

HY COMPANY SPORTS OPERATION

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ABSTRACT

This paper mainly explores the road of commercial operation of large stadiums and gymnasiums, establishes the company's strategic objectives and business direction through the analysis of the external environment and market conditions, and plans the matching organizational structure, operation management plan and marketing management plan on this basis. At the same time, it makes comprehensive use of human resource management, operation management, marketing management Financial model and other relevant theoretical knowledge, made a detailed financial analysis of the company's future operation, put forward countermeasures for the risks that the company may encounter in operation and management and policies, and conducted a comprehensive feasibility study and analysis for the project of a sports operation company's commercial operation of D Sports Center venues. The estimated revenue in the first year is 38.12 million yuan, planned profit of 2.45 million yuan, net profit after deducting taxes was 1.83 million yuan. Through the analysis, the results show that the income of the project is considerable, the profitability is in line with expectations, and it is worth investing.

Keywords: Sports industry; Commercial operation; Business plan

COMPANY DESCRIPTION

A operation company is initiated by three young people who love sports and are full of vitality. They are thoughtful and energetic. At the same time, they have more than 10 years experience of sports and more than 5 years experience in the sports industry. Two of them have worked in ZM sports, participated in organizing large-scale road running activities such as Guangzhou marathon, and creatively added 10 kilometers in the marathon 7km, parent-child running, family running, couple running and other more universal competition groups have popularized marathon from a professional sport to a mass sport that the public can also participate in. Two of the three have overseas education experience and have long been concerned about the dynamics and trend of the sports industry at home and abroad, and are sensitive to the development of the sports industry. One has a financial background and once worked in four major accounting firms.

At present, the domestic sports industry is developing rapidly. At the beginning of 2020, the data released by the State Administration of sports and the National Bureau of statistics showed that total scale of national sports industry in 2018 (total output) is 2657.9 billion yuan, and the added value is 1007.8 billion yuan. The added value of the sports industry accounts for 1.1% of the GDP. As a part of the sports industry, the construction and

operation of sports venues is naturally a huge market. However, the operation of large stadiums and gymnasiums is generally not particularly ideal, mainly because there are no branches in their construction and operation. The heavy asset operation mode carries heavy construction funds and financial costs in the operation process, resulting in weak profits and even losses. Referring to the relatively good experience of venue operation at home and abroad, the entrepreneurial team believes that the existing sports venue resources in domestic cities should be used to obtain the management right. On the one hand, asset light operation can be adopted to reduce the risk of the operating company. On the other hand, it solves the pain points of the government and reduces the operation burden of the government.

INDUSTRY ANALYSIS

A sports operation company's commercial operation of stadiums and Gymnasiums in D city is a new attempt. Whether the project can succeed or not, analyzing its current industry and through a variety of analysis tools and models is a prerequisite for judging whether the project is likely to succeed. Through analysis, it can also help the company find the market positioning. It provides a strong basis for formulating practical and feasible company strategies and phased development goals.

At the beginning of 2020, the data released by the General Administration of sports and the National Bureau of statistics showed that in 2018, the total output of China's sports industry was about 2657.9 billion yuan, the added value was about 1007.8 billion yuan, and the added value of sports industry accounted for 1.1% of GDP. In terms of the internal structure of the sports industry, the sports service industry maintained a good momentum of development, with an added value of 653 billion yuan, accounting for 64.8% of the sports industry, an increase over the previous year; Among them, sports competition and performance activities and sports fitness and leisure activities directly related to national sports increased significantly, with growth rates of 26.2% and 76.8% respectively.

SWOT analyse

It is suggested that operation a company adopt the growth strategy, conduct a comprehensive inventory of venue resources, take customer demand as the guide, adhere to the route of "no one has me, no one has me", constantly consolidate high-quality product resources such as professional sports events, exhibitions and conferences, and increase new business formats such as catering and derivative sales, formulate different marketing strategies, business strategies and pricing strategies for different business segments, develop new upstream and downstream businesses, establish a block chain sports ecosystem with smooth circulation, properly transform stadiums and gymnasiums, improve functional zoning, increase supporting investment, supplemented by publicity and promotion in the form of exhibitions and conferences, so as to continuously expand the influence of the company, Prepare for further business in other cities.

MARKET ANALYSIS

Market segmentation is the premise for enterprises to formulate market strategies. If an enterprise wants to enter a certain market, it should first analyze the whole market, then subdivide it into several markets according to the business category and consumer group, and then analyze the subdivided market, so as to formulate a marketing strategy suitable for the development of the enterprise. There are many kinds of stadium operation industries, and the needs of their target customers are also diverse, including not only the different needs of different customers for products, but also the differences between different commodities provided by enterprises.

According to the "questionnaire on market and consumer behavior", it can be learned that most of the groups under the age of 20 are students and do not have a fixed economic source, but the consumption level is not low. Most of them come from the financial support of their parents. These people are willing to participate in novel and adventurous sports activities and listen to concerts, and are willing to pay for experiential activities, It is a crowd worthy of attention in venue operation; The proportion of people aged 20-40 who participate in sports is the highest, and many of them are white-collar workers and enterprise executives. Due to high work pressure and other reasons, they maintain good sports habits and frequency, recognize the way to lose weight or reduce pressure through sports and watching literary performances, are generous in sports consumption, and have high requirements for venues. This group is the group that needs special attention when operating company a carries out marketing. For the people over 50 years old, the survey shows that they do not have high requirements for the place for daily exercise and have the habit of exercise, but the intensity is not high. The sports facilities in the community can basically meet their daily exercise needs. For this part of the population, special service marketing, such as fitness and convalescence, should be done well. At the same time, it is also noted that housewives also have a strong demand for fitness and entertainment, but their demand are not only for their own beauty, but also for training and entertainment with their children. Therefore, the consumer demand of this kind of groups and their families should also be paid special attention.

MARKETING PLAN

Popular sports are problem products with high market growth rate but low market share at present. Such products have strong attraction and large market space, but there are many competitors. At the same time, they have not achieved good profits temporarily due to their own location conditions or other reasons. "Wine is afraid of deep alleys". We should adopt the "cost leading strategy" and increase marketing investment at the same time, Improve visibility, optimize product services on the basis of fine management, design differentiated products and prices for different customers, and increase customer stickiness.

Professional sports competition and sports training are star products with high market growth rate and high market share. For such products, we should do a good job in the maintenance of old customers, make full use of our own venues, operation experience, customer resources and other core resources, adopt "centralized" marketing strategy, provide high-quality services for market segments, concentrate business objectives and fine

management. So as to reduce management costs and concentrate enterprise resources, realize specialized and large-scale operation.

Venue rental and ticket revenue belong to dairy products with low market growth rate but high market share. Due to unique factors such as venue and qualification, such products are either available for similar products in the market or superior to similar products and the entry barriers of competitors are very high. Therefore, it has a large premium space and can adopt "differentiation strategy", At the same time, expand the market through marketing publicity, so as to realize the simultaneous rise of volume and price.

MANAGEMENT TEAM AND COMPANY STRUCTURE

Management Team

The company plans to have a chairman, a general manager, three deputy general managers, a supervisor and six functional departments

A sports operation company has 39 employees, including:

One chairman, recommended by DL Sports Center Development and Construction Investment Co., Ltd. and elected by the shareholders' meeting, is the legal representative of the company, with a term of office of three years and can be reappointed;

One general manager, recommended by a's entrepreneurial team and elected by the shareholders' meeting, is fully responsible for the business of a sports operation company. The term of office is three years and can be reappointed;

One supervisor, recommended by ZT Industry Group Co., Ltd. and elected by the shareholders' meeting, is responsible for supervising the implementation of shareholders' resolutions by the chairman and general manager. The term of office is three years and can be reappointed;

There are 3 deputy general managers, respectively executive deputy general managers, in charge of investment promotion and catering management, recommended by ZT Industry Group Co., Ltd; Deputy general manager of finance, in charge of Finance and legal affairs, recommended by DL Sports Center Development and Construction Investment Co., Ltd; Deputy general manager of operation, in charge of operation, administration and personnel, recommended by a entrepreneurship team. The three vice presidents are elected by the shareholders' meeting.

OPERATIONS PLAN

Based on the project's profitability, The future business direction of the company will focus on the operation mode of pure commercial projects, quasi-commercial projects and public welfare projects supplemented. These three categories of operations are based on HY Operations's big platform. Pure commercial projects are mainly responsible for the revenue, Maximize profits for the company, Ensure the sustainable operation. On the one hand, pure public welfare projects play a role in publicity and promotion. On the other hand, it assumed the social responsibility of promoting the sports cause, reflects the mission and value of HY operating company. Quasi-commercial projects are somewhere in between. To build a bridge of communication between enterprises and the society. Internally, we reserve information and

resources for enterprise development. We will provide a platform for the society to promote production capacity and improve efficiency.

PRODUCTION DESIGN

Financial sensitivity analysis and response

Because HY operating income, costs are based on the historical data of the original sports center operators, and 2020 experienced new outbreak, stadiums have no reference data, after the outbreak of the market is complicated, affected by policy fluctuations, so the forecast data is uncertain, in order to be able to predict HY future economic benefit risks, the sensitivity of HY stadium operation. As shown in Table 8.1, it is the financial net present value of HY in the face of revenue and cost fluctuations. For HY operations, HY declines by 5%. When income drops by 3%, the financial net current value is positive, so HY is to improve sales capacity, improve operating income, supplemented by controlling costs and reduce expenses in order to maximize profits.

To this end, the company should formulate a clear sales growth type of business strategy, improve the market share and product competitiveness, do a good job in marketing, market, service and other aspects to ensure the steady growth of operating income level.

		-5%	-3%	base situation	3%	5%
operating receipt	NPV	-231	51	474	897	1,179
	capital pay-off time	8.17	5.74	4.7	4.29	4.12
operating costs	NPV	677	596	474	352	270
	capital pay-off time	4.46	4.55	4.7	4.9	5.07

At the same time, the company should also pay attention to prevent many risks of financial management, such as the risk of working capital shortage, shareholders injection not timely risk, capital structure imbalance, etc. Therefore, it should establish the corresponding early warning mechanism, improve the level of financial personnel management, from each link of financial management to strengthen early warning prevention work:

(1) Establish a sound financial early warning and analysis index system. When dealing with financial risks, the company should have a complete set of effective risk prevention and early warning system, to prevent them in the bud, by timely discovering possible financial risks, to minimize the financial risks, so as to avoid unnecessary economic losses of the company.

(2) Establish a short-term financial early warning system and prepare a cash flow budget. Adequate cash flow determines whether HY operating company can survive and develop healthily for a long term. Therefore, the management of cash flow is crucial, and the budget of cash flow will also guide the formulation of work plans of the procurement, operation, sales and other departments, which affects the development of the company;

(3) Establish a risk awareness and improve the internal control procedures. If the possible funds are not in place, an early warning mechanism should be formulated in advance or the responsibilities and obligations should be clarified upon the signing of the shareholding agreement; in the signing of the contract, the credit of the other enterprise should be strictly examined to prevent the passive situation such as not in place after the fund placement.

FEASIBILITY SUMMARY

Initiated by three ideal, industry background HY sports operation entrepreneurial team and DL sports center development and construction co., LTD., ZT industry group co., LTD. jointly funded a mixed ownership enterprise HY sports operation company, relying on the national "national fitness" development strategy, and the local trend of developing the sports industry.

City has a strong competitive sports background and solid mass sports foundation, combined with D sports center quality venue hardware conditions, grasp the opportunity of the government to assets operation sports center, investment tripartite management and participate in the company management, mainly for D sports venues operation, business content mainly includes venue rental, tickets, catering and surrounding products, training and health, venue naming and sponsorship, etc.

Due to the large games of stadiums generally have high construction standard, volume, huge characteristics, after the game and facing venue restrictions, resource waste, high depreciation rate, HY sports operation company to start from D city, the operation of such large sports venues to explore a feasible road, form experience, in the future related business extension to other cities. On this basis, the Company has developed the short-term goal of "optimizing and rational utilization of venue resources, improving software service level and brand building, and expanding business scope to achieve profit" to achieve profit as soon as possible. The long-term sports venue operation as a template to replicate in the rest of China. The Company plans to introduce some social capital, venture funds with domestic sports industry, enrich capital, obtain relevant resources, and integrate sports resources with high quality nationwide. The company relies on the good cooperation relationship with the local stadiums and the government. Striving for the maximum discount in rent, tax and supporting fees, plus the resource support of sports big IP, open source and throttling are two-pronged. According to the different market segments of the detailed marketing plan, the preliminary investment of the project is 40 million yuan, mainly used for venue renovation and renewal, company publicity and promotion, office rental, decoration, office supplies procurement and personnel salary, etc, The estimated revenue in the first year is 38.12 million yuan, planned profit of 2.45 million yuan, net profit after deducting taxes was 1.83 million yuan. The second year, the preliminary investment can be recovered to achieve the overall profit of the project, thus it can be seen, significant project benefits, worth investing in it.

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