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City of Saint Paul - DSI



BUSINESS PLAN FOR OPERATIONS

Take a Breath LLC, DBA HOTWORX

Condensed Version

9/16/2024 *[Signature]*

What is HOTWORX?

HOTWORX® is a virtually instructed exercise program created for users to experience the many benefits of infrared heat absorption, while completing a 30-minute isometric workout session and/or a 15-minute High Intensity Interval Training (HIIT) session. As the infrared heat penetrates your body causing you to sweat, the isometric postures further accelerate detoxification by physically removing the toxins from your organs through muscle contraction. The HIIT, high intensity interval training, provides an excellent resistance and cardio workout in a very short amount of time. The results our users achieve makes HOTWORX® the most efficient 15 or 30-minute workout program in the fitness industry today!

3-Dimensional Training (3D Training)

Most people workout in the traditional single dimension of exercise without any environmental considerations. When you add dimension to your workout, you will force your body to adapt to perform and you can expose your body to elements that will increase your physical effectiveness. So, if you could accelerate your results and decrease the amount of time that is necessary for the workout, then wouldn't that be important for clients as well as fitness center owners? For the client, it would mean greater results in less time. For the fitness entrepreneur, it would mean happier clients and more facility capacity due to less time that would be needed per workout.

HOTWORX® now introduces you to **3D Training**.

The Three-Dimensional Training method involves three elements: 1-heat, 2-infrared energy and 3-exercise. When these three elements, or dimensions are combined then fitness magic takes place.

- **Dimension 1- Heat**

When your core body temperature rises your metabolism speeds up. For every one degree Celsius (approximately 1.8 degrees Fahrenheit) increase in core temperature, your metabolism increases 10-13%. Another workout advantage is that warm ups take less time in a heated studio. Champion athletes practice heat acclimation to reach higher levels of conditioning. When your body acclimates to heat, there is an anabolic effect.

- **Dimension 2- Infrared Energy**

Infrared is not just an option for creating heat, Infrared is energy. Infrared energy has the effect of strengthening and activating the regenerative processes in the human body. Therefore, workouts in an infrared energy environment can help to accelerate workout recovery.

- **Dimension 3- Exercise**

Two forms of exercise work very well inside of the HOTWORX® infrared sauna, Isometrics and HIIT. With isometrics, various methods can be used such as yoga and Pilates. With HIIT (High Intensity Interval Training), a short 15-minute routine with a cycle or row will provide just the right amount of workout results when combined with heat and infrared energy.

Strategy and Implementation Summary

COMPETITIVE EDGE: The HOTWORX® competitive advantage can be defined and qualified by the following six items:

Originality: Patent and Copyrights

HOTWORX® maintains the most technologically advanced infrared sauna on the market today. The utility and design patented HOTWORX® unit was created as a 63-square foot, modular infrared sauna to allow for the first ever 30-minute, small group, hot exercise sessions within an infrared sauna. The screen inside the unit is equipped with our proprietary software and delivers a variety of HOTWORX® original, virtually instructed workout videos. Featured sessions include: Hot Iso, Hot Yoga, Hot Pilates, Hot Warrior, Hot Core, Hot Buns, Hot Barre None, Hot Bands, Hot Cycle, and Hot Blast.

Well-Trained & Educated Staff

All HOTWORX® studio franchisees and employees are required to complete the HOTWORX® University online training courses and successfully complete exams prior to starting. In addition to online training, each HOTWORX® franchisee & general manager are required to attend and complete a five-day on-site shadow training at an approved studio. A HOTWORX® Franchise Performance Coach will provide weekly coaching video calls with a focus on performance reviews and necessary education for the location with a focus on member service, sales, retention, and basic product and equipment knowledge. In addition, the studio will be shopped monthly by a 3rd party secret shop company either in person or by phone, with a detailed report provided to ensure quality and an overall positive experience for our members.

Chic, Alternative Environment

All components and aesthetics of each HOTWORX® studio location is designed, installed, and inspected by corporate departments and approved vendors. These inspections include a review of our location's welcoming staff and inviting trade dress. The overall purpose is to ensure a unique atmosphere for our studio that inspires all members.

Retail Products

Through our research and development team, HOTWORX® has created and maintains an array of branded apparel and fitness products. With the cooperation of leading vendors and HOTWORX's research and development team, HOTWORX® commits to the continued development of high quality products that will allow us to maintain our position as the hot exercise leader in the industry.

Consistency and Privacy of Service

Since our sessions are provided through a Virtual Instructor (VI) the member will be assured of receiving a consistent workout during each visit. The VI also brings a level of intimacy with a small group of three customers and with less intimidation during a session as compared to an old-fashioned "human-instructed" large group exercise class.

Better Value

Our sessions are significantly less expensive as compared to most boutique fitness studios. We employ a membership model for pricing and our premium membership (Sweat Everywhere) is priced at \$69/month which includes access to virtual workouts on demand via the HOTWORX app. Research has shown that the typical studio member would prefer to use studio sessions at least 4 times a week. The average service in a traditional studio costs \$25 per visit. With our \$59 per month unlimited "Sweat Here" membership, we provide a much better value to the member.

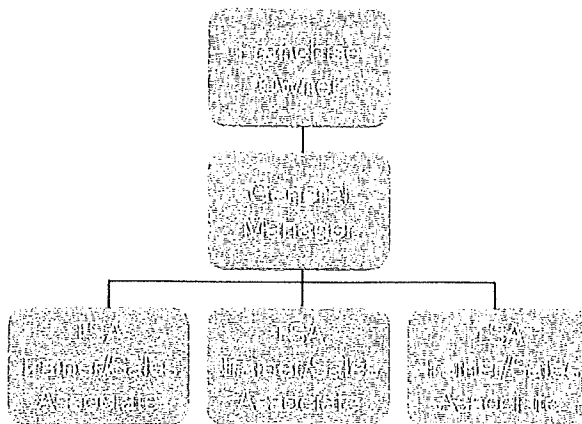
Management Summary

Natalia Gaston will be the studio General Manager (GM) and will be responsible for the day-to-day operations of the studio. Malik Davis will oversee the strategic marketing of the business to ensure sales and earnings projections are met and exceeded. Malik will also fill in as needed to staff location. In addition, Natalia Gaston will manage employees and will be accountable for daily production and sales goals. Natalia Gaston worked for almost seven years at Target. She started as an Executive Team Lead. As the Executive Team lead at Target, she was responsible for managing more than 50 employees and responsible for meeting store goal locally and notionally. She was also responsible for dealing with clients and customer service issues.

In addition to our Studio General Manager, we also plan to hire 2 trainer/sales associates, which will also have a clear job description. All staff will have a background in sales and will be held accountable for individual and store goal based performance.

Personnel Plan

HOTWORX 24/7 Studio Org. Chart



We plan to add one additional TSA (trainer/Sales Associate) as well as Malik Davis to be Assistant Manager to help staff day to day operations. We will have unto 6 staff members working 12 and 8 hours shifts to cover our 168 hours per week.

M. St Paul licensing Requirements

Hours of Operation / Training

Office hours

Monday - Thursday 11am-8pm

Friday 9am - 6pm

Saturday 11am-4pm

During office hours new members and guest are allowed to schedule appointments and sign up for memberships. Members will be allowed to bring a guest for their free trial. Staff members on duty will be trained to give advice on safe use and operation of equipment. Staff members on duty will shall have conformity with standards and guidelines established by the American Red Cross with respect to water safety instructors or by the American Heart Association for similar purposes. Staff members will also be trained and qualified in first aid, CPR and use of an AED.

Staffed hours - Non-Office hours

Monday - Thursday 12am - 11am and 8pm - 12am

Friday 12am - 9am and 6pm - 12am

Saturday 12am - 11am and 4pm - 12am

Sunday 12am -12am

During non-office hours staff will be onsite to assist with our current members only. No new members will be allowed to sign up or visit during non-office hours. Only current members will be able to access fitness studio through our security system.

Staff members on duty will be trained to give advice on safe use and operation of equipment. Staff members on duty shall have conformity with standards and guidelines established by the American Red Cross with respect to water safety instructors or by the American Heart Association for similar purposes. Staff members will also be trained and qualified in first aid, CPR and use of an AED.

Staff will be trained using our Hotworx University training portal. As well as following the guidance of our Personal Hotworx coach who we meet with 1 time per week. During this meeting we go over best practices, new training for equipment, customer service and other relevant trainings.

Access to Fitness studio

Access to the fitness studio will be done by a key pad or phone device registered to each member to not to be shared. Each member entrance will be recorded and matched to confirm authentication after office hours. During office hours staff will confirm membership. Confirmed devices shared with security system and approved the door will unlock and send a message to manager to inform them of members entrance. Non-members will only be able to access the space through scheduled tours, open houses or appointments during office hours.

Doors to Hotworx will always remain locked and will need to be opened by scanning in or staff opening door.

Safety Measures

We will monitor our 24 hour surveillance, share with police and city as needed and have open lines of communication with members about concerns and address them. We will make sure our equipment is in good working order, clean and safe for use. We will do our part with the broader community to help execute plans to help keep our community safe and clean. We will also work with the police department, building management and community councils to share information in the hopes to make our community safer.