

## **IntelliGym Executive Summary**

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IntelliGym is a new business venture proposed by a group of electrical engineering seniors from Bradley University in Peoria, IL. The goal of the venture is to provide a cost-effective hi-tech fitness center for the busy urban professional. This plan seeks the funding needed to generate a successful business venture that combines a fitness center franchise and state of the art electronic and information technology.

The defining benefits of IntelliGym are Virtual Private Trainers (VPT), use of Radio Frequency Identification (RFID) tags, online scheduling and progress review, and wireless technology. The VPT will be developed using consultants and will give recommendations to the gym members to help them reach their physical fitness goals. The users will customize their schedule using this software and then receive RFID tags. These tags will allow each machine to identify the users and record their progress on the IntelliGym servers. The users can access and change this information as well as their scheduled workout routines at will from home or at the gym. The interface of the IntelliGym network to the wireless communication infrastructure is a unique and important characteristic of the venture. It will allow users to readily monitor the status of the facility, to reserve times, and to be reminded of their workouts. These key features of the gym will allow the company to update efficiently in response to market demands because most alterations to the system will be software modifications. In addition, the group is acquiring primary market data via a questionnaire sent out to potential gym users to refine the feature set. This has already been helpful in determining some of the gym's characteristics.

The market for IntelliGym will be college-educated professionals of all ages. Individuals in this demographic will be attracted to IntelliGym over other gyms by the VPT, efficient scheduling of workouts, and easy access to workout statistics based on their customized workout routines.

An existing competitor is MyTrack, which offers electronic upgrades to existing equipment that gyms can purchase. These upgrades involve the display of a few pieces of information in real time for the user of the machine. The advantage of IntelliGym is

that it will integrate sensors, electronics, networking, and proprietary workout equipment into a superior workout experience by supplying significantly more data.

The endeavor will be split up into two phases. During the first phase, the focus for IntelliGym will be product design and integration as well as the establishment of a manufacturing and distribution chain. The plan is to launch 10 gyms in major Midwestern metropolitan areas. Phase two of the endeavor will be to move to a franchising model within 3-5 years of startup and sell hi-tech workout equipment to the growing rehabilitation market. The management team will consist of a CEO with a strong business background, a Chief Engineer to coordinate the research and development team, a Chief Marketing Executive to lead the marketing and advertising group, and a Chief Financial Officer to ensure efficient use of resources. The management team will also employ a medical consulting team to assist in developing the VPT and verifying the safety of the equipment and accuracy of the feedback.

In the first phase of the venture, the primary source of revenue will be membership fees. Due to the innovative use of information technology, users will be able to choose a pricing schedule that fits their workout plans and lifestyle. Several pricing models were investigated that take into account costs and revenue. The results indicate break even with a modest number of members within the first 18 months. The startup cost for each gym is estimated at \$50,000 for equipment and each gym will have fixed costs of about \$75,000 per quarter.

Through the innovative integration of technology into the emerging circuit gym trend, IntelliGym offers members an unprecedented level of feedback and automation in their customized workouts. The unique workout experience will attract customers over the more traditional competitors and quickly turn IntelliGym into a successful business venture.