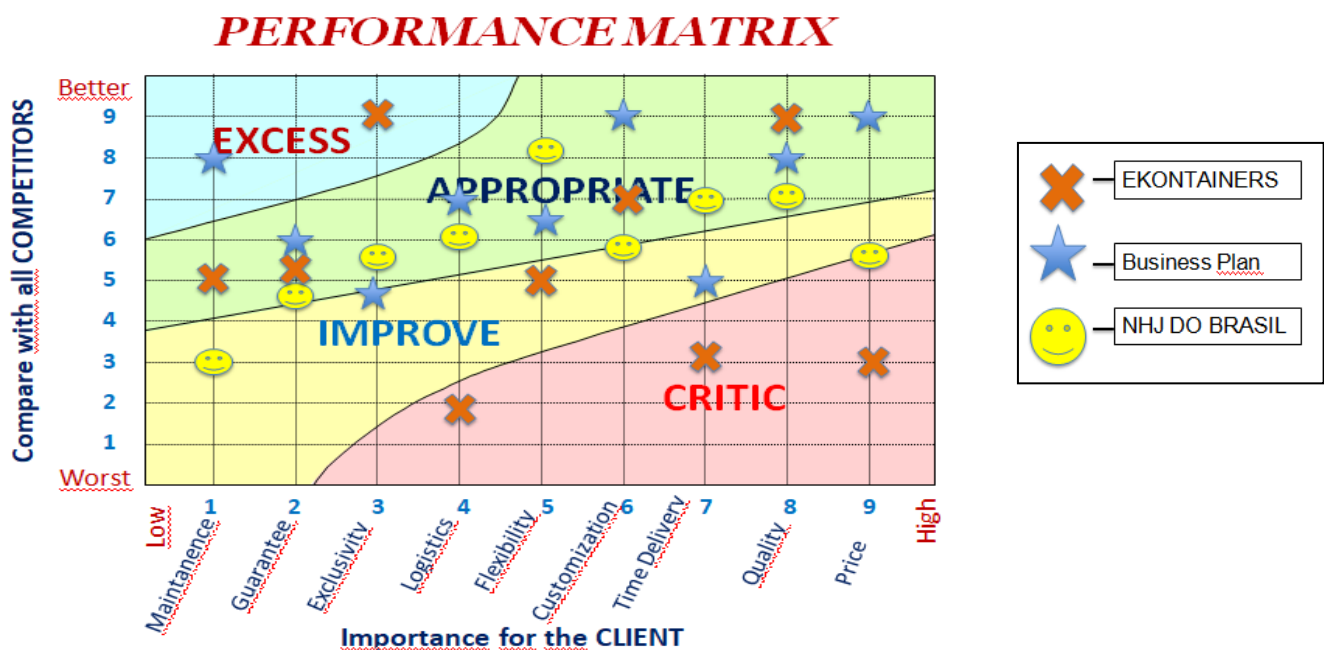


Figure 5: Performance matrix.

#### **2.1.4 Internal analysis**

Doing an internal analysis is possible to highlight some strong points and some weak points around this project. Let's start with the strong points.

Outdoor training is the new concept of fitness, with more and more people wanting to train outdoors. The academy will be created according to customer training needs, which means, the customer will have equipment on your academy following the routine indicated by the certified professional. In this pandemic scenario, in many places the gym centers were closed, this is a solution for this issue. If you do not have an indoor space to dedicate to a functional area, this is the right project for you. The Academy Container allows you to expand your business with the right functional equipment creating workouts that are constantly varied, and exciting for a growing and a specific number of customers.

The flexibility of the training time is the key point of this enterprise. The competitors usually offer from 06 am to 23 pm the available time to workout. The Academy on Container project will be available 24 hours during 7 days a week, from Monday to Sunday. The expectation is to gain some customers with this initiative. Will be available a mix of products and services made with the intent to reach different segments, this will be an extra point for this enterprise.

The weak points of this enterprise are the need to make a specific marketing campaign to gain customers on this new kind of workout segment, which you can do by yourself, at any time, in your backyards.

- **Value Chain:**

HQ will be located in the municipality of Sao Paulo, and the company will operate online. We have the advantage of having more than 5000 square meters with a storage shed of approximately 700 square meters. There we can store the containers, make customizations and also use as a physical place to take clients and investors of the project.

For the transport of the containers, we work with some partners who have munc trucks which makes the logistics of the containers an excellent advantage compared to other means of construction, easily a container can be placed and removed from anywhere,

even in places of difficult access.

If the customer wants to dispose of the container, we can add value by offering a fair market value for the acquisition, based on the current condition of the container and equipment. We also provide space for consigned containers, when a client needs to free up physical space, we provide space on our land to store and show it to future potential buyers.

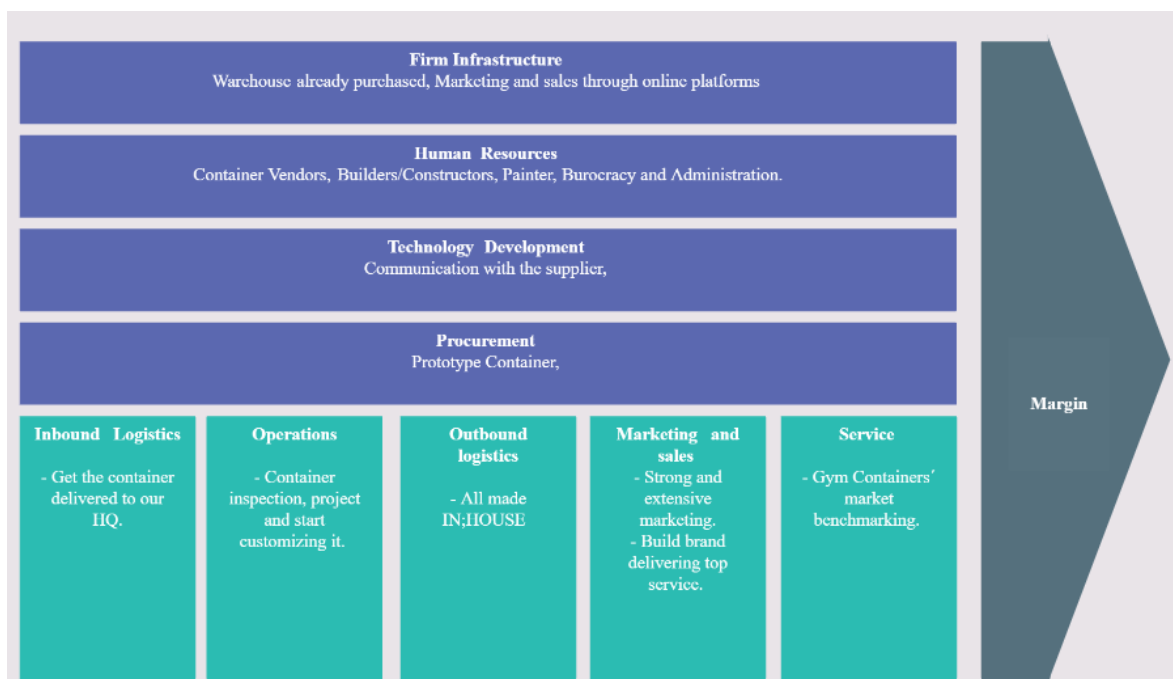


Figure 6: Value chain representation

### 2.1.5 Mixed analysis

After the analysis of the internal e external environment of business, it's possible to create a SWOT matrix presented below in table 1.

			External Opportunities and Threats					
			Segment of customers	Build up at any place	Healthy style of life.	Competitors	Covid financial scenario	Total
Internal	Strenghts	Workout time;	0	3	1	-1	1	7
		Personalized gym center;	3	3	3	1	1	9
		Mix of services and products;	1	1	2	0	0	6
		Low investments	2	1	3	2	2	10
	Weaknesses	Existing culture	0	0	2	-2	-2	-6
		No marketing experience	0	-2	-1	1	1	-4
		<b>Total:</b>						22

Table 7 - SWOT Matrix

According to Afonso (2013), after doing the SWOT Matrix, the companies should extract the best of the positive points and defend themselves from the negative points. Lueck (2009) highlights that this process is a keystone to has clarity on the environment where the organization was inserted, and so, have the control under these factors.

- **Strengths.**

Availability of the workout time; It is difficult for a gym to stay open 24 hours, mainly due to the high cost of the employee on the night shift that is not compensatory due to the low flow of people who usually train at this time.

Personalized gym center; If you are looking for a fun, dynamic and unique academy, Academy Container is perfect for you, as we offer exclusive and unique containers designed to develop each specific need.

Mix of services and products; The container can be designed according to your needs, and our portfolio of products and equipment for bodybuilding is extensive, so you can choose the equipment according to your needs.



Low investments; As we already have the entire structure in place, without worrying about high initial investments, the project will be financed according to demand.

- **Weaknesses.**

Change the existing culture ; As we mentioned before, we still see that most people look for conventional bodybuilding centres, but more and more people are looking for individual and more specialised sports. The demand for personal trainers is increasing every year, so each athlete can focus on a specific activity to achieve their goals.

No marketing experience; Since it is such an innovative project, the impact of the project can hardly be calculated with precision. As we don't have any other similar case, we will have all the risks in being the first in the market, as for example, the acceptance of the clients in doing weight training inside a maritime container.

- **Opportunities.**

A specific segment of customers; We have seen that the use of shipping containers in construction is becoming more and more common. Therefore, focusing on a specific segment has been a strategy of extreme importance for the business, our goal is to be benchmarking when it comes to versatile and inexpensive academy.

The possibility to be build up at any place; An advantage that creates a great business opportunity for us is that because it is a cargo container, its handling is much easier than other means of construction. The container can easily be loaded on top of a truck, and transported to the most remote places.

Awake interest of people to have a healthy style of life; As we also mentioned earlier, people are becoming more and more aware about doing physical exercises to take care of their wellbeing and health. All doctors recommend doing muscular exercises accompanied by a specialist.

- **Threats.**

Competitors; even not having any direct competitor, manufacturer of academy containers, already exist companies specialized in construction using the maritime containers, and supplying the same for other types of business, it can be that the purchase power is bigger, disfavours us in the hour to negotiate a value with our supplier.

Covid financial scenario; The global scenario is quite shaken because of Covid-19, many companies have closed down and there are more people looking for employees than there are job offers. But on the other hand, more people have become aware of leading a healthier lifestyle, and using the Academy Container will help people reduce their cost compared to a traditional gym.

## 2.2 Production/operations plan

### 2.2.1 Canvas Board

On table 2 below is shown the development of a Model of Business Canvas applied to the Academy on Container Project, with the goal to do a structured analysis to create this enterprise.










<b>Key Partners</b>  <ul style="list-style-type: none"> <li>Personal trainers and dance teachers</li> <li>Digital influencer</li> <li>Media analyst</li> <li>Equipment and machine supplier</li> </ul>	<b>Key Activities</b>  <ul style="list-style-type: none"> <li>Teamwork</li> <li>Quality of customer service</li> <li>Participative management</li> <li>Movement on social nets</li> </ul>	<b>Value Proposition</b>  <ul style="list-style-type: none"> <li>Quality of life</li> <li>Innovation</li> <li>Accessibility</li> <li>Safety</li> <li>Cost-benefit</li> </ul>	<b>Customer Relationships</b>  <ul style="list-style-type: none"> <li>Personal assistance</li> </ul>	<b>Customer Segments</b>  <ul style="list-style-type: none"> <li>All age men and women</li> <li>Busy people with no time to workout</li> <li>Sedentary people</li> <li>All social class</li> </ul>
	<b>Key Resources</b>  <ul style="list-style-type: none"> <li>Technological Resources</li> <li>Financial Resources</li> <li>Physical Resources</li> <li>Human Resources</li> </ul>		<b>Channels</b>  <ul style="list-style-type: none"> <li>Social nets</li> <li>Website</li> <li>Physical store</li> <li>App</li> </ul>	
<b>Cost Structure</b>  <ul style="list-style-type: none"> <li>Buy and maintenance of machines and equipment</li> <li>Fixed spends</li> <li>Publicity</li> <li>Marketing</li> </ul>	<b>Revenue Streams</b>  <ul style="list-style-type: none"> <li>Sales by individual modality</li> <li>Sales according to customers needs or desires</li> </ul>			

Table 1 - Business Model of Canvas for Academy on container project

### 2.2.2 Cost analysis (fixed, and variable costs)

Since the company will be established in an already owned warehouse acting also as the HQ, there are no costs for warehousing. Our fixed costs will be concentrated in the professional's payment and benefits, energy, water, fixed phone, internet bills, monitoring, extinguisher maintenance, office material, cleaner, and hygiene material. The variable costs are taxes, publicity, and marketing.

Rafael Monedero de Souza

On setup cost structure will be considered all external and internal factors that involve the build-up of a great gym academy, as well, the investment in machines and equipment needed for great infrastructure and functionality, with the main goal to contribute for the better health and quality of life of our customers.

### 2.2.3 Setup cost

Table 4 shows a summary of the setup costs the business must confront upon creation. A more detailed version of this table can be seen in APPENDIX 2: Balance Sheet with all assets acquired in year 0.

SETUP COSTS OF ACADEMY CONTAINER	USD
Creation of the company	2500
Computer software	350
Computer hardware	1500
Equipment	3000
Furniture	800
Prototype container	4000
<b>Total</b>	<b>12150</b>

Table 9: Setup Cost.

- **Forecasting:**

Based on the market study and our production capacity, the company can manufacture up to 10 containers per year (without considering any special order). To reach this capacity number we take several factors into consideration, as for example: our physical structures, initial investment, manpower. It will also depend on the client's needs, as special projects or installations in remote locations may require more time and resources.

For this project we are considering that 90% of our customers will order a simple standard container, 20 feet with an initial value of \$5,500.00.

- **Location:**

São Paulo, Brazil as HeadQuarter of the company AcademyContainer, in an industrial zone with all the factory permits required by the state government. With an area of approximately 5,000 square meters, we have the capacity to store more than 100 containers, which can be stacked easily and without hindering logistics.

This region was chosen for presenting several advantages for the company, first by not having to make an initial investment for the creation of this project since the land was already acquired some time ago. Second that the region is located in one of the most important industrial centres of the country, with easy access to other key regions for our market strategy, near the port of Santos, which facilitates the purchase of maritime containers.

#### **2.2.4 Inventory Management:**

Our initial inventory is based on the acquisition of 2 marine containers, which will serve as prototypes for the company to exhibit and present the products. It is also important to mention that our bodybuilding equipment supplier has an extensive stock of the best-selling products on the market, so we do not have to purchase the equipment in advance and have more cash flow.

#### **2.2.5 Quality Management:**

Our main objective is to deliver every academy container with quality and to exceed our clients' expectations. Therefore quality and its control is paramount to the success of this company.

Our performance indicators will be:

- (i) Customer`s feedback,
- (ii) Visits to strategic points,
- (iii) Monitoring cameras.

- **Human Resources:**

The company Academy Containers is composed of 3 members at the moment. Therefore it is important to have the tasks and responsibilities of each one well established in order to obtain maximum efficiency. Everyone must be multi-functional in order to meet the expectations of our clients and fulfil all the tasks and processes involved in container construction.

**(i) Product and Sales:**

One person will be responsible for doing the necessary maintenance on the online sales system, and keeping all the online pages active and up to date, with photos and evidence of each project and especially with the feedback provided by our clients. This person should also be responsible for transmitting information and communicating with the rest of the team. He/she will also have the task of coordinating the agenda, client attendance, budgets.

The ideal place for this person to work is inside an office with a modern computer and good quality internet access. In short, the main tasks of this person is to make the sale through online ads and keep the platforms always updated, maintain direct contact with the client and understand their needs and finally have the knowledge of the whole process to be able to make a coherent budget for customers.

**(ii) Specialist technician:**

Another fundamental piece for this project to be successful is the presence of a technical person, extremely qualified, able to design, manipulate the equipment and transform the container into a gym. This person will have the help of another person, totally dedicated to the construction of the containers.

The department manager is responsible for the project and therefore also has to guarantee the quality of the product for the company and the customer.

Another important responsibility, is to manage the time for the construction of the container and achieve our forecasts. Able to carry out precise schedules, for the best possible planning.

**(iii) Accounting and legal department:**

This is a service outsourced to a local agency.

#### **2.2.4 Strategic definitions for the business**

The Academy on container academy has the mission to offer the customers a innovative environment for sports practice, joining quality products, and services at a fair price, increasing the excellence, comfort, safety, and saving time, as well as proportionate health and life quality for all customers and employees.

The Academy Container's vision is to be recognized as a reference gym academy in his region until 2026, using technology and innovative sports practices, offering customers a continuum update over news exercises modality and excellence on customer call by a high prepared team.

The values proposed by Academy on Container project are ethics and quality of service through the availability of state of art equipment according to each user needs, commitment to the customer, teamwork, respect to the environment by adopting sustainable practices, and has the customer as the biggest pointer of the company future.

#### **2.2.5 Quality management**

It will be implanted a quality management system (QMS) focused on consistently meeting customer requirements and enhancing their satisfaction. Aligned with an organization's purpose and strategic direction this will express the organizational goals and aspirations, policies, processes, documented information, and resources needed to implement and maintain it.

### **2.2.6 Supply chain management (make or buy)**

The idea of this project is to buy used containers, in a good state of conservation, paint and recondition it, and so, adapt them according to the customers' orders and needs. This will be done in our own factory.



## 2.3 Marketing analysis

- **Price/Sales:**

Each project has specific characteristics that will determine the final price of the product. There are a set of factors that will determine the prices, such as the size of the container, the finishes and mainly the bodybuilding equipment that will accompany the container.

Below we can see a detailed simulation of prices for each item, which can be added to the academy container, the numbers have been simplified for reasons of limitation in the platform used Contaone.

<b>AVG PRICES</b>	<b>PRICE</b>
Container 20feet	2000
Premium Finish	1500
Basic Finish	900
Air Conditioning	750
Full Equipment	2500
Basic Equipment	950
Tranportation	500
Instalation	500

Table 10- Prices Simulation

- **How are you planning to sell it?**

In the millennial generation, tools as Internet and social media are the most preferred to target potential clients. The company would invest significant resources in Google AdWords, YouTube ads, Facebook and Instagram as these resources are known to be quite effective at targeting specific audience based on their interests.

Our other marketing strategy is also to invest in building two prototype gyms. Which have the main function of demonstrating what we are capable of manufacturing, all according to our quality standards, and which will be used for display to clients and will also form part of an extensive tour of exhibition fairs dedicated to the bodybuilding and construction market.

We are also interested in participating in magazines and newspapers exclusive to the region, to be able to present our innovative idea, bringing health and well-being to the population, with this image we seek to win new customers.

## **2.4 Financial plan**

The investment value involves a group of factors identified along the implant process. The beginning investment varies according to the customers' numbers demand, and according to the type of layout and equipment ordered by the customer. So, the values expressed on the spreadsheet are only estimates. They are shown in appendices 1, 2, and 3.

The price estimate was made at March/2021 using the daily dollar quotation on March 06 2021.

US\$ 1,00 → R\$ 5,9145

It is important to mention that the company will be incorporated as EIRELI, or Empresa Individual de Responsabilidade Limitada, is a relatively new modality in Brazil and means that it is a company whose form is that of a partnership, but there is no need for partners (unlike a standard company) and a single entrepreneur can be 100% responsible for the business and make all decisions in any aspect.

However, to open an EIRELI it is necessary to invest a relatively high social capital, equivalent to at least 100 minimum wages in force, which in the current dollar exchange rate would be \$16,000. It may even seem a negative point, but thanks to this, the assets of the individual entrepreneur are separated from the legal entity.

Up to the moment of the company's formation, the initial capital invested is \$23,000.00. The company will always be open to receive new investors and partners, we believe that the expansion of the company depends a lot on new partnerships that may

appear on the way. This possible investor will be able to contribute not only financially to the company, but also get involved in the processes and cooperate so that the profits are increasingly greater.

In this simulation case, we have no funds financed or lent by third parties or financial institutions.

In case you would need a bank loan, the interests charged by financial institutions in Brazil are much higher compared to Europe. For example a \$25.000 loan to be paid back at fixed rates annually for 6 years would be charged by financial institutions on average a 51% TAE non-accumulative.

Table 11: Loan Simulation.

	Beginning Balance	Interest	Principal	Ending Balance
1	\$25,000.00	\$12,568.84	\$851.48	\$24,148.51
2	\$24,148.51	\$12,017.21	\$1,403.11	\$22,745.40
3	\$22,745.40	\$11,108.25	\$2,312.07	\$20,433.32
4	\$20,433.32	\$9,610.39	\$3,809.93	\$16,623.39
5	\$16,623.39	\$7,142.21	\$6,278.11	\$10,345.28
6	\$10,345.28	\$3,075.05	\$10,345.27	\$0.00

In order to pay off the debt, the company would have to pay \$14,200.32 per year, during the time required to clear the debt which is 6 years, the total of 72 payments would be \$80,521.96 which of those \$55,521.96 are interest.

- **FINANCIAL STATEMENTS:**

We estimate that with an initial capital of \$25,000.00, the company can start its operations, this is a sufficient amount to cover the set-up of the company, thus ensuring risk-free security, provided that sales forecasts are met. As long as there are not enough sales during the year to offset the fixed costs, the company would have no choice but to declare bankruptcy as soon as this situation is identifiable. As a contingency plan, we decided to have limited liability insurance that covers one partner of a company. This type of insurance provides protection for individuals, not a collective, and protects personal and private assets.

<b>Total Assets</b>	<b>\$ 57.300,00</b>	<b>\$ 80.000,00</b>	<b>\$100.875,00</b>	<b>\$ 112.731,25</b>	<b>\$ 126.506,88</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>\$ 57.300,00</b>	<b>\$ 80.000,00</b>	<b>\$100.875,00</b>	<b>\$ 112.731,25</b>	<b>\$ 126.506,88</b>

Table 12: Simplified Balance Sheet.

As Table 12 shows, the company's total assets increase from Year 1 to Year 5 by 220%.

- **INITIAL INVESTMENT:**

From the creation of the company as registration costs and other legal procedures that are specified in the table below, we should add several components to the CAPEX.

Our budget to create the design of the website and software management is \$1850, also we need to purchase the computer, equipments for the construction of the gym containers and also the furniture for the HQ office.

We also needs to take into consideration the 2 containers acquired recently to start building our prototype building.

<b>Initial Investment Analysis</b>	
<b>Initial Investment</b>	<b>12,150,00\$</b>
Registration Name	1,250.00\$
Public Notary	1,250.00\$
Website Creation	1,500.00\$
Software Delopment	350.00\$
Computers	3,000.00\$
Furniture	800.00\$
Prototype	4,000.00\$

Table 13: Initial Investment Analysis.

### 3 DEPRECIATION AND AMORTIZATION OF ASSETS:

To compute depreciation, we follow a straight line method with salvage or residual value of 0\$ and a useful life of 5 years. The only asset that depreciates is the computers.

#### Depreciation of Assets - Computers

<b>Year</b>	<b>Depreciation</b>	<b>Accumulated Depreciation</b>
1	600.00\$	600.00\$
2	600.00\$	1,200.00\$
3	600.00\$	1,800.00\$
4	600.00\$	2,400.00\$
5	600.00\$	3,000.00\$

Table 14: Depreciation of Assets.

To compute the amortizations, we will use a straight-line method with 0 residual value and five years of useful life. The intangible assets with amortization are website (\$300/year), Software Development (\$70/year).

#### Amortization of Assets -

<b>Year</b>	<b>Amortization</b>	<b>Accumulated Amortization</b>
1	370.00\$	370.00\$
2	370.00\$	740.00\$
3	370.00\$	1,110.00\$
4	370.00\$	1,480.00\$
5	370.00\$	1,850.00\$

Table 15: Amortization of Assets.

## 4 ANALYSIS OF INCOME STATEMENTS

From Year 1 to Year 5, sales maintained based on our construction capacity, selling an average of 10 containers per year. Even keeping the production volume low, we can see an excellent profit obtained from the sale of the containers, generating constant and increasing profits as time goes by due to the improvement of the manufacturing processes.

<b>Total Net Revenue</b>	<b>\$</b>	<b>19.324,99</b>	<b>\$</b>	<b>19.472,98</b>	<b>\$</b>	<b>19.623,31</b>	<b>\$</b>	<b>19.776,03</b>	<b>\$</b>	<b>19.931,18</b>
<b>Earnings Before Interest &amp; Taxes</b>	<b>\$</b>	<b>9.878,28</b>	<b>\$</b>	<b>9.892,44</b>	<b>\$</b>	<b>9.906,50</b>	<b>\$</b>	<b>9.920,48</b>	<b>\$</b>	<b>9.934,35</b>
Interest Expense	\$	30,00	\$	2,50	\$	2,50	\$	2,50	\$	2,50
<b>Earnings Before Taxes</b>	<b>\$</b>	<b>9.848,28</b>	<b>\$</b>	<b>9.889,94</b>	<b>\$</b>	<b>9.904,00</b>	<b>\$</b>	<b>9.917,98</b>	<b>\$</b>	<b>9.931,85</b>
Income Taxes	\$	108,19	\$	111,82	\$	106,99	\$	101,96	\$	96,72
<b>Net Earnings</b>	<b>\$</b>	<b>9.740,09</b>	<b>\$</b>	<b>9.778,12</b>	<b>\$</b>	<b>9.797,01</b>	<b>\$</b>	<b>9.816,02</b>	<b>\$</b>	<b>9.835,13</b>

Table 16: Simplified Income Statements

## 5 PROFITABILITY:

ROI is the English acronym for Return On Investment. This is a metric used to find out how much the company has gained from investments. To calculate ROI, it is necessary to raise the total revenue, subtract the costs and divide this result also by the costs.

**Formula  $ROI = (\text{Profit} - \text{Investment}) / \text{Investment}$**

Taking into account our first year of exercise, if we consider a net profit of \$9,740.09 less our initial investment of \$25,000.00 divided by the initial investment, we arrive at a result of -0.61, which means that the company was not successful.

In order for the company to start making a profit, we must wait for 3 years, maintaining sales constancy. After 3 years, the company will have a profit of 17%.

## **6 METHODOLOGY**

The methodology used in this work uses a step-by-step framework for creating a Business Plan that maximizes the use of an organization's resources in pursuit of its objectives. This methodology is presented as a series of phases for addressing key Business Plan components, each of which are critical to complete before moving on to the next phase. This provides a framework for conducting a strategic business planning study and to map out an actionable plan for the business.

### **6.1 Specific objective 1**

The first objective of this work aims to create a new model of the gym academy, according to customer's needs and able to be moved wherever the customer willing. The internet was used to understand the gym academies market.

### **6.2 Specific objective 2:**

The second objective of this work aims to buy used shipping containers. They will be reconditioned and prepared in a minimum detail according to customer order. This will be a strategic option to make this business profitable.

## **7 IMPLEMENTATION AND EMPIRICAL FINDINGS**

This project proposes to create a new style of how to do the daily training. The academy will be created according to customer training needs, which means, the customer will have equipment on your academy following the routine indicated by the certified professional. In this pandemic scenario, in many places the gym centers were closed, this is a solution for this issue.

All the structure will be done thinking on the best performance and economy of money for the customer. The workshop will be used to prepare the reconditioned containers according to the layout designed by the customer.



## 8 CONCLUSION

This section summarizes the main ideas proposed by this project. Apart from conclusions on the business plan, and the viability of this business.

The Academy Container project emerges as an innovative idea on this segment in Brazil. The aesthetics, health, and life quality market grow at an expressive rate creating several possibilities of gain money. The COVID scenario helps when we thoughts about the possibility to have your own academy with low investment, and bring an optimist landscape with the economy recovering. Brazil represents the second place in number of gym academies over the whole world. This market isn't fully explored, giving the opportunities for new ideas, making this project profitable and innovative in many ways.

The strategy to buy used shipping containers and recondition them in an own workshop shows to be very important for the profit of the business.

This new style of gym academy brings innovation in a way to work out and changes the people thinking around this enterprise. The initial investment is medium, and will be recovered in 2 or 3 years in an optimistic scenario.

And answering to our main question of this work is this project profitable? Well, it has a huge potential to grow in the market, even making profit only in the third year, if we had the capacity to increase production, the return would be faster.

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## APPENDIX 1 - BALANCE SHEET

Academy Container					
Balance Sheet					
[USD \$]					
	2021	2022	2023	2024	2025
<b>Assets</b>					
Current assets:					
Cash	\$ 10.000,00	\$ 11.500,00	\$ 14.375,00	\$ 16.531,25	\$ 19.506,88
Accounts Receivable	\$ -	\$ 6.000,00	\$ 8.000,00	\$ 9.200,00	\$ 10.500,00
Prepaid expenses	\$ 2.300,00	\$ 5.500,00	\$ 6.500,00	\$ 7.000,00	\$ 8.500,00
Inventory	\$ 30.000,00	\$ 38.000,00	\$ 46.000,00	\$ 50.000,00	\$ 53.000,00
Total current assets	\$ 42.300,00	\$ 61.000,00	\$ 74.875,00	\$ 82.731,25	\$ 91.506,88
Property & Equipment	\$ 15.000,00	\$ 19.000,00	\$ 26.000,00	\$ 30.000,00	\$ 35.000,00
<b>Total Assets</b>	<b>\$ 57.300,00</b>	<b>\$ 80.000,00</b>	<b>\$ 100.875,00</b>	<b>\$ 112.731,25</b>	<b>\$ 126.506,88</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts Payable	\$ 3.902,30	\$ 4.800,40	\$ 4.912,30	\$ 5.265,40	\$ 5.671,00
Accrued expenses	\$ 1.320,00	\$ 1.541,00	\$ 1.662,00	\$ 1.865,00	\$ 1.899,00
Unearned revenue	\$ 1.540,00	\$ 1.560,00	\$ 1.853,00	\$ 1.952,00	\$ 1.724,00
Total current liabilities	\$ 6.762,30	\$ 7.901,40	\$ 8.427,30	\$ 9.082,40	\$ 9.294,00
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Other long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 6.762,30</b>	<b>\$ 7.901,40</b>	<b>\$ 8.427,30</b>	<b>\$ 9.082,40</b>	<b>\$ 9.294,00</b>
<b>Shareholder's Equity</b>					
Equity Capital	\$ 48.000,00	\$ 70.000,00	\$ 89.500,00	\$ 100.000,00	\$ 115.000,00
Retained Earnings	\$ 2.537,70	\$ 2.098,60	\$ 2.947,70	\$ 3.648,85	\$ 2.212,88
<b>Shareholder's Equity</b>	<b>\$ 50.537,70</b>	<b>\$ 72.098,60</b>	<b>\$ 92.447,70</b>	<b>\$ 103.648,85</b>	<b>\$ 117.212,88</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>\$ 57.300,00</b>	<b>\$ 80.000,00</b>	<b>\$ 100.875,00</b>	<b>\$ 112.731,25</b>	<b>\$ 126.506,88</b>

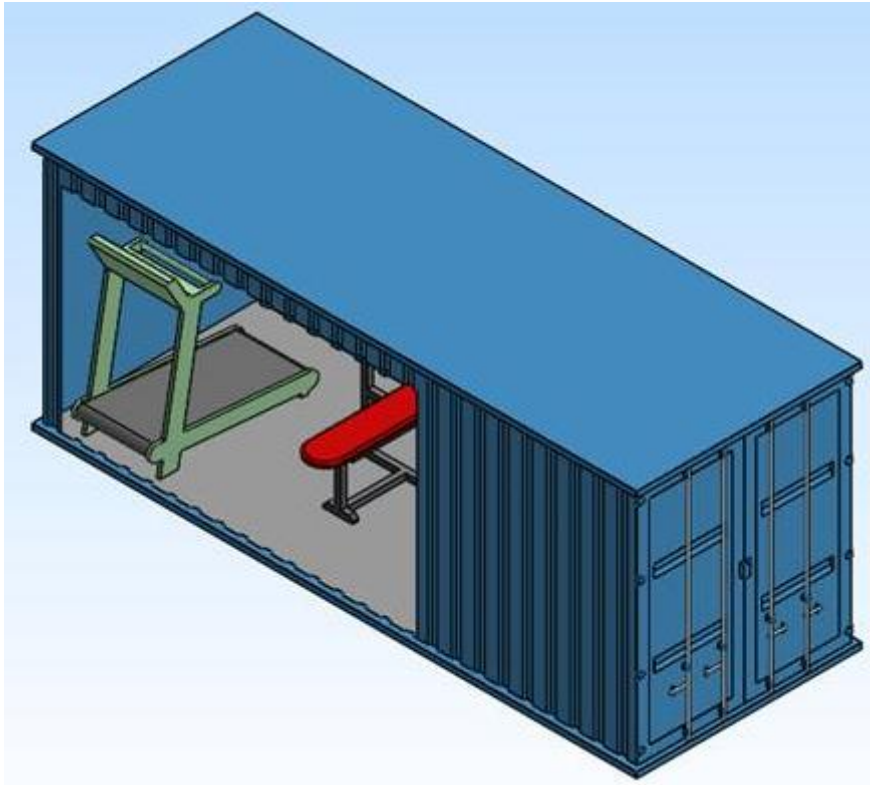
## APPENDIX 2 - INCOME STATEMENT

Academy Container									
Income Statement									
[USD \$]									
		2021		2022		2023		2024	2025
Revenue stream 1	\$	17.692,55	\$	17.814,63	\$	17.938,65	\$	18.064,64	\$ 18.192,62
Revenue stream 2	\$	1.907,75	\$	1.938,03	\$	1.968,79	\$	2.000,03	\$ 2.031,77
Returns, Refunds, Discounts	\$	-275,32	\$	-279,69	\$	-284,12	\$	-288,63	\$ -293,21
<b>Total Net Revenue</b>	<b>\$</b>	<b>19.324,99</b>	<b>\$</b>	<b>19.472,98</b>	<b>\$</b>	<b>19.623,31</b>	<b>\$</b>	<b>19.776,03</b>	<b>\$ 19.931,18</b>
Cost of Goods Sold	\$	3.533,24	\$	3.589,31	\$	3.646,27	\$	3.704,14	\$ 3.762,92
<b>Gross Profit</b>	<b>\$</b>	<b>15.791,75</b>	<b>\$</b>	<b>15.883,67</b>	<b>\$</b>	<b>15.977,04</b>	<b>\$</b>	<b>16.071,89</b>	<b>\$ 16.168,26</b>
<b>Expenses</b>									
Advertising & Promotion	\$	250,62	\$	255,60	\$	260,68	\$	265,86	\$ 271,14
Depreciation & Amortization	\$	-	\$	-	\$	-	\$	-	\$ -
Insurance	\$	14,74	\$	15,04	\$	15,33	\$	15,64	\$ 15,95
Maintenance	\$	76,39	\$	77,91	\$	79,46	\$	81,04	\$ 82,65
Office Supplies	\$	37,53	\$	38,27	\$	39,03	\$	39,81	\$ 40,60
Rent	\$	77,73	\$	79,28	\$	80,85	\$	82,46	\$ 84,10
Salaries, Benefits & Wages	\$	3.366,66	\$	3.433,55	\$	3.501,78	\$	3.571,36	\$ 3.642,32
Telecommunication	\$	20,10	\$	20,50	\$	20,91	\$	21,33	\$ 21,75
Travel	\$	2.000,00	\$	2.000,00	\$	2.000,00	\$	2.000,00	\$ 2.000,00
Utilities	\$	18,76	\$	19,14	\$	19,52	\$	19,90	\$ 20,30
Other Expense 1	\$	50,93	\$	51,94	\$	52,97	\$	54,03	\$ 55,10
Other Expense 2	\$	-	\$	-	\$	-	\$	-	\$ -
Total Expenses	\$	5.913,47	\$	5.991,23	\$	6.070,53	\$	6.151,42	\$ 6.233,91
<b>Earnings Before Interest &amp; Taxes</b>	<b>\$</b>	<b>9.878,28</b>	<b>\$</b>	<b>9.892,44</b>	<b>\$</b>	<b>9.906,50</b>	<b>\$</b>	<b>9.920,48</b>	<b>\$ 9.934,35</b>
Interest Expense	\$	30,00	\$	2,50	\$	2,50	\$	2,50	\$ 2,50
<b>Earnings Before Taxes</b>	<b>\$</b>	<b>9.848,28</b>	<b>\$</b>	<b>9.889,94</b>	<b>\$</b>	<b>9.904,00</b>	<b>\$</b>	<b>9.917,98</b>	<b>\$ 9.931,85</b>
Income Taxes	\$	108,19	\$	111,82	\$	106,99	\$	101,96	\$ 96,72
<b>Net Earnings</b>	<b>\$</b>	<b>9.740,09</b>	<b>\$</b>	<b>9.778,12</b>	<b>\$</b>	<b>9.797,01</b>	<b>\$</b>	<b>9.816,02</b>	<b>\$ 9.835,13</b>

## APPENDIX 3 - BALANCE SHEET CASH FLOWS

Academy Container									
Cash Flow Statement									
[USD \$ ]									
	2021		2022		2023		2024		2025
Operating Cash Flow									
Net Earnings	\$	9.740,09	\$	9.778,12	\$	9.797,01	\$	9.816,02	\$ 9.835,13
Plus: Depreciation & Amortization	\$	-	\$	-	\$	-	\$	-	\$ -
Less: Changes in Working Capital	\$	1.950,35	\$	1.702,05	\$	774,85	\$	902,90	\$ 827,15
Cash from Operations	\$	7.789,74	\$	8.076,07	\$	9.022,16	\$	8.913,12	\$ 9.007,98
Investing Cash Flow									
Investments in Property & Equipment	\$	15.000,00	\$	15.000,00	\$	15.000,00	\$	15.000,00	\$ 15.000,00
Cash from Investing	\$	15.000,00	\$	15.000,00	\$	15.000,00	\$	15.000,00	\$ 15.000,00
Financing Cash Flow									
Issuance (repayment) of debt	\$	-	\$	-	\$	-20.000,00	\$	-	\$ -
Issuance (repayment) of equity	\$	170.000,00	\$	-	\$	-	\$	-	\$ -
Cash from Financing	\$	170.000,00	\$	-	\$	-20.000,00	\$	-	\$ -
Net Increase (decrease) in Cash	\$	162.789,74	\$	-6.923,93	\$	-25.977,84	\$	-6.086,88	\$ -5.992,02
Opening Cash Balance	\$	-	\$	167.971,18	\$	181.209,91	\$	183.715,26	\$ 211.069,34
Closing Cash Balance	\$	162.789,74	\$	161.047,25	\$	155.232,07	\$	177.628,37	\$ 205.077,32

## APPENDIX 4 – ACADEMY CONTAINER EXAMPLE



Source: Own elaboration.

