Partnership Agreement: Life Fitness

# INTRODUCTION

Maple Ridge Naturopathy Clinic has an opportunity to partner with Life Fitness, a local gym employing two full time trainers who provide injury-specific training services to clients in the San Diego area. This proposal describes the issues related to the partnership in terms of three factors: Partnership Requirements, Products and Services, and Financial Considerations. If Maple Ridge Naturopathy Clinic and Life Fitness agree to the proposed partnership, the terms of the partnership will become active on June 1, 2017 and extend to December 31, 2019, at which time a renewal of the agreement will be negotiated.

# PARTNERSHIP REQUIREMENTS

This section provides background information about Life Fitness and discusses how the partnership could benefit both Maple Ridge Naturopathy Clinic and Life Fitness.

## Background Information

Life Fitness is currently located on the ground floor of the Seaview Building, where most of its clients are also located. Few other gyms in the area offer personal training services tailored to specific injuries. Life Fitness maintains agreements with several hospitals and clinics in the area which has ensured a continuing supply of clients. Life Fitness also provides training services to athletes at two local universities.

## Benefits

Life Fitness needs access to the high level gym equipment it does not currently own and that is available on the premises operated by Maple Ridge Naturopathy Clinic. If Life Fitness has continued access to this equipment, it will be able to hire an additional trainer and expand its personal training services. By providing Life Fitness with this accommodation, Maple Ridge Naturopathy Clinic extends its market. Clients who come to Life Fitness can also use the naturopathic services offered by Maple Ridge Naturopathy Clinic.

# FINANCIAL CONSIDERATIONS

Life Fitness has provided information related to its revenue over the past three years. Based on this information, Maple Ridge Naturopathy Clinic could expect a minimum 15% increase in revenues on the sale of services used by clients of Life Fitness. In addition, Maple Ridge Naturopathy Clinic could work with Life Fitness to generate revenue from the sale of additional naturopathy and other holistic health services to Life Fitness clients. See Figure 1.

## Projected Revenues

The chart illustrated below shows the revenues projected for each of the first four months of the proposed partnership with Life Fitness.

## Financing Required

Life Fitness has agreed to cover all costs associated with the lease of equipment owned by the Maple Ridge Naturopathy Clinic for the first six months of the partnership agreement.

# PRODUCTS AND SERVICES

This section discusses the proposed partnership in terms of the products and services each party will provide.

## Life Fitness Services

Life Fitness currently provides the following services:

* Personal Training Program
* Fitness Classes
* Spinning Classes

The attached appendix lists the specific services provided in each of the three principal categories.

## Maple Ridge Naturopathy Clinic Facilities

Life Fitness is most interested in accessing some of the fitness equipment owned by Maple Ridge Naturopathy Clinic. Of most interest to Life Fitness is the state-of-the-art treadmills and spin cycles attached to Maple Ridge Naturopathy Clinic and available to clinic patients for a nominal extra cost.

## Maple Ridge Naturopathy Clinic Products

Clients of the Life Fitness will be able to purchase naturopathy products at a 10% discount.

## Package Opportunities

Life Fitness and Maple Ridge Naturopathy Clinic will share the same receptionist and office manager, thereby reducing overhead costs for administration.

# CONCLUSION

Maple Ridge Naturopathy Clinic has the opportunity to increase its market share by partnering with Life Fitness. Both organizations are seriously committed to providing their clients with complete, personalized health services that conform to the highest standards of usability and effectiveness.

In addition, both Maple Ridge Naturopathy Clinic and Life Fitness are enjoying a steady increase in business. The demand for high-quality naturopathy and personal training services seems unlikely to diminish. The market is growing daily as more and more people recognize the necessity of keeping themselves in excellent physical condition.