

Business Plan

Winter Semester 2013

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OVERVIEW FOR DANCE



- Dance is simply an art, an exercise, a hobby, a recreation in short a human behavior.
- A method of healing and expressing emotions.



TYPES OF DANCE

By Number of Participants:

- Solo
- Partner
- Group

By main purpose:

- Ceremonial
- Erotic
- Participative
- Competitive
- Performance
- Social
- concert



DANCE

- To dance is to be out of yourself. Larger, more beautiful, more powerful!
- There are short-cuts to happiness, and dancing is one of them.
- If you have a dream, then you can dance
- Dance for laughter, dance for fear, dance for madness, just dance for everything.



OUR MARKET - AACHEN

- Aachen a student city with a total population of more than 250,000
- The student population from the '4' universities alone accounts for 46,000
- Foreign born residents in Aachen ~ 36,000
- % influx of foreigners ~ 4.1
- Average Birth Rate % ~ .94
- NOTE: Birth rate and % influx of foreigners taken consistent for the next 5 years



COMPETITORS

Unitanz-Aahen
Dance Fusion Aachen
Tanzshcule-Schröder
Dance Loft
Tanzsportclub (Grün-Weiss)
Aachener Tanzprofi
ADTV Tanzschule Udo Hees
Tanzshcule Dance Point Aachen
Tanz E'tage
World of Dance
Balletschule Brigitte Erdweg
TSC Schwarz-Gelb Aachen

Average price: 30€/h



PREDICTED MARKET STRENGTH

Years/ Cate gory	2013	2014	2015	2016	2017	2018
6 Yrs<	11900	12495	13120	13776	14465	15194
6-18 yrs	25383	26642	27985	29384	30853	32408
18-25 yrs	28939	30386	31905	33501	35175	36948
25-40 yrs	47889	50283	52798	55437	58209	61143
40-60 yrs	74169	77878	81771	85860	90153	94697
60+ yrs	56106	58911	61857	64950	68197	71634

NOTE: Average increase is birth rate plus influx



OUR MARKET - AACHEN

- Average Annual Salary ~ 45,000 Euros
- Average Annual spending (Leisure) ~ 3,150 euros
- Club Membership ~ 27.8% i.e ~ 71000
- Average spare time (over 14 yrs) ~ 243 min/day



SWOT ANALYSIS

Strength

- Big Dance Academy
- New and Varied Courses
- International Trainers
- Prime Location
- Affordable Prices

Weaknesses

- An infant company
- New and varied courses

Opportunity

- Student population
- Working population

Threat

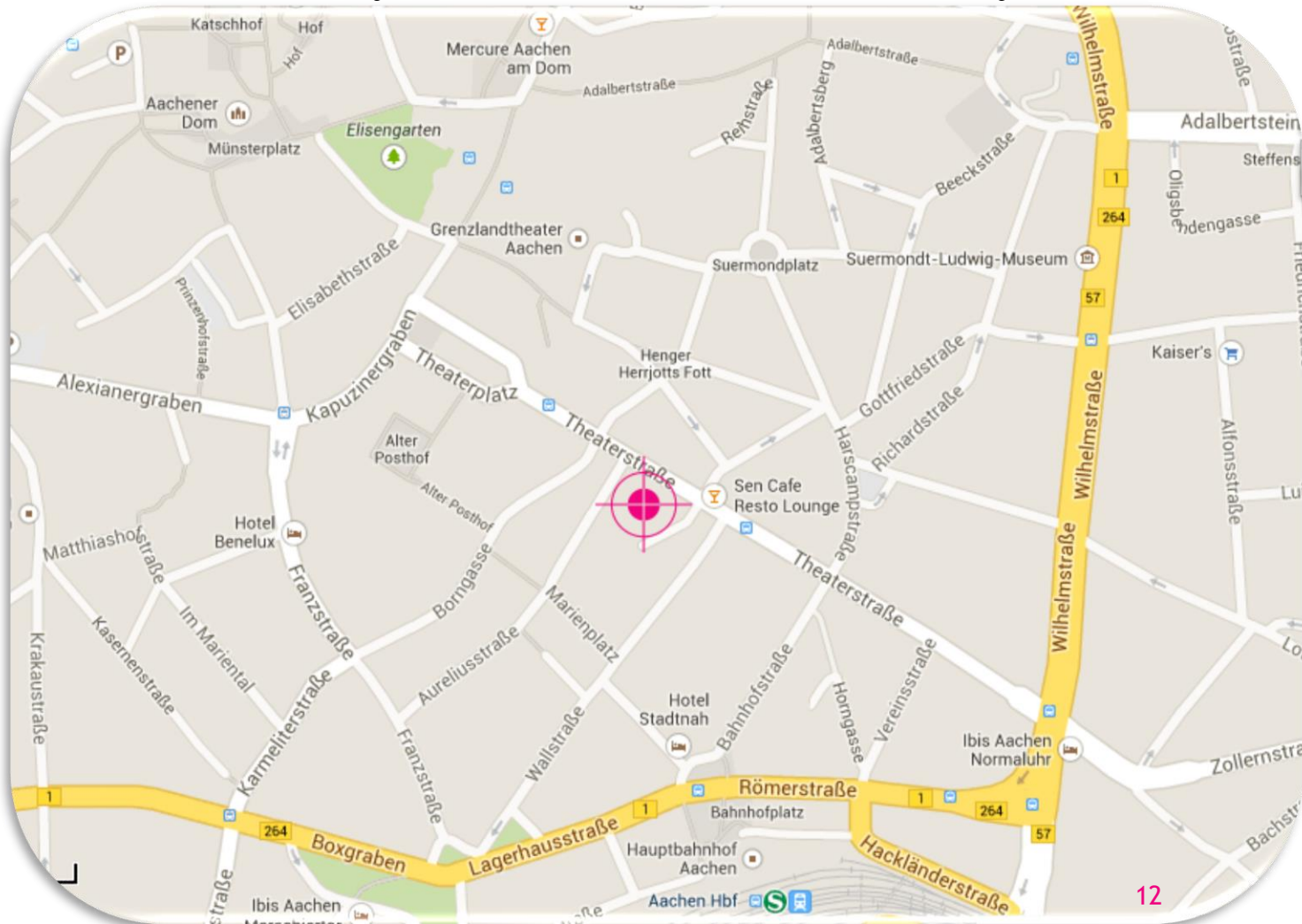
- Big shots
- New entries
- Dance University



Magenta 
Dance Academy



⊙ Our Dance Academy has a perfect location in Aachen. It is in the city centre and close to everywhere.





- ◉ We are offering 20 different dance courses, and providing 4 dance studios for these courses.
- ◉ We have 11 teachers who are specialist of their branch.
- ◉ We have a small Bar for our members and guests to have a good time and relax after or between the dance classes.
- ◉ We have special membership offers for everyone.





MEMBERSHIPS

- ⦿ The memberships are for 3 months, 6 months or 12 months long.
- ⦿ But we are giving the opportunity of 1 month trial membership for our new customers.
- ⦿ After 1 month you can decide whether you want to go with 3, 6 or 12 months membership or not.





MEMBERSHIPS

○ We provide 5 membership offers.

Platinum

- All Dance Courses
- Free Entrance for Events

Golden

- All Ballroom Dances: Standart Dance - Latin Dance

Silver

- 3 Courses one of the following Dance Catagories
Standart Dance/Street Dance/Latin Dance/Tap-Jazz

Bronze

- One of the Dance Courses

Zumba

- Zumba - Gymnastics Lessons



DANCE COURSES

- ⦿ All of our dance lessons last 1 hour. And they are for 3 days a week.
- ⦿ Some of the Dance courses have different Levels for Beginners-Intermediate-Advance so you can fit your dance partner and your class.
- ⦿ Lessons start at 4pm and continue until 11pm. And there are no dance lessons on Sunday.



STANDARD DANCE

- ◉ Tango (3 Levels)
- ◉ Waltz (2 Levels)
- ◉ Discofox
- ◉ Foxtrot





LATIN DANCE

- ◉ Salsa (3 Levels)
- ◉ Cha-Cha-Cha (2 Levels)
- ◉ Samba (2 Levels)
- ◉ Rumba (2 Levels)
- ◉ Jive (2 Levels)
- ◉ Merengue (2 Levels)

Merengue Dance only by MDA





TAP-JAZZ

- ◉ Jazz-Showdance
- ◉ Tap Dance



Tap Dance only by MDA





STREET DANCE

- ◉ Hip Hop (2 classes)
- ◉ Break Dance
- ◉ Krump Dance



Krump Dance only by MDA





ZUMBA



- ⦿ Zumba and Gymnastics
- ⦿ This course takes 6 days a week.





ADDITIONAL DANCE COURSES

◉ Oriental Dance





Modern Dance





PRICES

Memberships	1 Month	3 Month	6 Month	12 Month
Platinum	200€	500€	900€	-
Golden	150€	380€	650€	-
Silver	100€	250€	450€	-
Bronze	40€	100€	180€	300€
Zumba	50€	130€	250€	400€

Trail Membership

- ⦿ If you can't decide which program is suitable for you or if you wonder any of our dance courses you can always come and try 1 lesson for free.



BALLET



- ◉ We are also providing Ballet courses for kids (Age 3-5).
- ◉ Ballet lessons take 6 days a week, including gymnastic training.



Price of this course is 50€/month



WEDDING DANCE

- ◉ Wedding Dance is a private lesson for couples.
- ◉ The wedding dance can be any of the Ballroom Dance, it is your decision.
- ◉ We provide the wedding dance lesson for 6 weeks (3 days a week).

Price of this package is 100€





STUDIO RENTALS

- ◉ On Sunday, you can rent one of our dance studios for 50€/hour.





COST CALCULATIONS

- ◉ In the following part of the slides we will see the result of a small program developed by excel that calculates the profit after a certain period of time with certain parameters involved (capital cost, monthly costs, annual income...etc.)
- ◉ The following tables (input parameters) are obtained from the market research and closest approximation to the real data.



CAPITAL COST

Location and Furniture

- ◉ Theater Street, Aachen
- ◉ The studio is around 700 square meters
- ◉ The academy would have proper central ventilation system, flooring, paint and graffiti.
- ◉ It is divided to Reception, 2 waiting halls, 4 main studios, a small storage room, a small bar, and 2 changing rooms/bathrooms.
- ◉ Reception, bar, and halls would be furnished with proper couches, coffee tables, water coolers.
- ◉ The studios would have “stagelite dance flooring 20 Euros/m²”, mirrors, benches on the side, and stereo system.
- ◉ Changing rooms would have lockers inside and bathroom facilities.



CAPITAL COST

Equipments:

- ⊙ 150 m² Mats and small dumbbells (Zumba, General Aerobics...etc).-120 €
- ⊙ 150 m² 1 fixed wall Ballet Barre + 2 non-adjustable barres.-100 €
- ⊙ 100 m² Protective break dance mats. -20 €
- ⊙ 100 m²



CAPITAL COST

Grand Opening

- ◉ Banners, Posters, Website, facebook advertisement, business cards...etc (1-2 months ahead of opening). ~1000 €
- ◉ Marketing channels of distribution/implementation, grand opening events. ~2000 €
- ◉ Promotions (3-4 months after opening)



CAPITAL COSTS

Construction & furniture	flooring (4 rooms)	10,000.00 €
	mirror (4 rooms)	700.00 €
	lighting (whole studio)	1,000.00 €
	dance equipments (4 rooms)	240.00 €
	benches	80.00 €
	sound system	250.00 €
	reception & hall furniture	500.00 €
	small bar initial investment	300.00 €
	changing rooms & lockers	88.00 €
Grand Opening	initial advertisement	1,000.00 €
	grand opening event	2,000.00 €
	promotional expenses (first 3 months)	1,000.00 €
Location	Deposit	2,000.00 €
Legal Regulations	Business Insurance (per year)	400.00 €

Total	19,558.00 €
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MONTHLY PAYMENTS

- ◉ Rent
- ◉ Electricity $\sim(0.29/\text{kwh})$
- ◉ Gas $\sim(0.066/\text{kwh})$
- ◉ Adults classes instructors $\sim(15\text{€}/\text{hr})$
- ◉ Children's classes instructor $\sim(20\text{€}/\text{hr})$
- ◉ Receptionist
- ◉ Permits/Licenses
- ◉ Business Insurance



MONTHLY PAYMENTS

Monthly Payments	Rent	2,000.00 €
	Electricity	200.00 €
	Gas	100.00 €
	water	100.00 €
Professional Employers	accountants	1,000.00 €
Children Instructors	Ballet Dancer	480.00 €
Adolescent	street dancer (1)	360.00 €
	street dancer (2)	360.00 €
Adults	standard dance (1)	720.00 €
	standard dance (2)	540.00 €
	Latin dance (1)	1,260.00 €
	Latin dance (2)	1,080.00 €
	Jazz , Tap Dancer & modern	540.00 €
	Zumba & Oriental	540.00 €
Total		9,280.00 €



MONTHLY INCOME

- ⊙ Our main income would be from the participants involved in our different membership programs and the small bar profits.
- ⊙ We have made assumptions on the numbers of participants depending on the month of the year (June or December) and on the time line of our business (first few months or after 5 years).
- ⊙ For example in the following table the profits are calculated in June (summer vacation) and at the second year of work.



MONTHLY INCOME

Source of income	Price/unit/month	expected participants	Expected income/month
Platinum	200.00 €	10	2,000.00 €
Golden	150.00 €	15	2,250.00 €
Silver	100.00 €	30	3,000.00 €
Bronze	40.00 €	50	2,000.00 €
Zumba	50.00 €	30	1,500.00 €
Ballet	50.00 €	15	750.00 €
Studio Rental	50.00 €	4	200.00 €
Wedding private	66.00 €	1	66.00 €
bar income	2.00 €	300	600.00 €

Total	12,366.00 €
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MONTHLY PROFIT CALCULATION

- ◉ Our little excel program allows us to calculate the amount of profit made at a certain month.
- ◉ Taking into account that most of our parameters can be variables depending on the seasons, popularity of a membership, location rental...etc.
- ◉ Of course, some assumptions were made regarding the price of the bills, the rental, the number of participants.



MONTHLY PROFIT CALCULATIONS

month #	Month	Estimated payments	Estimated Income	Monthly Profit
0	Now	30.268,00 €	- €	- 30.268,00 €
1	June	14.280,00 €	3.116,00 €	- 11.164,00 €
2	July	10.340,00 €	4.316,00 €	- 6.024,00 €
3	August	10.340,00 €	5.966,00 €	- 4.374,00 €
4	September	10.340,00 €	6.466,00 €	- 3.874,00 €
5	October	9.500,00 €	7.366,00 €	- 2.134,00 €
6	November	9.500,00 €	7.366,00 €	- 2.134,00 €
7	December	9.500,00 €	9.698,00 €	198,00 €
8	January	9.500,00 €	9.698,00 €	198,00 €
9	February	9.280,00 €	9.698,00 €	418,00 €
10	March	9.280,00 €	9.698,00 €	418,00 €
11	April	9.280,00 €	12.148,00 €	2.868,00 €
12	May	9.280,00 €	12.148,00 €	2.868,00 €
13	June	9.280,00 €	14.148,00 €	4.868,00 €
14	July	9.280,00 €	14.148,00 €	4.868,00 €
15	August	9.280,00 €	14.148,00 €	4.868,00 €
16	September	9.280,00 €	14.148,00 €	4.868,00 €
17	October	8.505,00 €	12.148,00 €	3.643,00 €
18	November	8.505,00 €	12.148,00 €	3.643,00 €
19	December	8.505,00 €	12.148,00 €	3.643,00 €
20	January	8.505,00 €	12.148,00 €	3.643,00 €
21	February	8.505,00 €	12.148,00 €	3.643,00 €
22	March	8.505,00 €	12.148,00 €	3.643,00 €
23	April	8.505,00 €	12.148,00 €	3.643,00 €
24	May	8.505,00 €	12.148,00 €	3.643,00 €



MONTHLY PROFIT CALCULATIONS

25	June	9,280.00 €	14,148.00 €	4,868.00 €
26	July	9,280.00 €	14,148.00 €	4,868.00 €
27	August	9,280.00 €	14,148.00 €	4,868.00 €
28	September	9,280.00 €	14,148.00 €	4,868.00 €
29	October	8,505.00 €	12,148.00 €	3,643.00 €
30	November	8,505.00 €	12,148.00 €	3,643.00 €
31	December	8,505.00 €	12,148.00 €	3,643.00 €
32	January	8,505.00 €	12,148.00 €	3,643.00 €
33	February	8,505.00 €	12,148.00 €	3,643.00 €
34	March	8,505.00 €	12,148.00 €	3,643.00 €
35	April	8,505.00 €	12,148.00 €	3,643.00 €
36	May	8,505.00 €	12,148.00 €	3,643.00 €
37	June	9,280.00 €	14,148.00 €	4,868.00 €
38	July	9,280.00 €	14,148.00 €	4,868.00 €
39	August	9,280.00 €	14,148.00 €	4,868.00 €
40	September	9,280.00 €	14,148.00 €	4,868.00 €
41	October	8,505.00 €	12,148.00 €	3,643.00 €
42	November	8,505.00 €	12,148.00 €	3,643.00 €
43	December	8,505.00 €	12,148.00 €	3,643.00 €
44	January	8,505.00 €	12,148.00 €	3,643.00 €
45	February	8,505.00 €	12,148.00 €	3,643.00 €
46	March	8,505.00 €	12,148.00 €	3,643.00 €
47	April	8,505.00 €	12,148.00 €	3,643.00 €
48	May	8,505.00 €	12,148.00 €	3,643.00 €



MONTHLY PROFIT CALCULATIONS





DISCUSSION

- ⊙ One can see the break even point is after 6 months, at the end of the first summer season, and then the academy will start making some profit.
- ⊙ The amount of the bank loan taken is decided accordingly to the profit made Annually, which will be illustrated later in the slides.



DISCUSSION

- ⊙ After 5 years the bank loan will be paid with its interest rate, and the academy will profit if managed according to plan.
- ⊙ The profits will keep on increasing in a steady manner but always peak at the summer time, because of the summer vacation and people's need to go out more.
- ⊙ The main profit will be obtained from those permanent or “professional” members that will make a name and a reputation for our academy.



BANK LOAN

- ⊙ As one can see from the previous slides, In order for us to start our business we need around 30,000 € just for capital costs.
- ⊙ And for the monthly rental 20,000 € each month.
- ⊙ We have calculated the point where we reach break even point, and it is assumed to be after around 6 months of the business start.



BANK LOAN

- Hence, we made the choice of taking a bank loan of 80,000 € and repay them over 5 years with an interest rate of 7%.

year	loan taken from bank	fixed price	interest percent	total payment per years
1	80000	16000	5600	21600
2	64000	16000	4480	20480
3	48000	16000	3360	19360
4	32000	16000	2240	18240
5	16000	16000	1120	17120

Total	96800
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CASH FLOW

- ◉ In the following slides, we will discuss the actual amount of Cash in hand taking into consideration the Bank loan and repayment.
- ◉ The total profit per year would be the summation of all the monthly profits.
- ◉ Cash balance (year 1) = 80000 + Profit – bank repayment amount per year
- ◉ Cash balance (year 2) = profit – bank repayment
- ◉ Cash balance (year 3) = Profit – bank repayment



CASH FLOW (YEAR 1)

month #	Month	Estimated payments	Estimated Income	Monthly Profit
0	Now	30,268.00 €	- €	30,268.00 €
1	June	14,280.00 €	3,116.00 €	11,164.00 €
2	July	10,340.00 €	4,316.00 €	6,024.00 €
3	August	10,340.00 €	5,966.00 €	4,374.00 €
4	September	10,340.00 €	6,466.00 €	3,874.00 €
5	October	9,500.00 €	7,366.00 €	2,134.00 €
6	November	9,500.00 €	7,366.00 €	2,134.00 €
7	December	9,500.00 €	12,148.00 €	2,648.00 €
8	January	9,500.00 €	12,148.00 €	2,648.00 €
9	February	9,280.00 €	12,148.00 €	2,868.00 €
10	March	9,280.00 €	12,148.00 €	2,868.00 €
11	April	9,280.00 €	12,148.00 €	2,868.00 €
12	May	9,280.00 €	12,148.00 €	2,868.00 €
			Total	43,204.00 €
			cash balance left	15,196.00



CASH FLOW (YEAR 2)

month #	Month	Estimated payments	Estimated Income	Monthly Profit
13	June	9,280.00 €	14,148.00 €	4,868.00 €
14	July	9,280.00 €	14,148.00 €	4,868.00 €
15	August	9,280.00 €	14,148.00 €	4,868.00 €
16	September	9,280.00 €	14,148.00 €	4,868.00 €
17	October	8,505.00 €	12,148.00 €	3,643.00 €
18	November	8,505.00 €	12,148.00 €	3,643.00 €
19	December	8,505.00 €	12,148.00 €	3,643.00 €
20	January	8,505.00 €	12,148.00 €	3,643.00 €
21	February	8,505.00 €	12,148.00 €	3,643.00 €
22	March	8,505.00 €	12,148.00 €	3,643.00 €
23	April	8,505.00 €	12,148.00 €	3,643.00 €
24	May	8,505.00 €	12,148.00 €	3,643.00 €
Total				48,616.00 €
Cash Balance left				28,136.00



CASH FLOW (YEAR 3)

month #	Month	Estimated payments	Estimated Income	Monthly Profit
25	June	9,280.00 €	14,148.00 €	4,868.00 €
26	July	9,280.00 €	14,148.00 €	4,868.00 €
27	August	9,280.00 €	14,148.00 €	4,868.00 €
28	September	9,280.00 €	14,148.00 €	4,868.00 €
29	October	8,505.00 €	12,148.00 €	3,643.00 €
30	November	8,505.00 €	12,148.00 €	3,643.00 €
31	December	8,505.00 €	12,148.00 €	3,643.00 €
32	January	8,505.00 €	12,148.00 €	3,643.00 €
33	February	8,505.00 €	12,148.00 €	3,643.00 €
34	March	8,505.00 €	12,148.00 €	3,643.00 €
35	April	8,505.00 €	12,148.00 €	3,643.00 €
36	May	8,505.00 €	12,148.00 €	3,643.00 €
total profit				48,616.00 €
cash balance				29,256.00



CASH FLOW (YEAR 4)

month #	Month	Estimated payments	Estimated Income	Monthly Profit
37	June	9,280.00 €	14,148.00 €	4,868.00 €
38	July	9,280.00 €	14,148.00 €	4,868.00 €
39	August	9,280.00 €	14,148.00 €	4,868.00 €
40	September	9,280.00 €	14,148.00 €	4,868.00 €
41	October	8,505.00 €	12,148.00 €	3,643.00 €
42	November	8,505.00 €	12,148.00 €	3,643.00 €
43	December	8,505.00 €	12,148.00 €	3,643.00 €
44	January	8,505.00 €	12,148.00 €	3,643.00 €
45	February	8,505.00 €	12,148.00 €	3,643.00 €
46	March	8,505.00 €	12,148.00 €	3,643.00 €
47	April	8,505.00 €	12,148.00 €	3,643.00 €
48	May	8,505.00 €	12,148.00 €	3,643.00 €
			total profit	48,616.00 €
			Cash balance	30,376.00



CASH FLOW (YEAR 5)

month #	Month	Estimated payments	Estimated Income	Monthly Profit
49	June	9,280.00 €	14,148.00 €	4,868.00 €
50	July	9,280.00 €	14,148.00 €	4,868.00 €
51	August	9,280.00 €	14,148.00 €	4,868.00 €
52	September	9,280.00 €	14,148.00 €	4,868.00 €
53	October	8,505.00 €	12,148.00 €	3,643.00 €
54	November	8,505.00 €	12,148.00 €	3,643.00 €
55	December	8,505.00 €	12,148.00 €	3,643.00 €
56	January	8,505.00 €	12,148.00 €	3,643.00 €
57	February	8,505.00 €	12,148.00 €	3,643.00 €
58	March	8,505.00 €	12,148.00 €	3,643.00 €
59	April	8,505.00 €	12,148.00 €	3,643.00 €
60	May	8,505.00 €	12,148.00 €	3,643.00 €
Total Profit				48,616.00 €
Cash balance				31,496.00



CASH FLOW (YEAR 6)

month #	Month	Estimated payments	Estimated Income	Monthly Profit
49	June	9,280.00 €	14,148.00 €	4,868.00 €
50	July	9,280.00 €	14,148.00 €	4,868.00 €
51	August	9,280.00 €	14,148.00 €	4,868.00 €
52	September	9,280.00 €	14,148.00 €	4,868.00 €
53	October	8,505.00 €	12,148.00 €	3,643.00 €
54	November	8,505.00 €	12,148.00 €	3,643.00 €
55	December	8,505.00 €	12,148.00 €	3,643.00 €
56	January	8,505.00 €	12,148.00 €	3,643.00 €
57	February	8,505.00 €	12,148.00 €	3,643.00 €
58	March	8,505.00 €	12,148.00 €	3,643.00 €
59	April	8,505.00 €	12,148.00 €	3,643.00 €
60	May	8,505.00 €	12,148.00 €	3,643.00 €
Total Profit				48,616.00 €
Cash balance				48,616.00



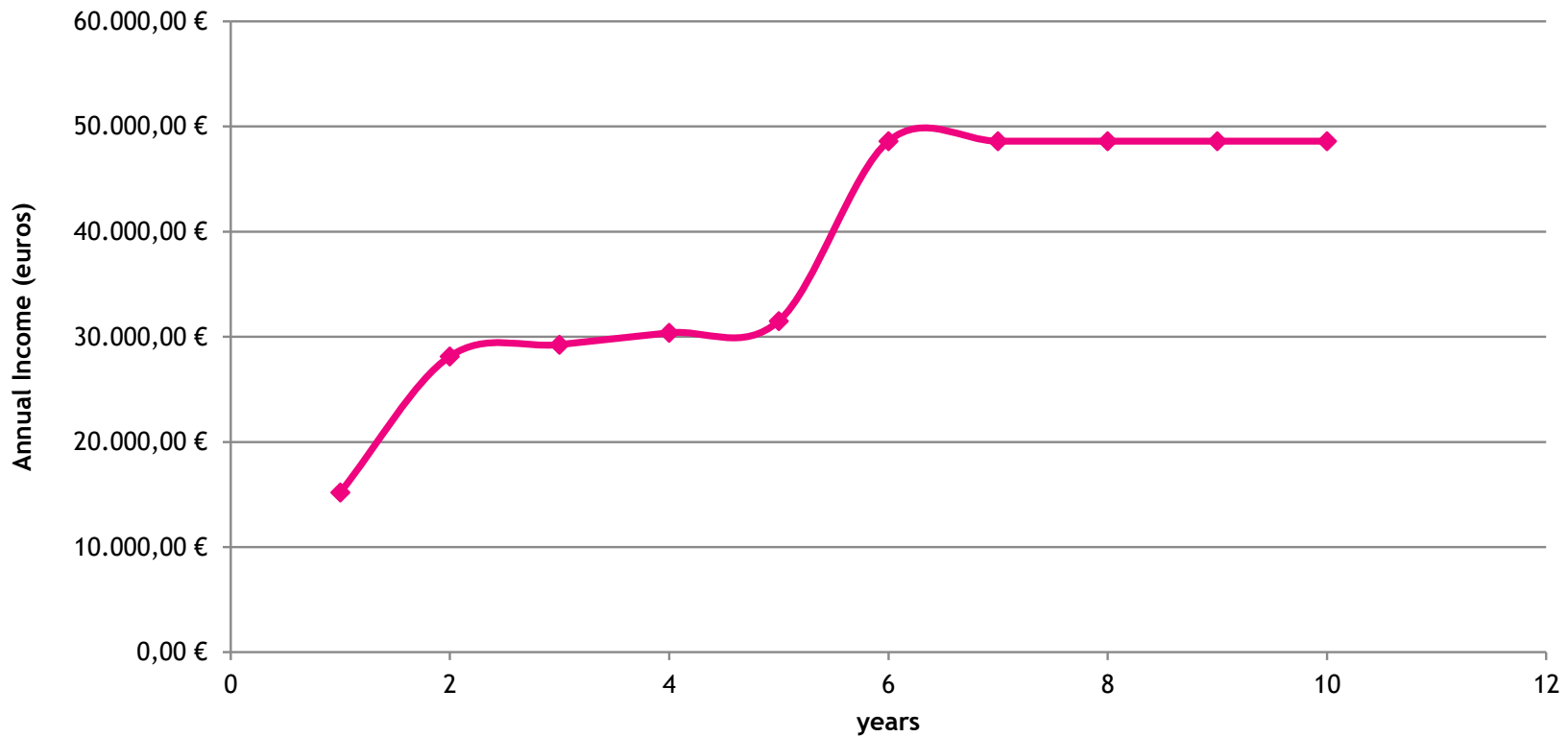
CASH FLOW (10 YEARS)

year	total profit	Cash Balance
1	43,204.00 €	15,196.00 €
2	48,616.00 €	28,136.00 €
3	48,616.00 €	29,256.00 €
4	48,616.00 €	30,376.00 €
5	48,616.00 €	31,496.00 €
6	48,616.00 €	48,616.00 €
7	48,616.00 €	48,616.00 €
8	48,616.00 €	48,616.00 €
9	48,616.00 €	48,616.00 €
10	48,616.00 €	48,616.00 €



CASH FLOW (10 YEARS)

Actual Cash Flow





CONCLUSION

- ◉ As a business plan, the dance academy is not necessarily a very profitable idea, since the management will take some effort and time and the annual income in the first 5 years won't be more than 30,000 Euros.
- ◉ In the second 5 years it will reach 50,000 Euros, yet one will have to have another investment or job on the side to be able to live off it completely.

