

Five Things to Think About When Opening a Studio



Al Harrison

As Director of Balanced Body University, Al Harrison brings a wealth of knowledge in business, technology and healing to the Pilates community. In addition to his 15 years experience as an Electrical Engineer, Al studied and practiced Acupuncture and Chinese Medicine in California. Currently Al spends his time helping to create businesses that understand how to balance the mission and the money. Al has an Engineering Degree from Rensselaer Polytechnic Institute (RPI), a MS in Tradition Chinese Medicine (TCM), and an MBA from St. Mary's College in Orinda.

By Al Harrison

You're a certified Pilates instructor. Your clients love you. You feel you have the talent and drive to open your own Pilates studio. Good for you! Now comes the fun part – actually doing it. What many Pilates professionals find most challenging when they open their own business, is that running a Pilates studio is a completely different mind and skill set than just teaching Pilates.

Opening a Pilates studio can be extremely rewarding and profitable. But like any other small business, a great deal must be accomplished before, during and after your launch. This space doesn't allow an exhaustive review, but here are five basic yet essential things you should do to prepare.

1. Write a Business Plan

This is your blueprint for success, and the rest of the items mentioned in this article should be considered components within this plan. How much will it cost to start your business? What kind of markets will you pursue? When and where will you hire additional instructors? What timeframe do you give yourself to become profitable? What will your marketing plan entail? How do you want to brand yourself? These are just some of the questions for which you need thorough answers. In fact, many studio owners have said they started their plans as early as a year before opening their doors.

A business plan can be a daunting challenge, but it is absolutely critical. Forcing yourself to thoughtfully address all the questions it brings up is where much of the value of a business plan lies. If done properly it will give you a great foundation from which to work. And you don't have to do this without help. Lots of software programs and books are out there to help you to create a fully structured plan. (See "Additional Resources.")

2. Create a Business Model

How will you run your Pilates studio? Do you want to offer classes, privates or both? How much will you charge? Will you have partners? Employees? Each model has its own unique advantages and disadvantages. The financial scenarios you create for your business plan financials should reflect your desired business model.

3. Know Your Total Start-up Costs

Mention “start-up costs” to many aspiring Pilates studio owners, and most think of leasing fees and capital equipment. That’s true, but there’s a lot more you’ll need to budget for, especially at the onset of your business:

- Opening your checking account
- Telephone installation
- Equipment
- Office supplies
- Computers
- Supplies
- Stationary & business cards
- Marketing
- Furniture & fixtures
- Legal & professional fees
- Insurance
- Utility deposits
- Licenses & permits
- Professional society membership

In addition to start-up costs, you need to prepare a budget that estimates your monthly income and expenses. Unless you’re a financial whiz this is one area you don’t necessarily want to mess with. Hiring an accountant for a monthly fee to manage your budget, start-up and monthly costs, as well as to help you understand the latest tax laws, will help take the pressure off. It is also a good idea to have your accountant read your business plan. He or she can make sure all your numbers are sound, and that your timeframe to profitability is realistic.

4. Consult an Attorney

From liability to leasing, legal issues abound when opening a studio. An initial meeting with an attorney is not only smart, it is imperative, particularly since this is a business where an injury could occur. Is it your fault if someone slips on a Reformer and is hurt? It depends. An attorney can help with the terms of your lease, and in getting properly insured. It is money well spent.

5. Market Your Program

How will customers find you? Will clients follow you from your last job? Perhaps, but that depends on how you left your previous position. An essential part of your overall business plan, your marketing plan should provide a concrete roadmap of how you will capture new business and retain existing customers. Two important things to consider within your marketing plan are positioning and tactics.

a. Positioning

Your positioning strategy evolves from understanding who your key target market is, what services you will offer, and how you’ll differentiate yourself from competitors. It’s a guide that will help you tell your potential clients why you are unique, and why they should become patrons. Will you compete based on lower prices? Or offer unique value-added services? Answers to these questions help you craft a positioning strategy that can guide you in making decisions. For instance, if you decide to market predominantly to women, then you may choose to lease a space close to a shopping center, or another area women are known to frequent.

b. Tactics

Tactics are the activities you’ll undertake to promote your business. Many potential studio owners don’t have a big budget for elaborate advertising campaigns, but there are inexpensive ways to effectively market your studio. One is creating fliers to handout to local residents, with a special promotion to get people in the studio (for example, get your first lesson free). Another is simply networking with the local businesses. This has been a big key to success with many of our customers. For more information, refer to the “Art of Networking” article in our Pilates Marketeer section.

Additional Resources

Software

Business Plan Pro
Palo Alto Software
www.paloalto.com

Books

Pilates Space: The Workbook for Inspired Entrepreneurs
by Nicola Conraths-Lange
www.pilates.com

Nolo Press
Legal Guide for Starting and Running a Small Business
by Attorney Fred S. Steingold
www.nolo.com