

## MAKE A PROFIT ANSWER KEY

1. List all of the expenses:

Staff, including swimming instructors and lifeguards. Determine a wage and how many needed. Pool supplies like life jackets, floats, kickboards and chemicals for the water. Determine how many needed and cost of each.

Transportation, such as a bus, to get the members to the school. Purchase, lease or rent bus? Office supplies and equipment like computers, paper, etc. needed for billing the parents. Business licenses, etc.

2. How much would you charge each member?

Depends upon the costs; however, would have to charge enough to cover all costs and make a profit.

Depends upon how many members you have. The more members the less you can charge each member. However, if you budget for 20 members but only get 10, what happens to your financial situation? You will lose money. If your position in the project is just to make a profits, what is your risk?

3. Factors other than expenses:

Number of children signed up for the program.

Weather (if charge is based on the number of days the children attend the program).

4. How many employees?

At least two: yourself and a lifeguard. However, depending upon your skills and the number of children in attendance, there could be additional staff. For example, can you run the billing system? Will you be a swimming teacher or will you just be managing the program? The more members, the more swimming instructors will be required, etc.

Since costs rise with more members, you have to determine the balance between revenue (fees charged to the members) and associated expenses. You need to find a balance where you can make profits, since this is your livelihood.

5. What salaries will you pay them?

Depends upon the workplace standard rate for jobs and what you can afford based on how much money you are earning (revenues).