

Performed by Rebecca Brill, Mikhail Ba-Skabra,  
Damaris Juarez, Maria Kuleva

## Caseism.com

### Agenda

- THE CURRENT PROFIT FIGURES OF SLS
- SLS'S BREAK-EVEN POINT
- THE PROFITABILITY OF CONDUCTING EACH TYPE OF YOGA CLASS
- THE IMPLICATIONS OF THE ANALYSES ABOVE FOR SLS
- SENSITIVITY ANALYSES
- PLAN OF ACTION

### Caseism.com

#### THE CURRENT PROFIT FIGURES OF SLS

Year	Revenue	Variable Costs	Fixed Costs	Profit
2019	1,000,000	400,000	200,000	400,000
2020	1,200,000	480,000	200,000	520,000
2021	1,400,000	560,000	200,000	640,000
2022	1,600,000	640,000	200,000	760,000
2023	1,800,000	720,000	200,000	880,000
2024	2,000,000	800,000	200,000	1,000,000

- no profit in the first semester
- positive contribution
- decreasing losses

### Caseism.com

#### SLS'S BREAK-EVEN POINT

- 192 classes
- all variable and fixed costs will be covered with a revenue of 27210.42\$



### Caseism.com

#### THE PROFITABILITY OF CONDUCTING EACH TYPE OF YOGA CLASS

Class Type	Revenue	Variable Costs	Fixed Costs	Profit
Group and private classes	1000	400	200	400
Group classes	1000	300	200	500
Private classes	1000	100	200	700
Yoga certification	1000	100	100	800
Green energy	1000	100	100	800

- group and private classes will be more profitable
- group classes
- higher contribution
- private classes
- yoga certification
- all classes - positive gross margin

### Caseism.com

#### THE IMPLICATIONS OF THE ANALYSES ABOVE FOR SLS

- they should not close any classes as long as they make a contribution
- they have to run their business more stably



### Caseism.com

#### RESULTS OF SENSITIVITY ANALYSIS

**Sensitivity analysis based on different rental costs:**  
As long as revenues will be higher, a positive effect on the gross profit.

**Sensitivity analysis based on different variable costs:**  
Lower variable costs will lead to a higher gross profit.

**Sensitivity analysis based on different revenues:**  
As long as revenues are higher, the gross profit is positively affected.

### Caseism.com

#### PLAN OF ACTION

- increase revenue**
  - invest in advertising
  - increase prices
- lower fixed cost**
  - improve negotiating capacity
  - strengthen business relationships

### Caseism.com

**Ponce de Leon: Confidential Instructions  
for Donald Sanger, Chief Financial Officer,  
Panama Studios**

*Perfomed by Rebecca Böll, Mikhail Bu-Shakra,  
Damaris Juarez, Mariia Kuleva*

**Caseism.com**

# Agenda

- THE CURRENT PROFIT FIGURES OF SLS
- SLS'S BREAK-EVEN POINT
- THE PROFITABILITY OF CONDUCTING EACH TYPE OF YOGA CLASS
- THE IMPLICATIONS OF THE ANALYSES ABOVE FOR SLS
- SENSITIVITY ANALYSES
- PLAN OF ACTION

**Caseism.com**

# THE CURRENT PROFIT FIGURES OF SLS

## Contribution statement

	31.12.2012	31.01.2013	28.02.2013	31.03.2013	30.04.2013	31.05.2013
Revenue	3 870,00	14 080,00	12 435,00	19 400,00	20 487,00	25 188,00
- Variable costs	- 7 140,00	- 10 065,00	- 7 680,00	- 10 657,50	- 8 797,50	- 10 965,00
= <b>Contribution</b>	- 3 270,00	4 015,00	4 755,00	8 742,50	11 689,50	14 223,00
- Fixed cost	- 14 761,00	- 14 761,00	- 14 761,00	- 14 761,00	- 15 461,00	- 15 461,00
= <b>Profit</b>	- 18 031,00	- 10 746,00	- 10 006,00	- 6 018,50	- 3 771,50	- 1 238,00

- no profit in the first semester
- positive contribution
- decreasing losses

	31.12.2012	31.01.2013	28.02.2013	31.03.2013	30.04.2013	31.05.2013
<b>Revenue</b>						
Group	2 960,00	10 090,00	10 485,00	14 970,00	19 047,00	22 008,00
Private	910,00	2 730,00	1 950,00	4 290,00	1 300,00	2 340,00
Salt	-	1 260,00	-	140,00	140,00	840,00
<b>Total</b>	<b>3 870,00</b>	<b>14 080,00</b>	<b>12 435,00</b>	<b>19 400,00</b>	<b>20 487,00</b>	<b>25 188,00</b>

	31.12.2012	31.01.2013	28.02.2013	31.03.2013	30.04.2013	31.05.2013
<b>Variable costs</b>						
Salt Cave	-	225,00	-	37,50	37,50	225,00
Teachers	- 7 140,00	- 9 840,00	- 7 680,00	- 10 620,00	- 8 760,00	- 10 740,00
<b>Total</b>	<b>- 7 140,00</b>	<b>- 10 065,00</b>	<b>- 7 680,00</b>	<b>- 10 657,50</b>	<b>- 8 797,50</b>	<b>- 10 965,00</b>

	31.12.2012	31.01.2013	28.02.2013	31.03.2013	30.04.2013	31.05.2013
<b>Fixed costs</b>						
Rent (1900 x 5.89 Median)	- 11 191,00	- 11 191,00	- 11 191,00	- 11 191,00	- 11 191,00	- 11 191,00
Shared facilities	- 3 500,00	- 3 500,00	- 3 500,00	- 3 500,00	- 3 500,00	- 3 500,00
Software	- 70,00	- 70,00	- 70,00	- 70,00	- 70,00	- 70,00
Shuttle services	-	-	-	-	- 700,00	- 700,00
<b>Total</b>	<b>- 14 761,00</b>	<b>- 14 761,00</b>	<b>- 14 761,00</b>	<b>- 14 761,00</b>	<b>- 15 461,00</b>	<b>- 15 461,00</b>

# SLS'S BREAK-EVEN POINT

- 195 classes
- all variable and fixed costs will be covered with a revenue of 27'230.42\$



**Caseism.com**

# THE PROFITABILITY OF CONDUCTING EACH TYPE OF YOGA CLASS

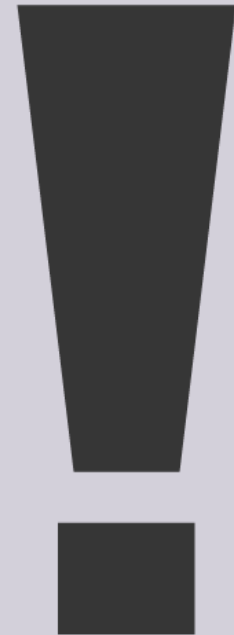
## Profitability

31.05.2013	Group class	Privat class	Salt class
Revenue	22 008,00	2 340,00	840,00
- Variable costs			
Salaries	- 9 300,00	- 1 080,00	- 360,00
Salt Cave			- 225,00
<b>= Contribution</b>	<b>12 708,00</b>	<b>1 260,00</b>	<b>255,00</b>
- Costs			
Rent	- 10 026,62	- 1 164,38	-
Shared facilities	- 3 030,73	- 351,96	- 117,32
Software	- 70,00		
Shuttle services	- 606,15	- 70,39	- 23,46
<b>= Profit</b>	<b>- 1 025,49</b>	<b>326,73</b>	<b>114,22</b>
Gross margin	-4,66%	-13,96%	13,60%

- group and private classes make losses
- group classes - highest contribution
- private classes - positive contribution
- salt classes - positive gross margin

# **THE IMPLICATIONS OF THE ANALYSES ABOVE FOR SLS**

- they should not close any classes as long as they make a contribution
- they have to run their business into viability



**Caseism.com**

# RESULTS OF SENSITIVITY ANALYSIS

## *Sensitivity analysis based on different rental costs:*

changes in rents will influence significantly the gross profit.

## *Sensitivity analysis based on different salt cave rental costs and different teachers' wages:*

small sensitivity.

## *Sensitivity analysis based on different revenues:*

it influences the gross profit intensively.



# PLAN OF ACTION

## *more revenue*

- invest in advertising
- increase prices

## *lower fixed cost*

## *improve running capacity*

## *reorganize human resources*

**Caseism.com**