



GOBIERNO  
DE ESPAÑA

MINISTERIO  
DE ECONOMÍA, INDUSTRIA  
Y COMPETITIVIDAD



Escuela de  
organización  
industrial



Be passionate about yourself

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## 1. Introduction

### 1.1. Our team

With the aim of developing an innovative and successful business, a diversified team of enthusiast professionals and an organization model centred on our customer were created.

With Marta Lobo as our mentor, providing her customer experience.



Isabel Velasco Blázquez

As the CEO



Pilar Flores Valencia

As the COO



Sergio Fermiñán Rodríguez

As the CXO



Franco Moragrega

As the CCO



Andrea Cancelo Pastoriza

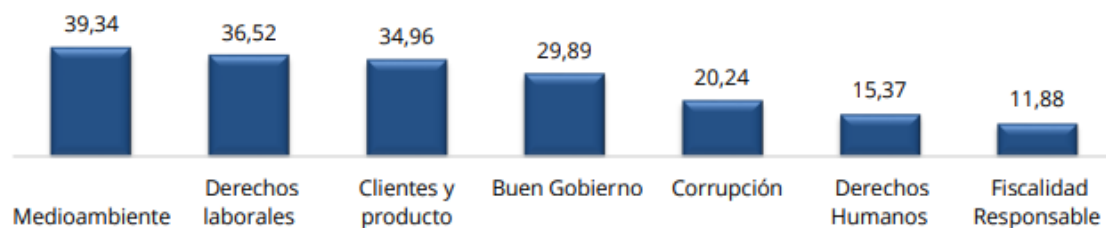
As the CTO

## 1.2. Tendency Analysis

The conversion from physical to digital, from general to specialized products, from the vision of the 'product as the centre' to 'the customer as the centre'... The change in the world view is irreversible and it clearly affects the way people buy products and services. The market is changing at high speed and only the companies which are able to position themselves in these tendencies will succeed.

Three important sectors are growing steadily over the last few years: corporate responsibility, wellness and sustainability. After having identifying them as potential targets for our business enterprise a well detailed analysis has to be conducted.

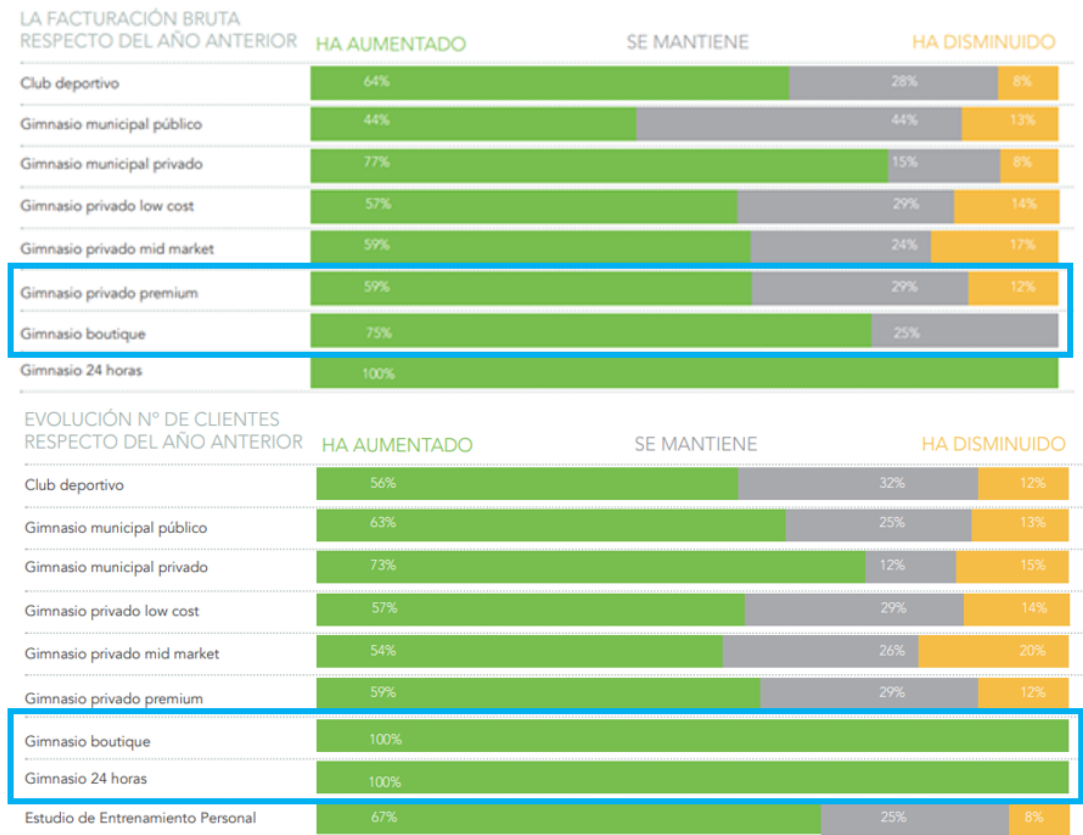
**Corporate responsibility** has grown exponentially from the nineties. Since then, people started to be aware that companies should offer useful and fair products for the society. Fairness is used to symbolize the relationship between companies, society, environment and economy. Many organizations spend money to promote themselves as 'responsible', helping to achieve as many Sustainable Development Goals as possible. For example, Ikea donates money to Save the Children and other NGO such as WWF or UNICEF. It is also investing in photovoltaic energy and has its own foundation to lead projects in order to promote human rights.



*Types of actions/activities done in the CSR programs of the IBEX 35 businesses*

**Wellness** is another active area of great interest. Society is becoming more conscious about life quality and people are taking real steps towards a 'more active and healthy lifestyle'. According to 'El Mercado del fitness en España: tendencias y situación del sector' – an study published in 2019 - more than 70% of gymnasiums increased their customer base and a remarkable 100% of 24h gyms also increased it. Defining fitness centres as 'Style boutiques' is being used

as good strategy to attract and retain customers by 24% of the sector and this number is expected to improve.



*Fitness Market analysis, 2018*

**Sustainability** is a sector that is starting to rise as one of the most profitable. European legislation is getting more environmentally conservative each year as people is assimilating the 3Rs and is starting to feel that recycled or reused products are the most socially accepted and viable alternatives. Creating a sustainable brand can change the company status and make it appealing to the public.

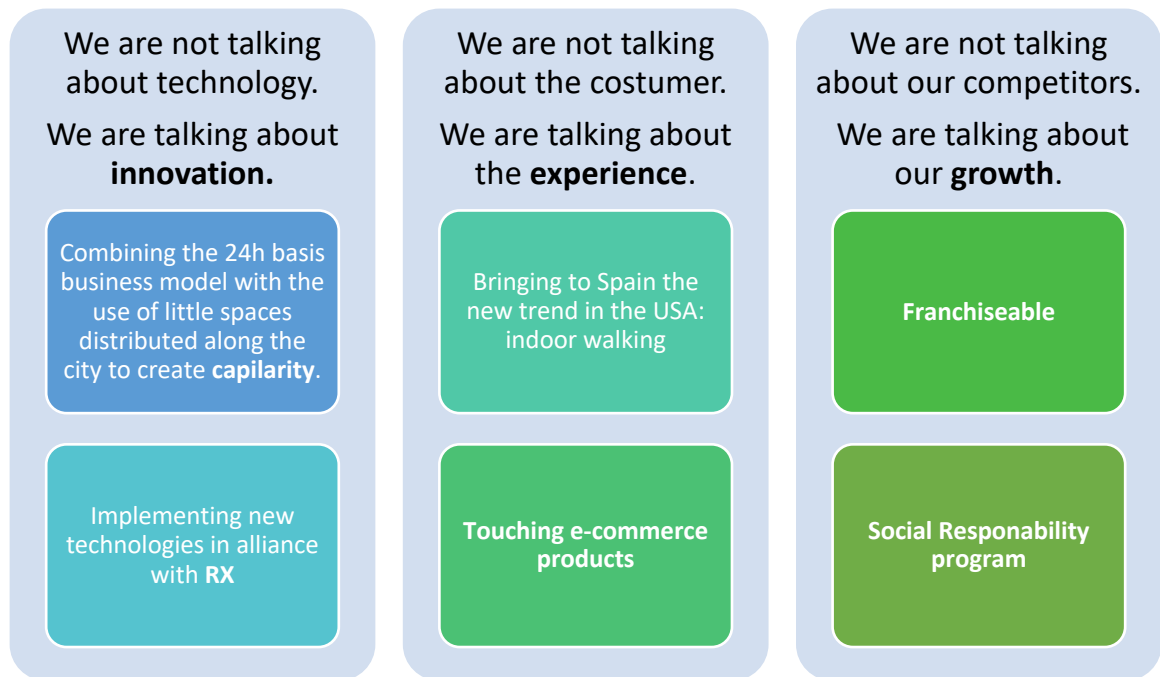


*Webpage of Fairphone: an environmentally friendly and social responsible mobile phone*

## 2. MOVIO

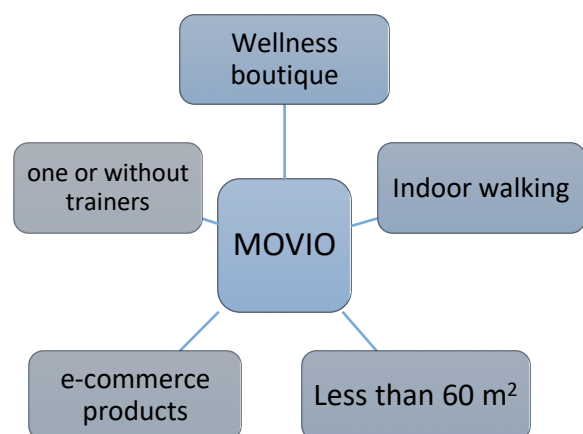
### 2.1. Strategic Axis

Taking into account our three areas of interest, we decided to invest in a disruptive product, differentiating and positioning ourselves as a brand new service.



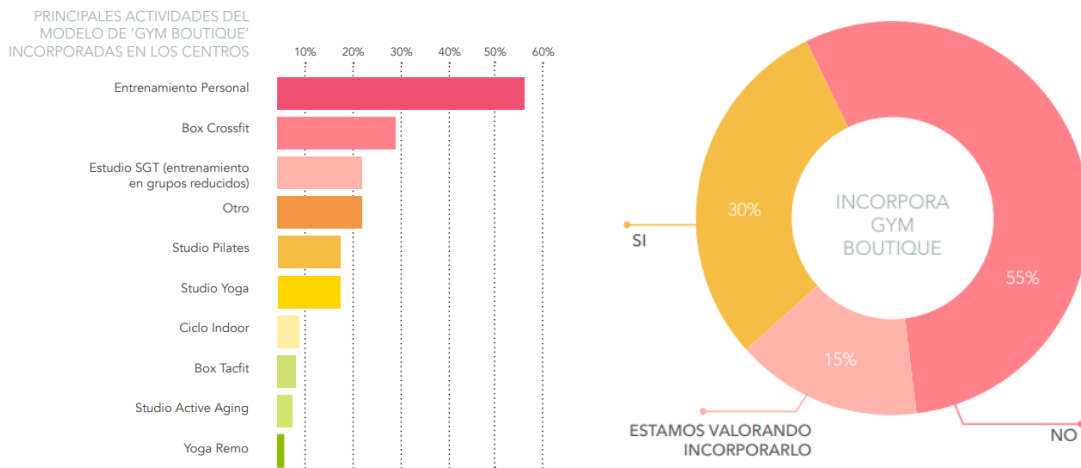
### 2.2. What is MOVIO?

MOVIO is a 24h wellness boutique based on 45 min indoor walking lessons that you can do by yourself or with a personal trainer. MOVIO uses small establishments (usually less than 60 square meters), where sustainable e-commerce products can be bought.



#### What are style boutiques?

Style boutiques are a new type of specialized gym that is becoming more popular each year. Therefore, gymnasiums can offer higher fees by providing different services, allowing customers to take care of themselves - their body and mind.



*Extract of the Fitness market 2018 analysis*

A large range of services can fit into this concept - from massages and facial treatments to healthy beverages and snacks.

### 2.3. MOVIO's most defining factors

#### Innovation

- **Capillarity:** being able to open small fitness spaces at a fast pace, using the data provided by our customers to decide on new locations. It is a matter of being wherever your customer is.
- **New entrance technology:** MOVIO has partnered with RX, the retail company of TuDecora, the first shop without shop assistants in Spain. After filling a form with your personal information, you receive a code via Whatsapp to enter the shop.
- **The power of sustainability:** choosing the most sustainable materials during construction and also choosing the most environmental viable products.
- **With or without trainers:** book your indoor walking lesson with a personal trainer or train by yourself. The choice is yours.
- **Social and Environmental Responsibility partnership:** offering sustainable products as well as fair trade and ecological ones.

### Humanizing e-commerce:

- Touch digital products: touch and feel eco-friendly clothing and try on new gadgets that you can buy online at our shop or anywhere you want.

### Experience:

- Bringing to Spain the new trend in the USA: indoor walking.
- Personalized experience to help you: the music, smell and images... Each experience will be unique and special.
- Voucher or individual sessions: buy lessons in packs or individually. You decide when and where to use them as they do not have expiration date.

## 3. Marketing Plan

In this part of the project we will carry out the market analysis where we will define both strengths and weaknesses of our business model as well as we will define our clients and our brand essence.

### 3.1. Pestel

<b>Policies</b> Government Political environment Electoral trend Conflicts (Catalonia)	<b>Economy</b> Trend Recession and crisis Economic cycle Left policies	<b>Socio Cultural</b> Demography Lifestyle Attitudes and Opinions Image Aesthetic appearance
<b>Technology</b> Physical infrastructure Technological infrastructure Information technology and communication Technological Access	<b>Legislation</b> Antitrust National regulation Municipal decrees	<b>Ecology</b> Environmental problems Regulation Environmental policy

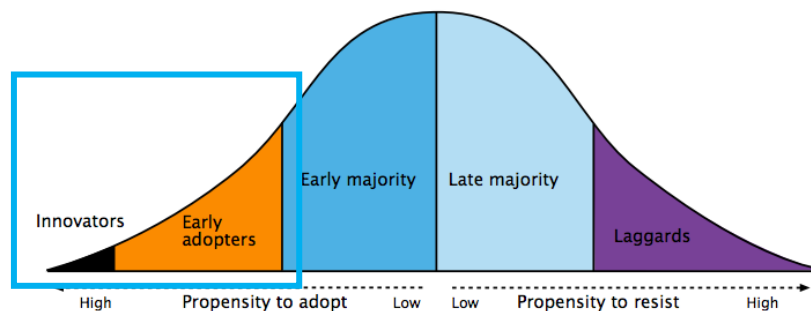
### 3.2. Canvas

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
Sponsoring companies  RetailXperience  Organic /bio suppliers  Business Branch (Real estate and property in banks, companies with properties e.g. Repsol, ECI)	Operations  Digital Marketing  Provisioning  Franchises	<b>HUMAN SUSTAINABILITY</b> Ecofriendly spaces: - Eco sport - Eco products (trends, selfcare...)  <b>DIFFERENTIATION</b> - Type of space (50 m2) - Capillarity - Circular economy - Innovation (RX) → accesibility and humanization - Big data	<b>MIX ON-OFF</b> <b>Online:</b> Web responsive RRSS Emailing  <b>Offline:</b> PLV Special offers	Students  Workers  Seniors
<b>Key Resources</b> Bikes Manteinance Human resources Technological resources Marketing Selling		<b>Channels</b>  <b>DIGITAL</b> Web responsive Ecommerce  <b>PHYSICAL</b> Spaces		
<b>Cost Structure</b> Project costs will come from the installation of the infrastructure (electricity, phone...) and also from the digitalization of that infrastructure (data base, statistics, studies...)		<b>Revenue Streams</b> Revenues will come from the use of the sport machines and from products' sales		

### 3.3. Target Customer

Services sector is the most important one in the Spanish and European economy in terms of employment and development in the last years. The Spanish cultural environment includes institutions and other forces that affect the basic values. As we know, Madrid is one of the most favorable regions. Therefore, we want to establish our business exactly in the district with the most favorable market.

Our target customer has the following characteristics:



*Type of costumers and their propensity to try new products*

	Innovators and Early adopters	Early majority & Late majority
<b>Age range:</b>	-Woman between 20 and 39 years -Men between 20 and 29 years	-Woman between 39 and 55 years -Men between 29 and 55 years
<b>Customer's activity:</b>	-Trendy person -Homemaker -Emancipated	-Working people -Seniors
<b>Income level:</b>	-Middle class -Upper middle class	-Upper middle class -High class

*Early adapter archetypes and other types of potential clients*

After visiting the website of the National Institute of Statistics (INE), the population density shows its highest percentage in the West metropolitan area and in the North-East of the entire region.

### 3.4. Competitor Analysis

As a result of the great influence of gyms that we have today, the analysis has been applied to those centers that we consider most relevant to carry out this project where we highlight two - Brooklyn Fitboxing and Siclo.

#### Brooklyn fitboxing

Currently there are 36 centers in Madrid. Brooklyn fitboxing is a new concept that seeks measurable results. They have the latest techniques and bring together human effort and boxing technology in order to get the most of your time and energy. They also have experienced and a professional staff who advise the members and provide guidance and support.

Among the new disciplines that are increasingly gathering more customers is the practice of fitboxing. These 45-minute lessons combine routine with functional training, that is, the exercises that are carried out in a day to day basis. A qualified coach marks the progress of the class to the rhythm of music and the involvement of punching bags. All boxing benefits are enhanced, both for men and women.

In recent years, the practice of boxing has become popular. The resistance, the caloric combustion and the easy visualization of the results in your body are some of the reasons why this business has succeeded.

### Síclo

Síclo is a new fitness proposal directly coming from Mexico that is revolutionizing Madrid. In Síclo, cyclists roll to the rhythm of the music, that is to say, they dance on their bikes. Síclo is based on a dark room with a set of lights and instructors who are rockstars. The adrenaline sensation makes you live an incredible experience.

But Síclo experience does not stop there - they also work the whole body and they even use dumbbells to strengthen arms and back playing with resistance, speed, strength and flexibility.

### 3.5. Internal Analysis

**Advertising:** No competitors in the Spanish market invest heavily on marketing and advertising and just a couple of them have renowned brands (Síclo and Brooklyn Fitboxing).

**Capital:** The initial investment needed to set up our business is relatively low compared to other sectors or even other competitors in our industry.

**Customer loyalty:** Although customers often feel comfortable at their gym, customer loyalty is not particularly high in this sector. The majority of people that practice sports on a regular basis have tried several gyms and, if offered new services or prices, would enroll another gym.

**Government regulations:** No special licenses are required to operate in this sector. Only certain regulations and requirements (safety, health, soundproofing) that are common to many other industries.

**Inelastic demand:** Even though the demand for this service is not extremely elastic, people can switch to another gym for a small reduction of the price.

**Intellectual property:** No intellectual property impacts on the processes of this business as well as patents do not have to be paid. We consider the option of working along with suppliers, uploading data of the trainings to a network and creating rankings, giving advice to users, setting goals...

**Predatory pricing:** While analyzing our competitors, we have not observed any predatory pricing actions. Businesses in this sector are not likely to practice dumping, since they would have to collapse in the short term.

### 3.6. Barriers to Exit

Barriers to exit this sector are considered low. This is mainly because the highest costs for a gym are normally the rent and the purchase of machines.

In case of quitting the sector, machines – a large part of the investment – could be sold to another gym, recovering part of the money. Besides, we can consider the options of leasing and renting those machines, which have important advantages in this sense.

Since we do not have regular contact with key suppliers, no agreements would stop us from leaving the sector.

Redundancy costs are very high in Spain, although a further reform of the Labour Law is likely to reduce them. However, gyms do not normally have a large number of employees, so the total cost of redundancy in case of quitting the business would not be excessively high.

### 3.7. Concept and Brand Logo

#### Logo/Trademark



The aim of selecting acronyms in our trademark is to represent all our core values in one word. Whereas MO is related to movement, VIO will represent wellness and ecological products. Our system tries to engage people in fitness activities using services that can be categorized as fun. This unique system will be named as a combination of these two features: Movement + Bio = MOVIO.

### 3.8. Our Marketing Strategy

There are several ways of planning a marketing strategy for a company. The traditional one, which is also the most commonly used, is the 4P methodology. This type of methodology is based on Products, Price, Placement and Publicity. MOVIO finds this approach outdated, so the 4C methodology will be applied.

#### 3.8.1. Client

We have already defined the most important customer archetypes and the most likely hourly times when they'll access MOVIO. This brings out one important point - hourly variability. MOVIO is not going to have the same ratio of use all day along, and if some potential types of customer are not reached there may be peaks and valleys of activity. As such, it's important to devise an adequate market strategy to get those target costumers that can bring us stability, especially during the central hours of the day when workers are not available.

#### 3.8.2. Cost

It is essential to devise a business where the costs are minimal so the gained margin can increase along the way when more establishments are opened. This is the reason why two ways of sport activities are offered:

- Indoor walking lessons with personal trainer: specialized coaching is required so they can lower our margins unless there is enough people in attendance so their timing has to be well thought to avoid this circumstance. From this moment on, 13:15 to 14:45 has been taken into account because it is working people lunch time.
- Indoor walking lessons without personal trainer: fewer costs are associated to these ones- just the usual operation costs such as electricity, water and cleaning.

#### 3.8.3 Channel

MOVIO's one and only channel is its responsive webpage where people can book their indoor walking lessons and choose the location and hour preferred.

The webpage is easy to understand and use, visually attractive and shows the most important aspects of the company.

As it is our only channel is really important to position ourselves within the search engines such as Google by using SEO (Search Engine Optimization) generating a continuous stream for content.

#### 3.8.4. Content

This section includes all the activities and techniques that we will use to communicate with our customer about our company. We want to attract customer's attention, give them information about our product benefits and motivate them to purchase.

To achieve this objective, we are going to focus on creating and distributing relevant content in order to attract and retain our audience, as a way to reach them and promote trust in our brand.

We will split our content in direct publicity (20% of the publications), where we will address information about MOVIO, such as promotions, special events or services; and general information about areas of interest for potential clients (80% of the publications) like sports, new technologies, travels, etc.

#### Social media

We will take advantage of social media and word of mouth transmission for the majority of our marketing, using platforms such as Twitter, Facebook and Instagram. These platforms are widely used by the customers in our demographic market. We will make announcements via regular posts, ad campaigns, blog posts and updates to our pages on these social platforms.

#### Advertising and merchandising

We will use our email marketing list to send alerts when we release new promotions. Besides that, we will segment our email list so that we can send appropriate emails to media and different ones to our current customers.

Reaching senior customers will be achieved through a variety of means. Since we have limited resources and need to manage our finances very effectively, we will focus on two: advertising and merchandising.

We have identified several locations that these customers typically attend over the course of a week. Part of our marketing plan is to attend these events to

network with these potential customers. We will also submit responses to calls for papers to be speakers at some of the events when possible.

#### SEM AdWords.

Search Engine Marketing will allow us to connect with potential clients directly via our web page, making it an effective form of online marketing. We will increase the visibility of our website advertising our services and promotions. It is important to mention that we will invest 400€ each month in this activity, as it is one of the most expensive and important.

#### 3.8.5. Content Strategy Calendar

We defined a content calendar in order to plan the activities that we will implement alongside the content that we will publish in social media. This will allow us to visualize how our content is distributed through the year.

## Content Strategy Calendar

### July 2019

- 1 Summer Sales
- 7 San Fermín
- 26 Grandfather's Day
- 30 Day of Friendship

### August 2019

- 12 International Youth Day
- 13 Lefthanders Day
- 19 World humanitarian Day

### September 2019

- 2 Labours Day/Labor Day
- 5 International Day of Charity
- 21 International Day of Peace
- 21 Oktoberfest

### October 2019

- 1 Day of Older Persons
- 2 Non Violence Day
- 4 Animal Day
- 27 Daylight Saving Time Change
- 31 Halloween

### November 2019

- 1 Vegan Day
- 16 Tolerance Day
- 17 Students Day
- 29 Black Friday

### December 2019

- 1 AIDS Day
- 3 Persons With Disabilities
- 10 Human Rights Day
- 22 Christmas Lotery
- 31 New Years Eve

### January 2020

- 1 New Year's Day
- 2 Personal Trainer's Day
- 5 Cabalgata de Reyes

### Febuary 2020

- 4 World Cancer DaY
- 14 San Valentine's Day
- 20 Love Your Pet Day

### March 2020

- 8 International Women's Day
- 17 St. Patrick's Day
- 19 Father's Day

### April 2020

- 1 Aprils Fools Day
- 7 World Health Day
- 22 Earth Day

### May 2020

- 1 International Workers Day
- 2 Comunidad de Madrid's Day
- 12 San Isidro
- 13 Mother's Day
- 18 Eurovision
- 25 Copa del Rey Final

### June 2020

- 1 Champions League Final
- 28 LGTBI Day
- 21 World Music Day
- 23 Bonfires of Saint John

### 3.8.6. Expense Budget Summary

Marketing expenses are mostly for the content required to do the marketing activities listed. We will invest a total amount of 600€ each month to fund our activities and content. SEO online marketing will cost 400€, while social media content and direct mail and other offline advertising expenditure will be around 200€ per month.

Based on the demographic population around our business, the number of customers our competitors have, their market shares and growth potential of the market; we expect to reach over 10.000 customers in the first year, resulting in a Customer Acquisition Cost of 0.72€.

July 2019 - June 2020 CAC	
Total Spend	7,200 €
Total Customers Aquired	10,000
Avg. CAC (€/customer)	0.72 €

## 4. Operations plan

The operational plan consists of 4 phases, ranging from the implementation of the idea to the consolidation of the business in the current market.

### 4.1. What does MOVIO offer?

MOVIO can provide to their customers in their establishments, as it was said before, wellness and sustainability. That offer come from sport activities and from the selling of sustainable and sportive products.

On the one hand, the activity that is going to take place is indoor walking. Indoor walking, as the MOVIO's team has studied, is one of the most important trend in wellness and sport centers nowadays. The main advantage that this kind of sport activity offers is that it can be played by people with every physical condition, as well as people of all ages. Indoor walking has another strength – it is very simple. The indoor walking machines are very easy to use, as they are machines similar to the elliptical trainers present in all the sport centers. Regarding MOVIO's interests, several indoor walking machines can be put in a small area as they don't require too much space.

On the other hand, MOVIO has a corporate social responsibility culture (CSR) especially strong regarding environmental protection. For that reason, in MOVIO you can buy sustainable and eco-friendly products related to sports. Those products can be sports clothing or technological gadgets (such as smartwatches, running belts, gps trackers...) mainly. The customer will be able to see and touch the products in that area and then buy them using the electronical device installed for that purpose. Another option for purchasing products will be via the use of MOVIO's website. The main idea is to rent some areas of each establishment to companies that represent MOVIO's values so they can offer their products. In addition to rent revenues, a certain percentage of their sales will be charged.

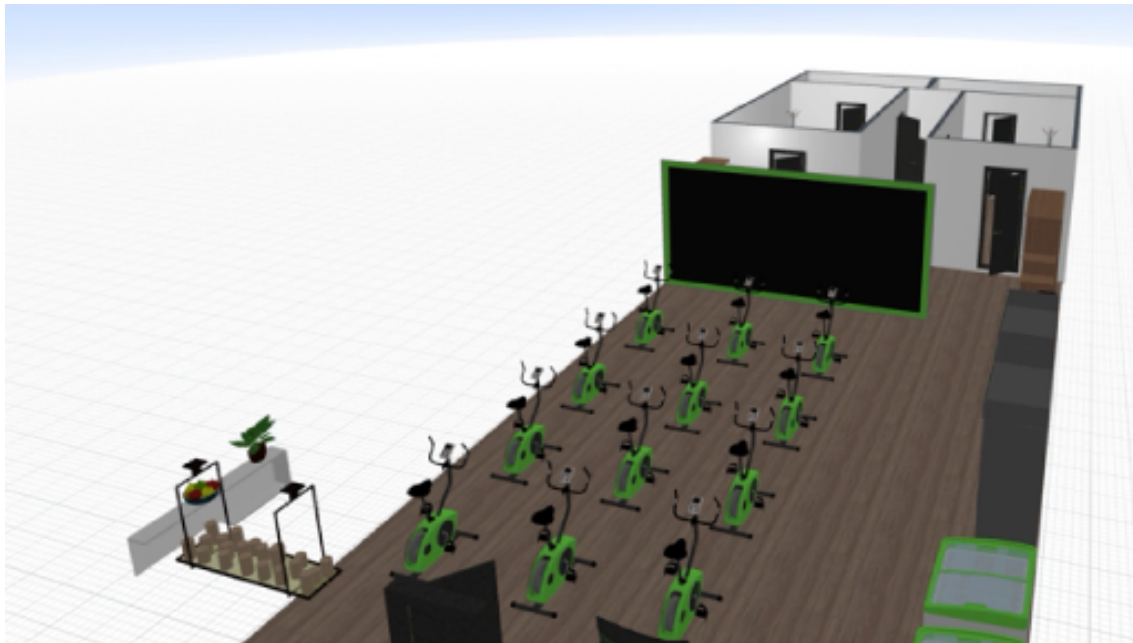
Regarding lessons, they will last about 45 minutes each and the customer will be able to book them via website. Our pricing strategy is based on competitive guidelines. We strive to offer a cheaper activity, when compared with our competitors, while keeping the quality and agility that defines our brand.

Our prices are meant to yield profits and cover costs at the end of the first year of production, while maximizing our market share.

<b>Services</b>	<b>Prices without VAT</b>
<b>45 min session</b>	7.00 €
<b>45 minutes session with personal trainer</b>	15.00 €
<b>5 sessions voucher</b>	30.00 €
<b>5 sessions voucher with personal trainer</b>	60.00 €

*Price Table*

Our establishments will also have a very distinctive characteristic – no shop assistants will be needed. MOVIO will be then a compendium of autonomous shops, such as those supermarkets that Amazon has in the United States. This fact can help MOVIO save costs in employees, that are quite relevant in the first phase of the project.



*3D simulation of our first establishment*

As it is shown in the picture above, our establishment is equipped with the following elements.

- Indoor walking machines
- Opening system
- Security cameras
- Vending machines
- Ecommerce areas, in which several companies can put their products in order to make people see them, touch them and finally buy them
- Virtual reality screen, that can provide the clients an incredible experience by projecting videos
- Vending machines, in which the sportspeople can find water and healthy snacks and drinks
- Changing rooms

#### 4.2. Our key resources

In order to achieve the capillarity objective and reduce costs, MOVIO is going to pursue the following strategies:

- Rent commercial properties, mainly from the banks real state (e.g. Solvia)
- Small properties (no more than 60 sqm)
- No employees working inside the establishments will be needed

- Personal trainer services will be provided to the customers that demand them
- A developer will be needed for the creation of the future app, development of the web page and elaboration of the videos that will appear on the virtual reality screen.

#### 4.3. Technological Plan

Regarding MOVIO's technological plan, the Retail Experience model is going to be used. As it was said before, Retail Experience is a company that provides a technical solution to shops that want to have no shop assistants. Currently, they created the first autonomous shop in Spain. This shop, which is called TuDecora, sells furniture and is located in Madrid. The launching of this innovative business model has appeared in several Spanish media.

As the establishments do not have shop assistants and they are open 24 hours a day during the whole year, an automatic opening is required. The shop TuDecora has a special opening system in its door that needs a code provided to the customer. When the customer wants to enter the shop, firstly asks for permission to enter to the owner by filling an online form. When the owner accepts, he/she asks the client for his/her ID card and a recent photograph of his/her face. Then, when the client provides this requirements, a code is sent to him/her via Whatsapp. With that code, the customer can finally enter the shop.

This mechanism can be improved in the future with the usage of different tools and requirements:

- Use of a customer card instead of giving your ID card, your photo and the code provided via Whatsapp.
- Use of the code provided via Whatsapp only if you want to test MOVIO's services.
- Installation of face recognition systems in order to improve the system security and also in order to avoid asking the customers for a photograph.

#### 4.4. Website

In order to provide the best service, MOVIO offers a website in which the customer can access the different services that the startup offers, such as:

- Booking indoor walking lessons.
- Asking for information
- Buying sustainable sport products and gadgets.
- Finding the establishments that are close to the client.
- Asking for a trial lesson.
- Finding MOVIO's social media.
- Subscribing to our newsletter.

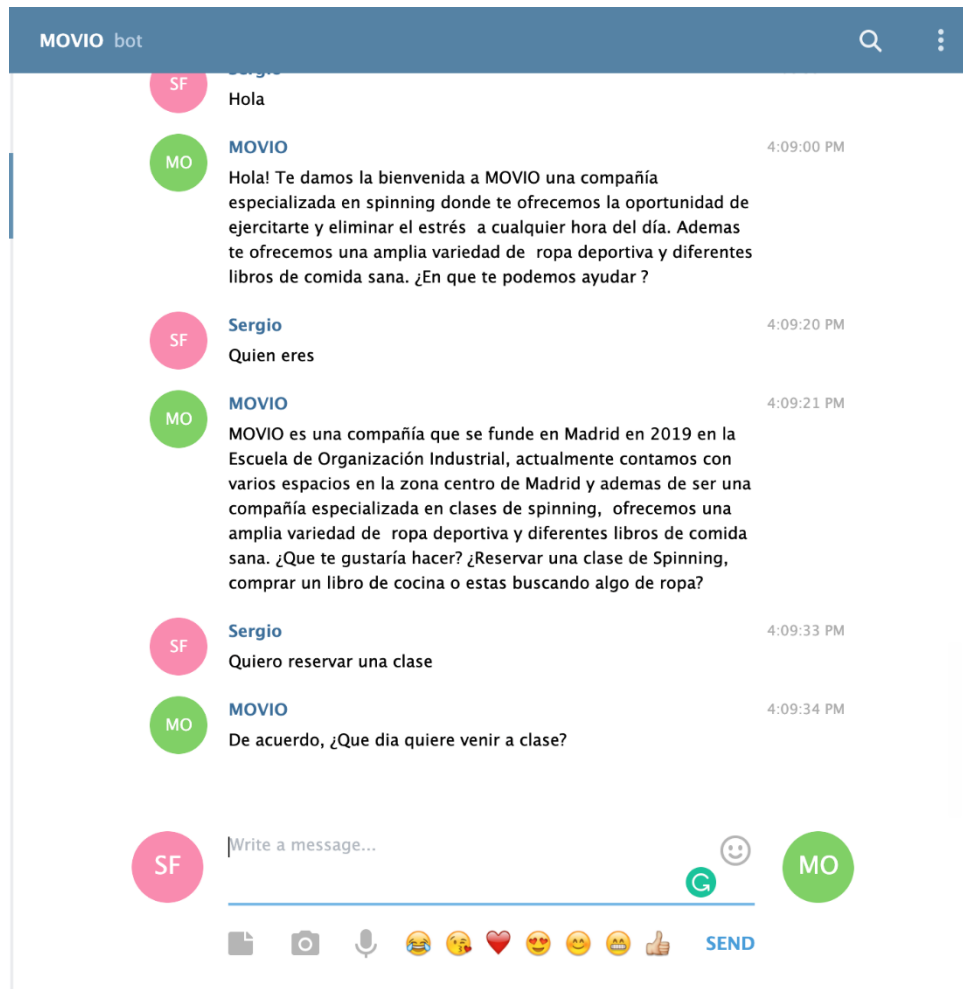
Currently, as MOVIO is developing its minimum viable product, so the company team doesn't want to develop a mobile application yet.



*MOVIO's website*

#### 4.5. Chatbot

In order to complement the services offered in our website we have developed a Telegram chatbot which provides information easily to the customers about MOVIO's services and help them booking lessons.



Chatbot demo

#### 4.6. Phase 0. Implementation of the Idea

The first objective was to find the best way of entering the market. It was necessary to analyze the current situation in detail, which is why we had to rely on the last report made by Life Fitness, 'El Mercado del fitness en España: tendencias y situación del sector'.

In this report an in-depth analysis is made of the market context, the evolution of the clients, the necessary investment, the trends, etc. This brings great value to the project, since we have a perspective of the current situation with the help of a great connoisseur of the sector such as 'Life Fitness', a company dedicated to health and sports.

Once the current trends are known, as well as all the necessary resources, action is taken. The strong point that has to carry out the implementation of MOVIO is the location. The new concept that will be imposed when creating MOVIO will bring novelty, innovation, trends and well-being. All this must be done in a place where success is achieved through the trust placed by the clients.

To do this, firstly, a first selection is made on the most optimal area for locating MOVIO. The members of this group have had a first idea about the most favorable place to open the first place. We all know Madrid in depth, so we have come to the decision that due to the features and services that MOVIO offers, the center of Madrid must be the place where MOVIO is inaugurated.

Since this location covers a very large area, it is more concrete deciding that the neighborhood of Chueca is a very appropriate site, because it is an area where many people pass, it is a fashionable area and the type of person who lives in this location is very concerned about your physical and health status.

This is where strategic alliances could be made with real estate banks, which offer different locations at very competitive prices. In addition, many of them promote entrepreneurship, especially young people who do not have many resources. An in-depth investigation is carried out to find the most appropriate location for MOVIO, finding the one that follows the most favorable option due to its architectural design, its price and, above all, its location.

In addition, due to the current trend that exists for the gym boutique, as mentioned in the study referenced by Life Fitness, MOVIO is committed to the strategic alliance with brands and suppliers of green, sustainable products, which are guided for their production by an economy circular. These products will be primarily deported (including clothing or accessories) and useful utilities (such as bottles or towels).

Another fundamental strategic alliance, with which the entry and development system of the activity is based, is Retail Experience. This company opened the first store without employees in Spain, a fact that will be transferred to MOVIO's health and welfare concept.



*Strategic Alliance (Business Idea & Technology)*

Once a first selection on the location of MOVIO is made, an in-depth analysis is conducted.

One of the main alliances that have been obtained for the realization of this work is ARGONGRA, a company that offers geographic information services. Through them, a study on the possible location of MOVIO can be developed.



*Strategic Alliance (Geographic Analysis)*

We have been able to make a report with relevant information to determine our idea as a viable minimum product.

The study contains the graphs of population pyramids in the chosen location and the population typology including the following parameters: the index of childhood, youth, adults and old age; the percentage of foreigners, the degree of accessibility in public or private transport, the index of leisure and tourism, the commercial concentration, the level of income, the floating population and the nearby establishments.

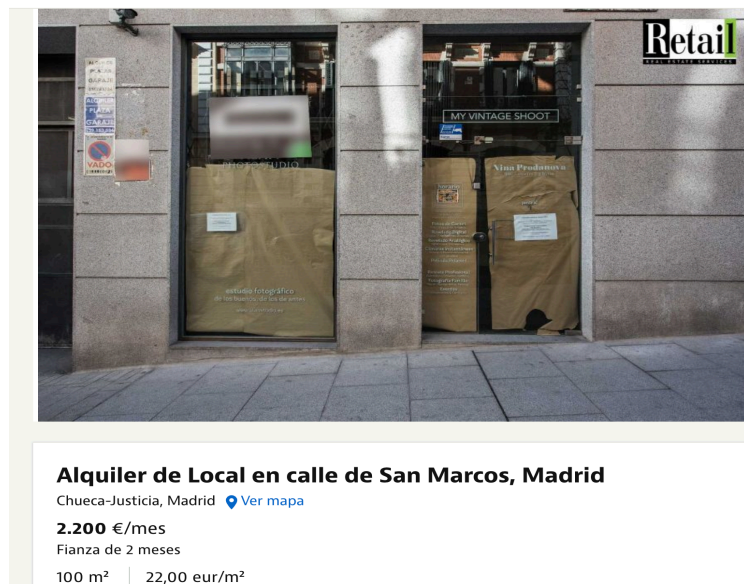
All the graphics obtained for the valuation of the idea of MOVIO implementation are presented at the end of this document. These data have been used to realize our minimum viable product, having a real test of the type of early adapter that is in the chosen location and thus the idea is valid. Once the characteristics of the location are known, the early adopter will be analyzed in detail. With the help of the geographic data provided by ARGONGRA, the characteristics of the people who are close to MOVIO's premises are obtained. A client profile is established with an age between 20 and 35 years, who study and/or work. These people have an interest in taking care of their personal image (this has been validated from surveys conducted). They also have a high knowledge of technology. They are influenced by the digital environment and want to feel attractive.

Due to the activity of each client throughout the day, a temporary situation of the early adopter that could have throughout the day is established. To do this, the following time zone is established with the corresponding clients:

00.00-06.00h	06.00-12.00h	12.00-18.00h	18.00-24.00h
Students	Students	Students	Students
Workers	Unemployed	Unemployed	Workers

*Customer's line of time*

Thanks to the geographical analysis carried out, it was concluded that the first location where MOVIO will be implemented will be in San Marcos Street, in a 100 m2 scape and with an architecture that is very suitable for all MOVIO activity.



*Local elected for the implementation of MOVIO*

At this point, the financial plan will also be made. All the investment necessary for the implementation of MOVIO is evaluated (including all the costs of the premises, equipment, services, maintenance, human resources, technological resources) as well as the estimations of the income received. All this is done with real data, comparing it with current companies established in Madrid and with characteristics similar to those offered by MOVIO.

Lastly, in this phase we investigate the regulations and / or regulatory requirements that are necessary to carry out MOVIO. All of them are included in the annex to this document.

In these first months the marketing plan will also be developed, fundamental axis for the MOVIO business. All the actions that will be carried out are explained in the corresponding section.

In this phase we have started to create profiles in social networks, as well as the content of email and web page. In addition, the logo will be designed with the aim of having a more cooperative image.



*Social Networks that has MOVIO*

On the other hand, competitors in nearby environments is an important point to consider. To do this, we investigate what each center offers, what kind of client they have, what their business strategy is, and what sets them apart.

In the section of the Marketing plan will be explained in depth how it has been carried out.

Parallel to all these activities a technological infrastructure will be developed. This includes different tools that are essential for attracting customers, since through the website is how classes are reserved. In addition, a chatbot is developed through the IBM Watson platform in order to help customers with any questions or queries they may have. The development of an App will also be carried out, with the same format as the web page, which will allow any person at any time and place to reserve the classes and / or see any other relevant information.

The entry system to the local of MOVIO will be the same as the one that has TuDecora in your local, an electronic lock that allows customers to enter the establishment from a provided code.



*Entrance system to the establishment*

#### **4.7. Phase 1. 0-1 year**

Once the first semester is over and seeing the results obtained, the situation will be evaluated with a clear objective. It will provide better service to customers, improving infrastructure (technology, services, personnel) with the requirements of clients. The early adopter will be better known, which will lead to MOVIO adapting to your needs. There will be a greater variety of products and a greater number of people will be reached through the recommendations of the clients.

All the results achieved will be used to make more strategic alliances with different brands wanted by MOVIO users.

#### **4.8. Phase 2. More than 1 year**

When it was published the first year since the MOVIO implementation, it was intended to expand the business to more locations, as the long work of this has been launched, the main feature of MOVIO is capillarity. It is intended to make a franchiseable model, with characteristics and requirements established for the opening of new establishments. All this will be achieved with the results obtained so far.

They will be located in strategic points, with a binding population that could be the first to adopt. For this you have to take into account that MOVIO services are not more than 5 minutes away. And of course the location of the competitors will be taken into account.

## 5. Financial Plan

The MOVIO Company has prepared the following financial statements for a two years' period. Income Statement, Balance Sheet and Cash Flow Statement. Also included under the Financial Plan is a Ratio Analysis.

The forecasted financial statements assume the initial phase will begin June 1. In July, MOVIO will begin its operations. The fiscal year end has been set for June 30 so that a full year of operations can be shown each year for the two-year forecasted period.

As you will see when reading the financial statement, MOVIO Company requires an initial investment of 75.000€ that will be used to buy the required machines, equip our business and to provide us with enough liquidity in the initial months of operations. We have calculated that the cost of renovation will be around 48.000€.

Fixtures and Fittings	5,265.0
Machinery	7,500.0
Furniture	2,000.0
Hardware	6,650.0
Sound System	1,500.0
<b>Total</b>	<b>22,915.0</b>
<b>Professional Services</b>	<b>25,500.0</b>
<b>Total Investment</b>	<b>48,415.0</b>

As the owners we will invest 3.000€ each, amounting to a total of 15.000 while the remaining 60.000€ will be a bank loan from Banco Santander. Payment of the loan will be on a monthly basis at a 6.8% interest rate over a 5 years period.

The cash, appearing on the cash flow statement remains positive throughout the three-year projected period. Due to the projected surplus of cash, the financial statements show full repayment of the external financing by the end of the first year of operating. As a result, the company will now longer have long term debt appearing on the balance.

The Breakeven point in the first year of operation is 99.907€. The financial projections anticipate breakeven point will decrease in the following years.

Projections show the company will have net earnings of 1.311€ at the end of its first year in operations. Earning projections for the second year are expected to be 152.539€.

At the end of the first year, we expect to reach an average of 800 customers per month, resulting in a return of investment of 8,05%.

### 5.1. Forecasted Income Statements

This first statement of our financial plan is an anticipation of our revenues and expenses over a two years period.

	Ending June 2020		Ending June 2021	
	Euros	%	Euros	%
<b>Total Revenue from Sales</b>	<b>99.907,2</b>	<b>100,0%</b>	<b>253.552,6</b>	<b>100,0%</b>
<b>Cost of Goods Sold (Variable Cost)</b>	<b>0,0</b>	<b>0,0%</b>	<b>0,0</b>	<b>0,0%</b>
<b>GROSS MARGIN</b>	<b>99.907,2</b>	<b>100,0%</b>	<b>253.552,6</b>	<b>100,0%</b>
Wages	11.454,0	11,5%	11.511,3	4,5%
Employee Benefits (Social Protection)	3.665,3	3,7%	3.683,6	1,5%
Utilities Expenses	6.000,0	6,0%	6.000,0	2,4%
Office Supplies	1.200,0	1,2%	1.200,0	0,5%
Marketing	7.200,0	7,2%	7.200,0	2,8%
Insurance Expenses	1.900,0	1,9%	1.900,0	0,7%
Professional Services	4.800,0	4,8%	4.800,0	1,9%
Repairs & Maintenance	1.200,0	1,2%	1.200,0	0,5%
Local Rent	26.400,0	26,4%	26.400,0	10,4%
Startup expenses	25.500,0	25,5%	0,0	0,0%
<b>EBITDA</b>	<b>10.588,0</b>	<b>10,6%</b>	<b>189.657,7</b>	<b>74,8%</b>
Amortization	4.003,0	4,0%	4.003,0	1,6%
<b>TOTAL OPERATING EXPENSES</b>	<b>93.322,3</b>	<b>93,4%</b>	<b>67.897,9</b>	<b>26,8%</b>
<b>Earnings Before Interest &amp; Taxes</b>	<b>6.585,0</b>	<b>6,6%</b>	<b>185.654,7</b>	<b>73,2%</b>
Financial Expenses	5.042,1	5,0%	6.196,5	2,4%
Financial Results	-5.042,1	-5,0%	-6.196,5	-2,4%
<b>Earnings Before Taxes</b>	<b>1.542,8</b>	<b>1,5%</b>	<b>179.458,2</b>	<b>70,8%</b>
Taxes	231,4	0,2%	26.918,7	10,6%
<b>Net Income</b>	<b>1.311,4</b>	<b>1,3%</b>	<b>152.539,5</b>	<b>60,2%</b>

As you can see detailed in the table above, we will end the first fiscal year with a total revenue of 99.907€. It is also important to note that the two most important expenses are local rent (26.400€) and other expenses related with the launching of the startup (25.500€).

The net income in June 2020 is 1.311€.

After the first year, we will end in June 2021 with a net income of 152.539€ as a result of a decrease in operating expenses related with the launching of the startup and a substantial increase in sales.

## 5.2. Forecasted Balance Sheets

As explained at the beginning of the financial plan, fixed assets are composed of the initial investment expenditure, such as the needed machinery and furniture, as well as the startup setting up expenditure. Current assets comprise tax payments on account and VAT refundable.

On the other hand, liabilities and equity are the owner's investment and the 60.000€ loan requested.

It is important to mention that as we amortize our fixed assets and increase our cash reserves assets percentage will shift towards current assets. In the same way, as we pay our loan and net incomes are added to shareholder's equity, the weight of our liabilities will decrease substantially.

	July 2019		June 2020		June 2021	
	Euros	%	Euros	%	Euros	%
Fixed Assets	48.415,0	64,6%	18.912,0	27,3%	14.909,0	6,0%
Current Assets	26.585,0	35,4%	50.250,7	72,7%	232.019,7	94,0%
<b>TOTAL ASSETS</b>	<b>75.000,0</b>	<b>100,0%</b>	<b>69.162,7</b>	<b>100,0%</b>	<b>246.928,7</b>	<b>100,0%</b>
Shareholder's Equity	15.000,0	20,0%	16.311,4	23,6%	168.850,9	68,4%
Non-current Liabilities	60.000,0	80,0%	40.304,6	58,3%	28.492,0	11,5%
Current Liabilities	0,0	0,0%	12.546,7	18,1%	49.585,8	20,1%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>75.000,0</b>	<b>100,0%</b>	<b>69.162,7</b>	<b>100,0%</b>	<b>246.928,7</b>	<b>100,0%</b>

### 5.3. Forecasted Cash Flow Statements

Following is a summary of MOVIO Cash Flow Statements in the first year of operation. Note that the Burn Rate will remain negative until the end of 2019, so we will rely on our partner's initial contribution over these months.

As Cash Outflow remains steady, Total Sales will increase in the second year, resulting in a healthier Cash Flow Balance in the following fiscal years that we can invest in launching more MOVIO boutiques.

Concept	July	August	September	October	November	December	January	February	March	April	May	June
<b>Opening Balance</b>	<b>16.417,9</b>	<b>12.121,0</b>	<b>8.467,8</b>	<b>4.650,5</b>	<b>1.565,9</b>	<b>92,7</b>	<b>54,7</b>	<b>1.524,5</b>	<b>4.677,3</b>	<b>10.422,0</b>	<b>19.120,1</b>	<b>32.154,3</b>
Total Sales	2.196,2	2.745,2	3.431,5	4.460,9	5.799,2	7.249,0	9.061,3	10.472,1	13.090,1	16.362,6	20.453,2	25.566,6
IRPF Retentions	95,5	95,5	95,5	95,5	95,5	95,5	95,5	95,5	95,5	95,5	95,5	95,5
<b>Net Cash Inflow</b>	<b>2.291,6</b>	<b>2.840,6</b>	<b>3.526,9</b>	<b>4.556,4</b>	<b>5.894,7</b>	<b>7.344,5</b>	<b>9.156,7</b>	<b>10.567,5</b>	<b>13.185,5</b>	<b>16.458,0</b>	<b>20.548,7</b>	<b>25.662,0</b>
Wages	954,5	954,5	954,5	954,5	954,5	954,5	954,5	954,5	954,5	954,5	954,5	954,5
Employee Benefits (Social Protection)	305,4	305,4	305,4	305,4	305,4	305,4	305,4	305,4	305,4	305,4	305,4	305,4
Utilities Expenses	500,0	500,0	500,0	500,0	500,0	500,0	500,0	500,0	500,0	500,0	500,0	500,0
Office Supplies	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Marketing	600,0	600,0	600,0	600,0	600,0	600,0	600,0	600,0	600,0	600,0	600,0	600,0
Insurance Expenses	250,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0	150,0
Professional Services	400,0	400,0	400,0	400,0	400,0	400,0	400,0	400,0	400,0	400,0	400,0	400,0
Repairs & Maintenance	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Leasing & Royalties	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0	2.200,0
Financial Expenses	359,5	365,0	371,8	377,4	386,0	395,7	409,0	418,2	439,5	467,3	503,3	549,5
Repayment of Capital and Interest of Loans	0,0	0,0	843,5	848,3	853,0	857,8	862,6	867,5	872,4	877,3	882,2	887,2
VAT Granted	819,0	819,0	819,0	819,0	819,0	819,0	819,0	819,0	819,0	819,0	819,0	819,0
<b>Total Cash Outflow</b>	<b>6.588,4</b>	<b>6.493,9</b>	<b>7.344,3</b>	<b>7.354,6</b>	<b>7.367,9</b>	<b>7.382,4</b>	<b>7.400,6</b>	<b>7.414,7</b>	<b>7.440,8</b>	<b>7.473,6</b>	<b>7.514,5</b>	<b>7.565,6</b>
<b>VAT Accounting</b>				-11.171,0			-10.589,2			-7.384,3		
<b>IRPF Accounting</b>				286,4			286,4			286,4		
<b>Burn Rate</b>	<b>-4.296,8</b>	<b>-3.653,3</b>	<b>-3.817,3</b>	<b>-3.084,5</b>	<b>-1.473,3</b>	<b>-38,0</b>	<b>1.469,8</b>	<b>3.152,8</b>	<b>5.744,7</b>	<b>8.698,1</b>	<b>13.034,2</b>	<b>18.096,4</b>
<b>Ending Cash Balance</b>	<b>12.121,0</b>	<b>8.467,8</b>	<b>4.650,5</b>	<b>1.565,9</b>	<b>92,7</b>	<b>54,7</b>	<b>1.524,5</b>	<b>4.677,3</b>	<b>10.422,0</b>	<b>19.120,1</b>	<b>32.154,3</b>	<b>50.250,7</b>

#### 5.4. Ratio Analysis

We expect sales to increase over the first year while cost will remain steady, resulting in an increase in profits at the end of the second fiscal year. In particular, we expect an increase in the Return of Equity from 8,04% to 90,34% as well as a Return of Investment increase, reaching 75,19% at the end of the second year.

Profit	Formulas	2019/2020	2020/2021
1. ROE (Return On Equity)	Net income / Shareholder's Equity	8,04%	90,34%
2. ROI (Return On Investment)	(Current Value of Investment - Cost of Investment) / Cost of Investment	9,52%	75,19%

We will also have positive solvency ratios. Although the initial investment will be funded almost entirely by a loan, the ratio Loan/Equity will be decreasing as we amortize the 60.000€ lent and increase our Cash balance, improving our ability to meet our obligations in the long and short term.

Solvency	Formulas	2019/2020	2020/2021
1. Solvency	Total Assets / Total Liabilities	1,31	3,16
2. Acid Test	(Cash + Account Receivable) / Current Liabilities	4,01	4,68

Borrowing	Formulas	2019/2020	2020/2021
1. Debt	Total Liabilities / (Total Liabilities + Equity)	76,42%	31,62%
2. Debt Quality	Current Liabilities / Total Liabilities	76,26%	36,49%
3. Debt-Service Coverage Ratio	Net Operating Income / Total Debt	10,35%	100,00%

## 6. Conclusions

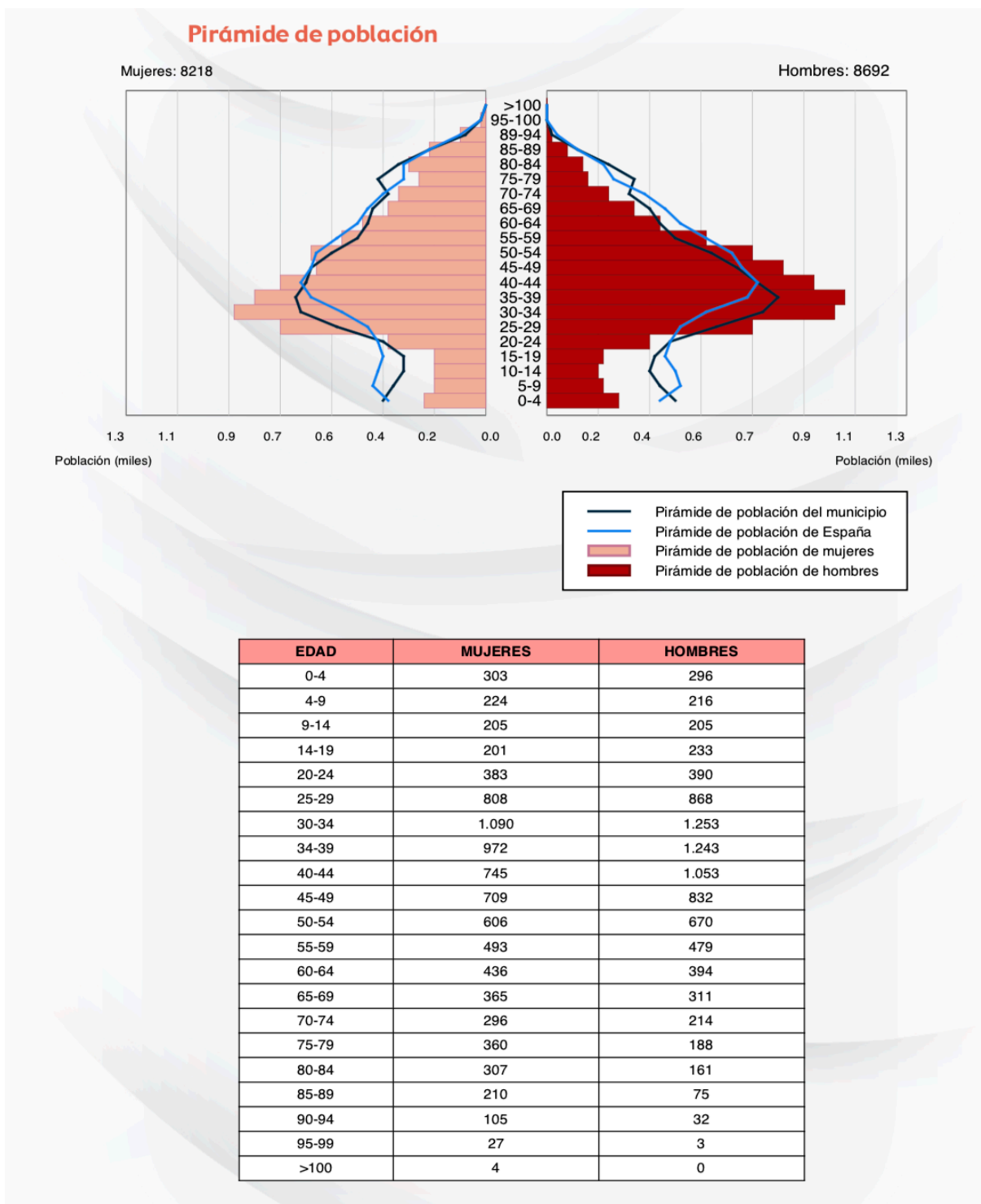
As it has been analyzed during this Project, there is an attractive investment opportunity in both wellness and sustainable sectors. MOVIO is the first company in Spain that combines both trends into a brand new and profitable business model. In particular, it is the evolution of the specialization in the world of sport, providing an indoor walking experience.

Our business model is basically characterized by the possibility of touching and trying the sustainable products that we sell both online and in our establishments. Moreover, MOVIO is the pioneer company in offering an extensive network of autonomous wellness centers.

Finally, MOVIO's business plan is based mainly in having low and fixed costs. This, combined with an aggressive marketing strategy, makes MOVIO a business with a practically limitless growth potential that will yield benefits prior to the first year-end of operation.

## 7. Appendix

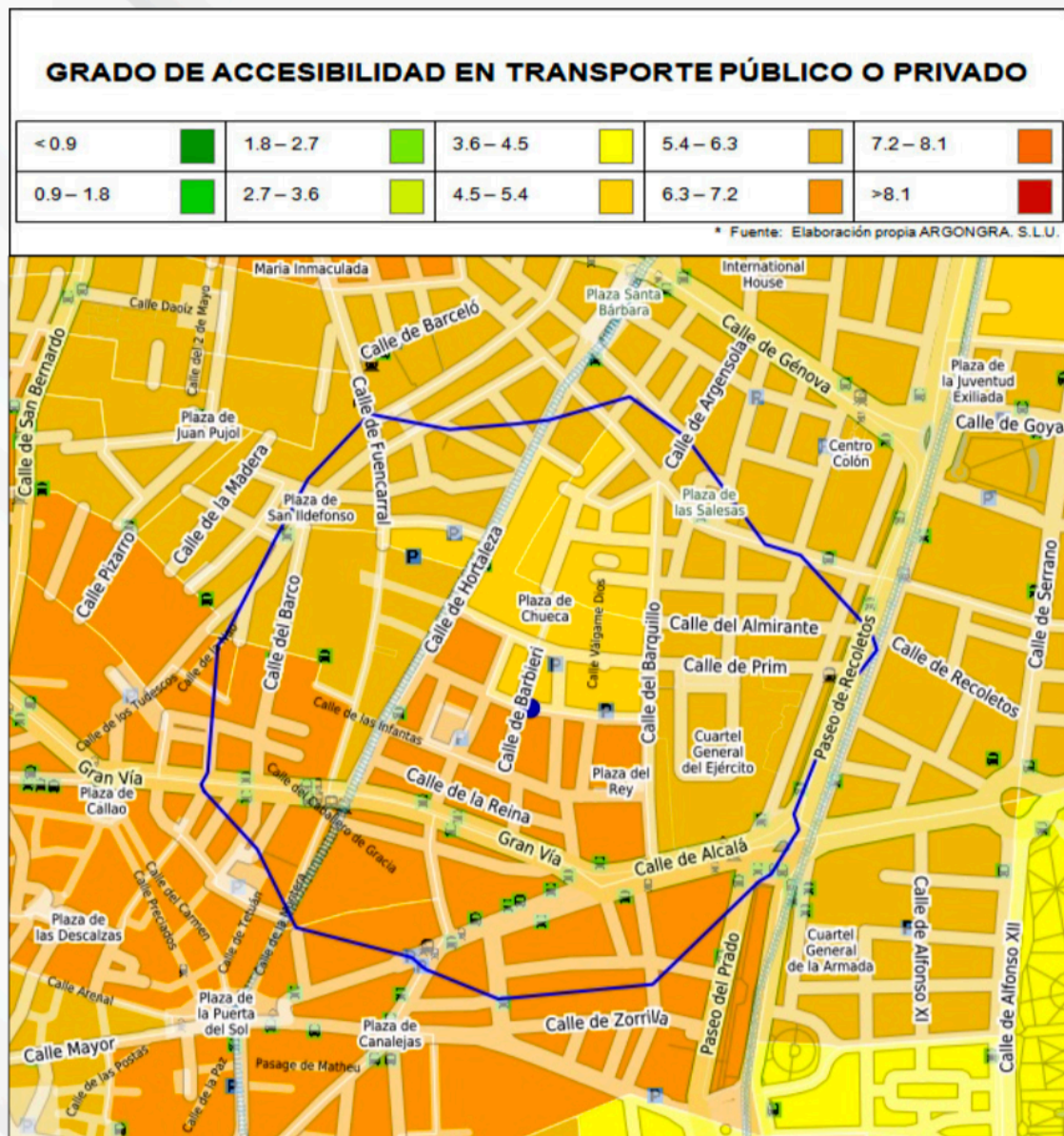
### 7.1. Location study



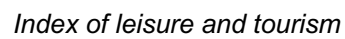
Population pyramid of the chosen location (Street San Marcos)

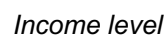
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### Typology of the population

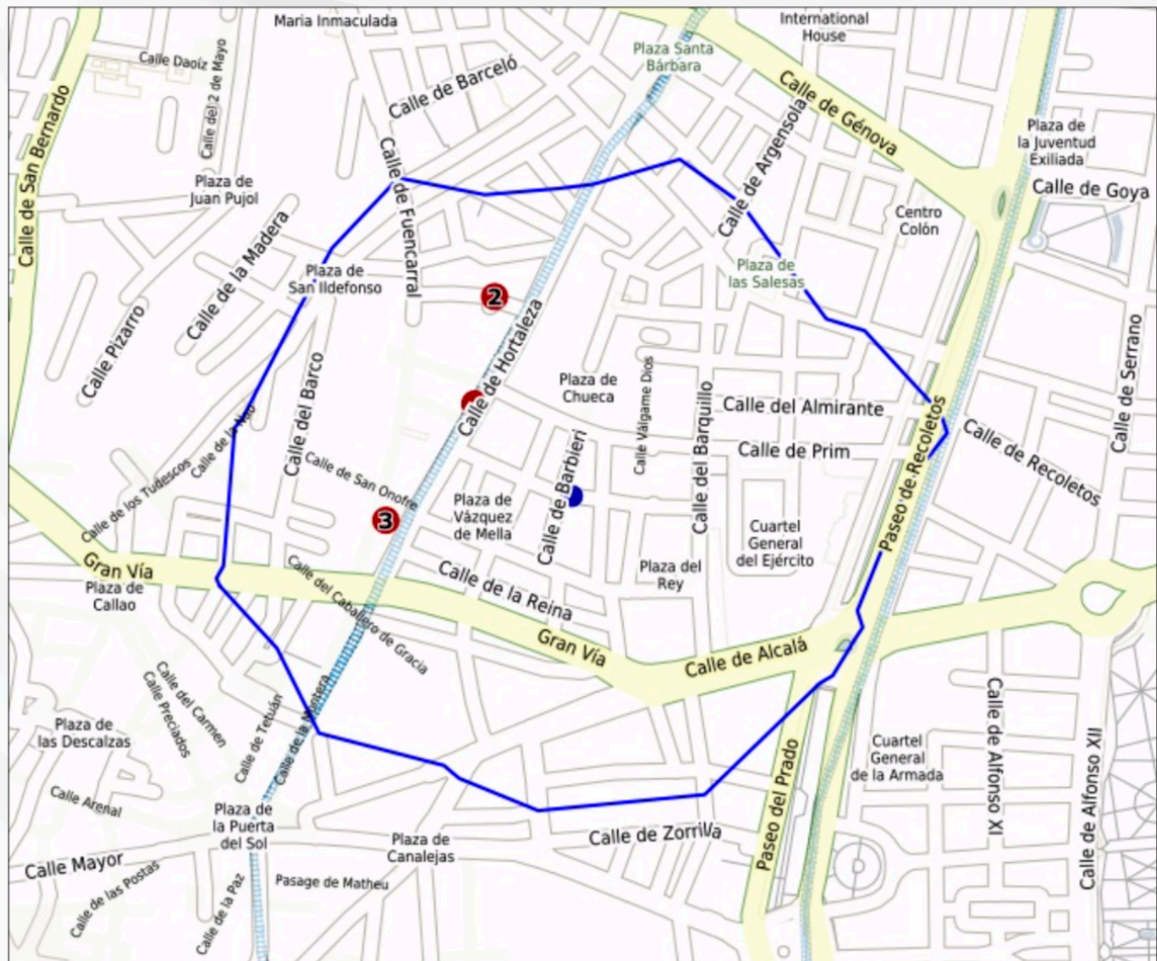


*Accessibility in public or private transport*





## Establecimientos cercanos



Lugar	Nombre	Distancia (m)
1	Brooklyn Fitboxing Gran Vía	197
2	Centro Deportivo Municipal Escuelas de San Antón	315
3	McFIT España, S.L.U.	276

*Nearby establishments*

Tabla resumen

Habitantes	16.911		
Tipología de la población	Población similar a la media nacional		
Población flotante	58.666 trabajadores		
Variable	Zona de influencia	Municipio	Nacional
Índice de infancia (0-14 años)	0,55 (1,449)	0,91	1 (15 %)
Índice de juventud (15-24 años)	0,65 (1,207)	0,90	1 (10 %)
Índice de adultos 1 (25-34 años)	1,46 (4,019)	1,04	1 (15 %)
Índice de adultos 2 (35-44 años)	1,30 (4,013)	1,02	1 (17 %)
Índice de adultos 3 (45-54 años)	1,08 (2,817)	1,00	1 (15 %)
Índice de adultos 4 (55-64 años)	0,92 (1,801)	0,96	1 (11 %)
Índice de adultos 5 (65-74 años)	0,83 (1,186)	1,05	1 (8 %)
Índice de vejez (+75 años)	1,06 (1,472)	1,21	1 (13 %)
Tamaño de la familia	2,02	2,50	2,55
Nivel de estudios	7,39	6,12	5,20
Porcentaje de casados	30,18 %	41,30 %	46,12 %
Tamaño medio de la vivienda	127,74	105,81	141,53
Porcentaje de extranjeros	33,28 %	15,52 %	12,14 %
Índice de Accesibilidad	6,28	5,09	1,13
Índice Comercial	7,78	3,54	1,27
Índice de Ocio y Turismo	9,23	5,29	1,32
Nivel de renta	4,04	3,00	2,00

Summary table

## 7.2. Legislation

The legal business structures in Spain are the follow:

- Sole Trader or Sole Proprietor (Empresario Individual or Autónomo)
- Comunidad de Bienes (C.B.)
- Partnership (Sociedad Civil)
- Public Limited Company or Corporation (Sociedad Anónima or S.A.)
- Limited Liability Company (Sociedad de Responsabilidad Limitada, S.R.L., or S.L.)
- New Enterprise Limited Company (Sociedad Limitada Nueva Empresa)
- Worker-Owned Company (Sociedad Laboral)
- General Partnership (Sociedad Colectiva)
- Cooperative (Sociedad Cooperativa)
- Limited Partnership (Sociedad Comanditaria)

### **Madrid**

- Secure licenses and permits from the respective municipal and regional governments are needed. These requirements depend on the “Ayuntamiento local” and “Comunidad Autónoma”.
- In the city of Madrid a license (licencia urbanística) must be obtained if you intend to build, change, renovate or demolish anything (interior or exterior) where you will conduct your business. License fees are variable: current fees in Madrid range from €50 to upwards of €1,500.
- The opening license (licencia de apertura), may include the submission of floor plans indicating all installations or an official “Proyecto Técnico” that details for example what is the market rate for the equipment among other documents.
- In Madrid is also required to register the property at the “Registro de la Propiedad Inmobiliaria” if the location where the business is going to be set up has been bought.
- On a regional level in the Comunidad de Madrid, certain business activities are required to obtain activity-specific licenses and in some of them a fee has to be paid.

- The Value Added Tax on goods and services (Impuesto sobre el Valor Añadido, IVA) also has to be taken into account. It ranges from 4-16%. The tax rules are governed by different plans depending on what a business is.
- For labour and Social Security inspectors a “Visitors Book” (Libro de Visita) is also needed; it has to be available at all times. It is acquired from “Dirección Provincial del Ministerio de Trabajo y Asuntos Sociales”.

**Spain:**

Resolución de 11 de febrero de 2019, de la Dirección General de Trabajo, por la que se registran y publican las tablas salariales para el año 2019 del IV Convenio colectivo estatal de instalaciones deportivas y gimnasios.

**Community:**

EU’s Service Directive (Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market) “facilitates the establishment of a business in a Member State. This concerns cases in which a legal or a natural person intends to establish in another country. But it also benefits to providers who want to establish in their own Member State, as they will take advantage of simplified rules and procedures.” Its aim is to regulate and simplify the setting up of service businesses and the cross-border service provision. It is based on the principles of freedom of establishment and freedom to provide services, but there are some very specific obligations for Member States to simplify procedures and formalities.