

# Be a Hero for Fitness Heroes

## Business lesson 3

# Learning aim: To consider the impact financial decision making can have on business stakeholders.



Problem solving step 4 - I explore problems by creating different possible solutions.




Aiming high step 4 - I work with a positive approach to new challenges.

## Scenario

Fitness Heroes Leisure Centre is a not-for-profit organisation which operates the Pennymorgan leisure centres on the council's behalf.


The organisation is facing a £650,000 funding gap in the next financial year.



## Scenario continued

The council is being asked to support this shortfall by providing the organisation with an additional £350,000 in funding, to help keep the centres running.


The council is also being asked to support a one-off investment of £450,000 to replace ageing boilers and make them more energy efficient, which will save at least £140,000 per year.



## Scenario continued

The organisation also intends to seek permission from the council to raise prices for customers by 9.5% and approve cost saving measures which will save £50,000 per year.

If the council approves these requests, then cuts will need to be made in other areas of the council's budget such as education, housing etc.



## Additional information

In the previous financial year, Fitness Heroes Leisure Centre received £500,000 in sales revenue from membership, selling food and drink in their on-site restaurant, and merchandise etc. Their business costs included:

- £30,000 – Site maintenance and call out fees for emergency plumbers, electricians etc.
- £225,000 – Staff wages.
- £25,000 – Marketing costs.
- £5,000 – Interest on bank loan.
- £7,500 – Travel expenses.
- £80,000 – Cost of buying food and drinks to serve in restaurant.



## Reflection part 1

1 – Create a mind map of your learning from today. This could be done using concept branches, key words, or simply 3 things you have learnt or want to find more about.

## Reflection part 2

2 – Rate how effectively you were able to explore the problem and produce creative solutions.

*1 (I didn't understand the problem and didn't produce any solutions) – 5 (I engaged fully with the problem and produced lots of possible solutions)*

3 – How could you improve on your problem-solving skills next time?