

**BYU**

MANAGEMENT  
SOCIETY



# Hibbard Fishies

Year Round Swimming Lessons

# The Problem

- 30-40% of all children in the Rexburg/Hibbard community do not know how to swim
- No public pool is available in the Rexburg community
- Parents must drive at least 20 miles for year round swim lessons (Heise Hot Springs or Green Canyon)
- Lessons are relatively expensive ranging from \$5-10 per child per lesson

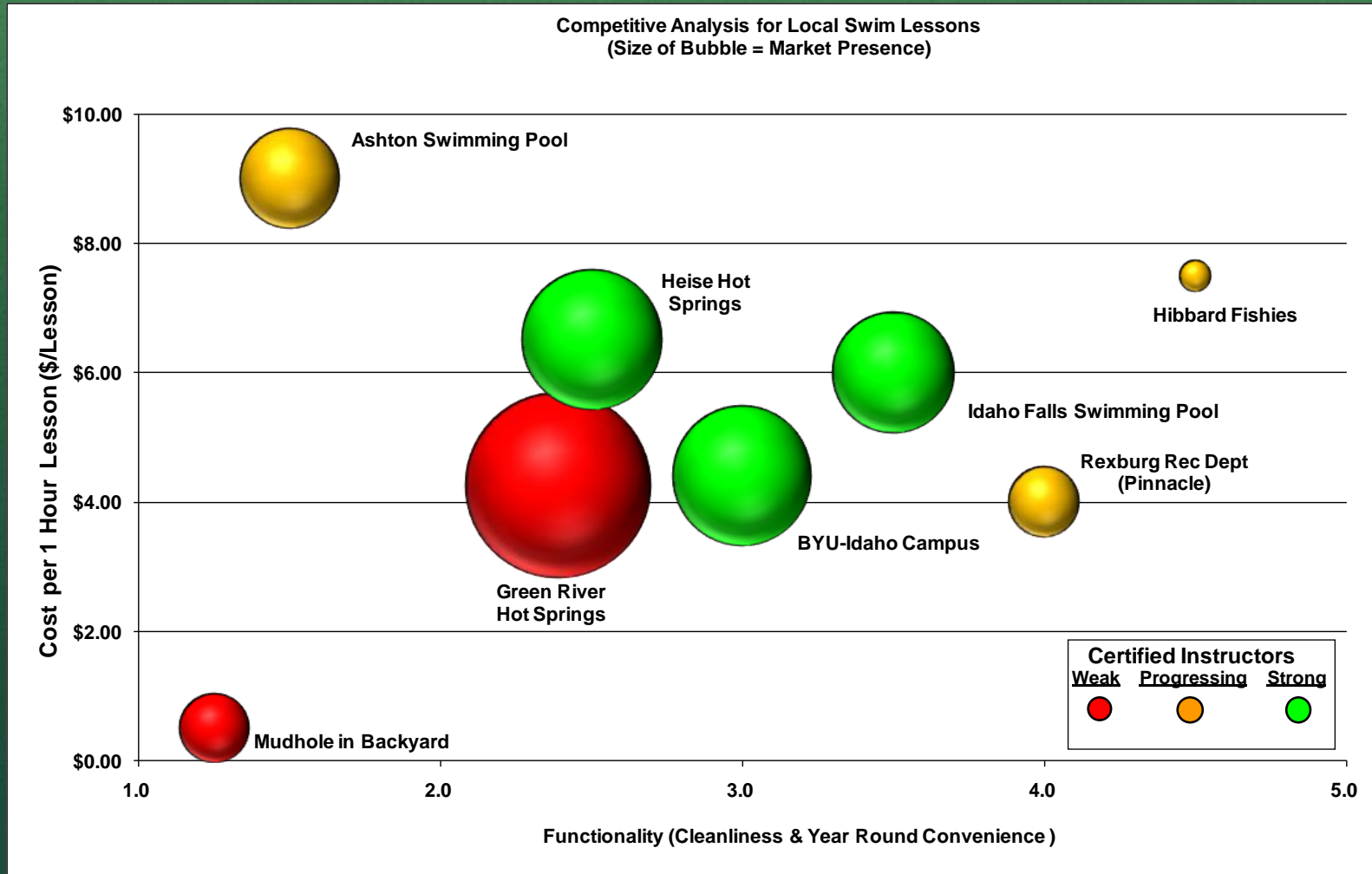


# The Market & the Opportunity

City	Population (2009)	Growth Rate (since 2000)	% of Population (within Target Market)	No. of Target Population
Hibbard	2,555	285%	25%	639
Rexburg	25,473	62%	20%	5,095
Sugar City	1,540	24%	15%	231
Rigby	3,394	13%	10%	339
<b>Total</b>	<b>32,962</b>			<b>6,304</b>

- Tremendous growth in the Rexburg Community over the last 9 years (especially when compared to Idaho Falls (4%) and Pocatello (5%).
- Outlining communities (i.e., Hibbard) are looking for local attractions.
- Many families are looking for low-cost educational opportunities for their children (i.e., piano lessons, baseball, ballet, and gymnastics)

# Competitive Analysis



# Architectural Plans



# Existing Structure



# Past Construction



# Completion in 3 Months





# Promotion & Advertising

- 40 Families Signed Up
- Word of Mouth
- BYU-Idaho Scroll
- Door to Door Flyers
- Free Promotion through Local News & Articles



# Revenue Streams

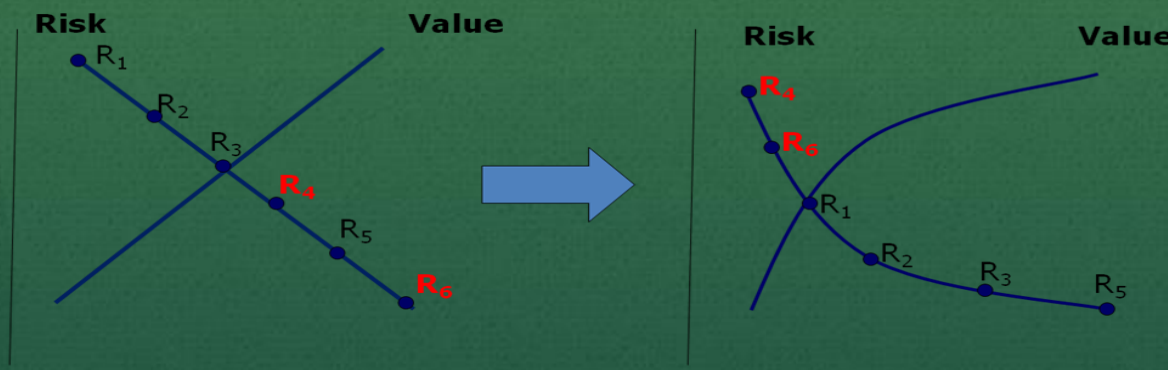
- Children Swim Lessons (\$6/ Lesson)
- Mommy & Me Lessons (\$4/ Lesson)
- Group Swim (\$3/ Child)
- Water Aerobics (\$7/ Adult)
- Pregnancy Swim (\$10/ Adult)



# Managing Risk for Hibbard Fishies, LLC

**R4** - Market Risk – demand & price point

**R6** - Technical Risk – water pressure & sub



$R_4$  is a Deal Killer Risk and  $R_6$  is a Path Dependent Risk

Deal Killer Risk = technical failure

Path Dependent Risk = less demand over time

# Financial Assumptions

Cost per Child	Children per Lesson	Lesson per Hour	Hours per Day	Lessons per Day	Days per Week	Weeks per Month	Income per Month	Income per Year
<b>Children's Swim Lessons:</b>								
\$4.50	2	2	3	1	4	4.5	\$972	\$11,664
\$5.00	3	2	3	1	4	4.5	\$1,620	\$19,440
\$5.50	4	2	3	1	4	4.5	\$2,376	\$28,512
\$6.00	4	2	4	1	5	4.5	\$4,320	\$51,840
<b>Mommy &amp; Me:</b>								
\$3.50	5	2	1	1	6	4.5	\$945	\$11,340
<b>Group Swim:</b>								
\$1.50	10	2	1	1	3	4.5	\$405	\$4,860
<b>Water Aerobics:</b>								
\$3.00	10	2	1	1	2	4.5	\$540	\$6,480
<b>Total Potential Income per Year:</b>								<b>\$74,520</b>

# Projected Revenue & Margin

	2009 Sept - Dec	2010 Jan - Dec	2011 Jan - Dec	2012 Jan - Dec	2013 Jan - Dec
<b>Revenue</b>					
Kid Swim Lessons	\$ 17,280	\$ 51,840	\$ 54,432	\$ 57,154	\$ 60,011
Group Swim	1,620	4,860	5,103	5,358	5,626
Water Aerobics	2,160	6,480	6,804	7,144	7,501
Mommy & Me Lessons	<u>3,780</u>	<u>11,340</u>	<u>11,907</u>	<u>12,502</u>	<u>13,127</u>
<b>Total Revenue</b>	\$ 24,840	\$ 74,520	\$ 78,246	\$ 82,158	\$ 86,266
<b>Variable Costs:</b>					
Instructor (\$10/hr)	(7,200)	(21,600)	(23,760)	(26,136)	(28,750)
Electricity (\$200/mo.)	(800)	(2,400)	(2,640)	(2,904)	(3,194)
Chemicals (\$100/mo.)	(400)	(1,200)	(1,320)	(1,452)	(1,597)
Cleaning Labor (\$100/mo.)	<u>(400)</u>	<u>(1,200)</u>	<u>(1,320)</u>	<u>(1,452)</u>	<u>(1,597)</u>
<b>Contribution Margin</b>	\$ 16,040	\$ 48,120	\$ 49,206	\$ 50,214	\$ 51,128

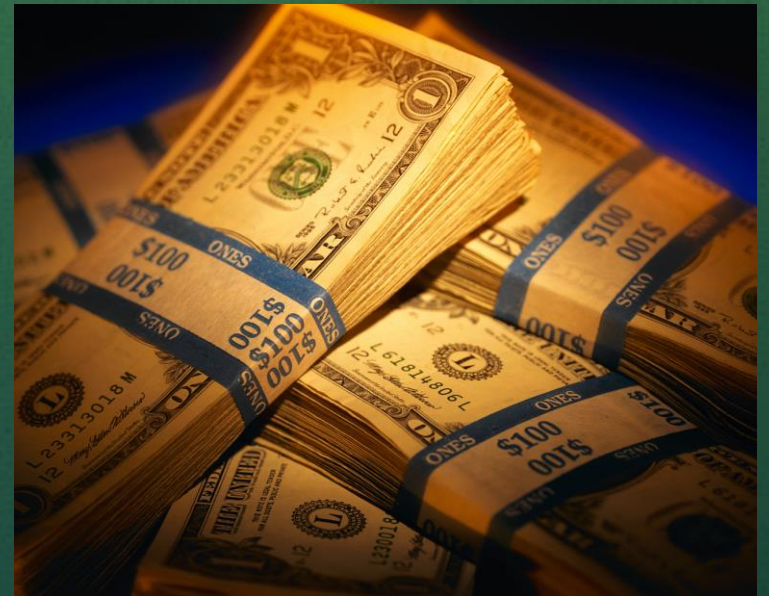
# Funding for the Company

\$200,000 Investment in Pool & Addition

- \$150,000 from Personal Savings
- \$50,000 from HELOC

\$20,000 Working Capital

- Small Business Loan



# Debt Schedule

Repayment Schedule	2009 Sept - Dec	2010 Jan - Dec	2011 Jan - Dec	2012 Jan - Dec	2013 Jan - Dec
<b>Small Business Loan</b>	<b>\$ 20,000</b>				
Debt Repayment	(2,000)	(6,000)	(6,000)	(6,000)	(1,513)
Interest Due (@ 5.5%)	<u>367</u>	<u>680</u>	<u>388</u>	<u>79</u>	<u>0</u>
<b>Amount due on debt:</b>	<b>\$ 18,367</b>	<b>\$ 13,047</b>	<b>\$ 7,434</b>	<b>\$ 1,513</b>	<b>\$ 0</b>

- Repayment Schedule based on \$20,000 Loan
- Assumes 5.5% interest rate with payback in 3.5 years
- Projected Cash Flow allows for earlier repayment