
Core Fitness & Fitness Retreads

Core Fitness is a well-established company in United States of America providing fitness solutions and healthcare to the communities around the states. The company has been operating for nearly 35 years and has grown to a level where they are confident and solid towards further expansions. As a partnership of three colleagues, Core Fitness has been performing well in the industry thus far successfully. Terry Edward, the in-charge of procurements has made a worthy savings to the company by using his instinct to revamp the used equipment and re-selling them to individuals for their home set-up gyms. This marked the turning point of these partners to re-think about an opportunity that they can exploit in the field that they have been operating for 3 decades.

Terry's proposal led the initial company to new heights where they identified opportunities in revamping the used gym equipment and reselling them to other companies and a service provider to those companies as well. Any business tends to lead up the industry no sooner they start exploiting every possible opportunity and raising partnerships with competitors. In that case, Core Fitness has taken initiative to invest on the newly came idea from Terry Edward.

Evaluation of the proposals

The three partners, Terry, Sandy and Andy are very much enthusiastically involved in bringing up the fortune for the company which apparently the most uplifting boosting factor of this organization. The idea of Terry's to start the service providing facility to other gyms in and around States can be considered as an idealistic thought as they are pretty much aware about the industry and the on-going market. In general, each and every equipment have a usable period and after that period, it need its repairs and necessary replacements of components to be done. In that case, having a well-experienced, reliable and well-recognized service provider is the ideal for the other gyms and home-gym owners. This is where Core Fitness's success depends as they tend to fit in to that category where there are no other company which the market can reach with the trust and reliability. Terry's notorious study of the potentialities of the market structure has opened the doors for Core Fitness to reach to a next level with confidence.

Sandy Knight, who looks into human component of their business has done her research in analyzing the growth of membership which has given her the insights of the incremental revenues due to the memberships. This is simply the sign of a growth where they are required to pitch new strategic decisions in giving the best to their clientele. According to her observations, the programs that they launched has given them the best results which in fact the very thing that they should continue in the future as well implementing novelty to those programs.

With this demand, like we discussed above, Core Fitness definitely in a need of further expansion where Andy Reisinger put his opinion in buying new real estate as he pursued to be profitable. Location planning plays a vital role in any business as it tends to consume the largest proportion of financial drawer of the business. In deciding where they should locate their new establishments, they are necessarily required to analyze and trade-off between cost and benefits among those selected properties giving them an advantage in reaching down to new

customer base in both of their businesses.

The fitness wellness arena is an emerging market in the current context with the busy lifestyles of people. The lives which were there in decade back is not what it is at the moment making people unhealthy. The non-epidemic diseases have become the killing-threat to the communities all around the world, opening new horizons to businesses like Core Fitness to pitch in. When addressing to such budding opportunities, visionaries like Terry could foresee them and make arrangements to break-in when they trigger. That is a key advantage to have such partners with correct vision and knowledge to share with.

Potential Issues of Core Fitness

Nevertheless, Core Fitness also have the potential of having issues or rather challenges in achieving such goals with the competition and highly volatile business environment. As all partners agreed to expand the business to a new ground, that would not be easy in real. Location planning can be tricky as well as challenging in many other aspects such as financial terms, distance from the customer base and supplier routings and etc. For instance, if we take customer attraction to the new place, a customer in fact a member of the gym would find it very friendlier if it locates to place where he can reach with a minimal effort from his work, home by any means of transport mode that he wishes. Thus, if the place is anywhere closer to a city area with all the routing facilities would be the idealistic place to satisfy that member in fact generate revenue. Similarly, the cost of the property is over-valued, then again, the revenue they would gain would not be sufficient to derive the required profit margins.

Another possible issue that would arise be, the means of getting used/condemned equipment supplies to their newly formed business for refurbishments. The delivery modes should be convenient for both parties and that would not lose the existing market share as well. In that case, Fitness Retread has to keep up their marketing strategies up enough to maintain the business name among the community and this has also a part to plat with location planning too. As Sandy says, the launching programs customized for members according to their age, health standards, office patterns and busy schedules with their personal lives would create more opportunities for them to pitch in. For instance, if the Core Fitness can have fitness programs specifically focusing youth, old and kids age groups individually, members would feel much more comfortable and relaxed to work out with same aged colleagues and that would make a loyal member base around the Core Fitness network.

Factors in favor of the business

As we discussed, there are ample number of prospects that Core Fitness and Fitness Retread can look into. With the correct vision and prompt decisions with utter wariness, the company can exploit new market horizons generating profits in terms of money as well as good will.

The on-going demand for the fitness centers is the core advantage that they have as people are in desperate need of getting healthier with their busyness. That would be the utmost factor and the brand name that they have been growing up for over 35 years, gives them the market leadership in and around the regions that they have been operating in.

Also, repairing and reselling of equipment can be considered as the novelty of their thinking,

which has shown solid growth in the coming future. The reason behind this is, as they are being in the industry for a considerable period of time and the other gyms and home users need to get their repairs done from a place with reputation and reliability. Fitness Retreads have that verge of advantage over any other competitor as they fit into that profile that one would look into. With a solid plan of emphasizing their business values to the market would gain large portion of value to the company allowing them to increase their profit margins.

Other suggestions or expanding Fitness Retreads

With or without knowing the technicality Terry Edwards has utilized the “Reverse Logistics” theory throughout his refurbishing and reselling process. When a product has reached its intended end of the lifecycle they are usually discarded. But with reverse logistics the product is given a new path. Also given the alarming rise of the climate change effects and the world being turned over to become ecofriendly and responsible about their waste, reverse logistics has been proving to be just the solution by portraying the waste to be useful.

As per the supply chain network of a certain product when the manufacturer has sent it off for either the end consumer or a distributor the stream of the SCN is ended. But now anything that comes after the delivery of the product is listed under reverse logistics. It could vary from the customer returning the exercise equipment due to a fault, a customer refusing to accept the exercise equipment at the event of cash-on-delivery to discarding the equipment when they are either broken or reached its maximum capacity.

In this case Terry repair, refurbish and resell the exercise machines and equipment as good as new. In terms of the environment this reusing of a product is exactly what people after in this era. Therefor Core Fitness has a major competitive advantage in marketing since they can address the sustainability.

Being fit has now become everybody’s goal and the company should focus on the youth who got a lot of free time in their hands and free up the day time slots for them. And the working women should be encouraged to join with exciting time slots that would fit their schedules. It would assist with expanding the client base of Core Fitness. The company should offer discounts and coupons on their membership programs. It would help to attract more customers. Offering a discount on the membership, a coupon and an installment payment system would also attract customers.

Furthermore reducing the overall cost of the company would be helpful. And improving the efficiency of the entire value creation process would be beneficial for the company.

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