

ZEBRA™ PRESENTS:

THE PROS AND CONS OF OPENING A NEW GYM VS. EXPANDING



To date, there are about **8,588** MA/MMA businesses in the US.



The industry employs about **56,893** people.¹



Annual growth in the MMA industry from 2008-2014 was **1.2%**, and it's expected to grow even faster through 2019.¹



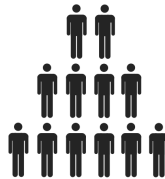
Given the current economic climate, **8%** of small businesses say now is a good time to expand.²

After conducting substantial research on our customers, we found that:

20% of them had outgrown their current facility

18% were moving or expanding on their current facility

2% were opening a second location



Among the two choices: opening a second location or expanding your current facility, there are numerous pros and cons.

Opening a New Gym



The ability to offer double the number of classes.



You can't be at both locations at once.



Companies with more locations are more recognizable and have a stronger reputation.



Initial investment in a new location is roughly \$300,000-\$600,000, and your utility bills, permits costs, etc. essentially double.



Expanding your gym's reach into new areas.



Potential of cannibalizing your own business (existing clients may go to your new location, reducing profits at your original location).



2x the locations doesn't always mean 2x the profits.

Expanding Current Location



It's less expensive than opening a second location - not only from a renovation standpoint, but from a staff and resources perspective, as well.



Not all buildings can accommodate expansions (due to physical limitations or zoning requirements).



You can offer more classes to your current students or increase your overall class size.



Renovations usually force you to close your gym for an extended period of time.



You can maintain a more personal relationship with your students.



Continued growth may inevitably force you to open a second location in the future.



Resources for New Business Owners

The Small Business Association
<https://www.sba.gov/managing-business/growing-your-business>

The Library of Congress' Entrepreneur's Reference Guide to Small Business Information
https://www.loc.gov/rr/business/guide/guide2_main.html

The National Federation of Independent Business
<http://www.nfib.com>

Sources

1. <http://www.ibisworld.com/industry/martial-arts-studios.html>
2. <http://www.nfib.com/assets/SBET-April-2016.pdf>