

Video Lecture 10 *(with slides)*

What Makes a Successful Business

Fitness in Business

LECTURE

10

Hello, and welcome to Video 10

What Makes a Successful Business

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So what makes a successful business? Throughout this video, we're just going to be looking at some points. Some of them might be considered to be obvious and straightforward, and you might think, yeah, that makes complete sense.

However, if you watch any programme on national TV, when it comes to shows such as the Dragons' Den on the BBC, or any business-orientated programmes, often those people that don't get the investments, who don't win, have usually been biased in their decisions one way or another. They've either not done their market research correctly or ignored what the data has told them. They've been biased towards an idea and not been willing to be flexible or to adapt and change or done any sort of forecasting as well.

Really be conscious about some of the points that we're putting across. Think about: if our market isn't effective, why? Think about not having too much bias and investment in an idea if it's not working, and really try to be as transparent as we can with our business decisions.

If we're thinking about what can make a business successful, you've got to think about:

- the demand of the product, demand of the service. It's one of those concepts. I think if you walked into any public shop, restaurant, pub, whatever it might be, where there's a large gathering of people, and asked how many people in that room wanted to get fitter and healthier, I think you'd get 90% of the people putting their hand up. Then, if you said to them,

"Who's willing to give me £40 an hour, three times a week for the next 10 weeks?",

immediately you're going to have hands drop down. So what's gone wrong with that initial message from the data capture that we know people want to fitter and healthier, to then the engagement into what we're doing? There is a demand but there can be a bit of a disconnect between the demand and the next step.

- We've got to think about the competence of the person or the people running the business. If you

are not a very experienced person, that's okay. Then you've got to think about how are you going to network, who are you going to speak to? What influencers are you going to get?

- Does the business make money? And if it's not making substantial money, why not? How can you make it more efficient and more successful? That has to be a real indicator as whether it's got aspects to grow.
- Has the business got potential to grow? We've really got to be quite critical about the health and fitness industry. Think- it's been a growing business, with great strides ever since maybe the 1970s, but the obesity crisis in the UK and across the world is growing as well. That means that there's definitely potential to grow, but in what direction is what you have to think about.
- Is the customer happy enough with the products and service that they're receiving to make them come back again and again? When we talk about your own learning experience and we are talking about the teaching that has taken place, week in, week out, at your particular centre, one thing that we should look at, and one thing you may have noticed, is that we don't do pass/merit distinction, pass/fail grades.

You should be judging yourself on the following criteria:

If you've just done a warmup or if you've just put together a programme, would you pay for it?

If you wouldn't pay for it, or if you are bored doing your sessions, or if you are bored in your day-to-day operations, then probably your clients are too. If you are not willing to pay for what you've just offered, nor is your client. So why make your client pay for something that you are not engaged in? That's got to be a real key indicator. If you wouldn't pay for that session you've just done, why would your client come back?

- Is your business achieving the targets and do you have a mission statement to try and keep you on track? Because you can get distracted and disoriented with new trends and certain new ideologies. So having a true core business value

is really important. Having that integrated in your mission statement will keep you on track. Are you fulfilling the remit of the business in the areas of operations? Is it reaching its targets? Have you set yourself targets, and how have you come about setting your targets? And if you are or are not meeting those, why?

Quite commonly, the things that make a successful business are:

- income,
- what profit, when we've taken off all our overheads,
- what growth that we may have,
- the sustainability,
- if our customers are satisfied,
- if we're setting and achieving targets
- and fulfilling the objectives, our remit, that we've put together.

Again, certain terminology that you have here:

- Income and profit, what we actually make after our overheads.
- Growth, whether or not we have a three-year business plan to a five-year to a 10-year.

Even when we've written those business plans, they're working documents so they can be altered, changed, and edited. Think about the sustainability, customer satisfaction. Achieving the targets there, with a little bit more information on those.

(Look at the final slides on the video)