
Adventure Training
Center



Enabling Your Adventures

Business Plan

**2006 Rice University
Business Plan Competition**

Leeds School of Business
University of Colorado

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Executive Summary

Opportunity

The Front Range of Colorado is a playground for many different adventure activities and attracts a population that wants to engage in these sports. However, *how* to learn an adventure sport is not readily apparent. Current companies offering adventure training in this area are small and fragmented, with no significant presence in the market. More than 3.5 million people participated in 10 adventure sports activities in the Front Range in 2004.¹ We estimate 10% of this number would be interested in adventure training, and would spend an average of \$150/year on courses, making the market size \$53 million. The Adventure Training Center (ATC) will penetrate 5% of this market in year 1.

The Solution

The ATC will offer training in all 10 of these activities at all ability levels, from beginner to expert. The center will conduct activity training inside a specially designed facility and in the field. The instructors at the ATC will be of the highest quality (in terms of technical skill, teaching ability, and experience level), the center will have unique features not found elsewhere (e.g., kayak current and wave pool), and the course offerings will span a breadth and depth unparalleled in the industry.

Value Proposition

People want to learn an adventure sport but are often initially intimidated by the perceived risk. They want the thrill of the sport but are afraid that the learning curve may be too steep and risky. Who wants to fall off a rock face while learning to rock climb because of a lack of proper safety skills? We provide individuals with a safe and controlled environment in which they can learn these skills from true professionals. In addition to teaching entry-level skills, the ATC is a source for continued training, helping participants advance to the next level. Once a relationship is established with customers, they will look to the ATC for all of their adventure training needs.

Financials

The ATC derives most of its revenue from service fees charged for classes. Construction of the center will occur simultaneously with initial marketing efforts, with the center expected to open 9 months after breaking ground. Therefore, expenses significantly outweigh revenues in year 1, but the ATC will make a before tax profit of 3% in year 2, increasing to 12% in year 5. An investment of \$4.0 million is required to fund the center in year 1. Of this amount, \$1.5 million will be in the form of secured debt, and \$2.5 million will be in preferred equity in the center.

Management

The founders have significant experience in business management and adventure training in the Front Range and around the world. A partner is sought to provide development expertise in designing and constructing the center.

¹ Calculated from data in "Outdoor Recreation Participation in the United States," Outdoor Industry Association, June 2005, and population figures from US Census Bureau.

Company Overview

The ATC will offer training by world-class instructors for a comprehensive set of adventure activities in a Front Range facility. In each area of instruction, including kayaking, hiking, biking, climbing and others, the ATC will offer a depth of instruction unparalleled in the Front Range. The facility itself will be a safe and controlled learning environment, utilizing a kayak current and wave pool, as well as a climbing wall, to help people learn these skills safely and in a fun environment.



Mission Statement

The Adventure Training Center gives people the confidence to pursue their adventures safely and competently, enabling them to learn more and progress further and faster than they would on their own.

History and Current Status

The ATC is currently in the final planning stages, after a great deal of feasibility analysis. Mike Young, an MBA student at the Leeds School of Business, will be founding and leading the company, and has initiated discussions with potential partners in management, development, and construction.

Objectives

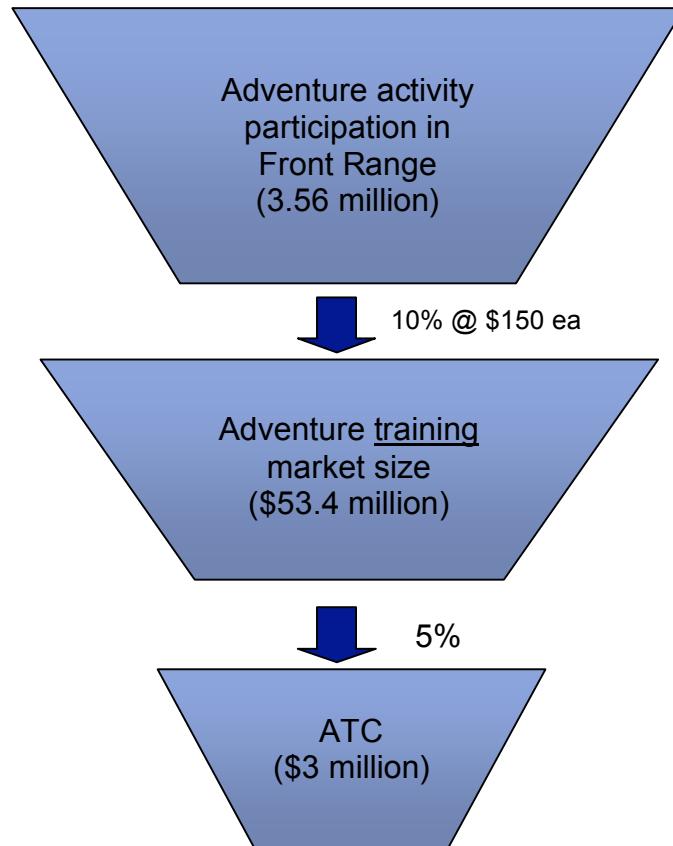
The ATC's goal is to partner with a real estate developer to partially invest in and build the facility. Once built, we will work on expanding the ATC to capacity and prepare for a second phase: expanding the concept to other US cities. This second expansion phase will involve either a larger partner or sale to a larger company in order to meet the capital requirements of constructing the centers.

Opportunity

There is significant demand in the Front Range area for a comprehensive, credible and unique center to fulfill adventure training needs for the surrounding area. Many people would like to get started in the activities we will offer, but they are not sure where to begin. Safety, experience, knowledge, and preparedness are among the needs expressed by this market. They want a trusted source where they can learn technical, physical and informational material in a safe and controlled environment. Other options currently offered in the

SURVEY RESULTS	
Type of Training Desired	Considered It Very Important
Technical training	74%
Physical training	38%
Informational	48%

area are fragmented and confusing. No training center exists that can meet all of these needs in one place.



Product and Service

Description

Situated in the heart of the Front Range of Colorado, the Adventure Training Center's 45,000 square foot facility will include a multimedia room, a current and wave pool for year-round whitewater kayaking instruction, a 30-foot climbing wall, personal training areas, and classrooms (see Appendix G for the layout of the center). The facility's physical features provide tangible benefits to our customers, but there are also significant benefits provided by the quality of each instructor (defined as a person who excels in teaching ability, technical ability, and adventure experience) and the fact that the ATC offers courses across so many activities (breadth) and at all levels (depth). See Appendix A for a full list of courses.

FEATURE	BENEFITS
Location	<ul style="list-style-type: none"> ✓ Access to offsite training close to the ATC ✓ Close to home (Front Range market); you can take classes after work
Current Pool	<ul style="list-style-type: none"> ✓ Progress safely year round ✓ Be ahead of your friends when season starts ✓ Fun to play in!
Climbing wall	<ul style="list-style-type: none"> ✓ Learn to climb in a safe and controlled environment
Experienced staff	<ul style="list-style-type: none"> ✓ Learn faster ✓ Skill level you attain is better ✓ Confidence and credibility
Technical training	<ul style="list-style-type: none"> ✓ Learn skills right the first time (safety) ✓ Improve your techniques with less hassle than learning on your own
Multiple activities	<ul style="list-style-type: none"> ✓ Breadth ✓ Learn new activities from people you trust ✓ Safe
Multilevel classes	<ul style="list-style-type: none"> ✓ Depth ✓ Keep taking classes with the people and organization you trust

All of these benefits can be summed up as helping the client feel more comfortable while learning. This translates into clients being able to enjoy themselves more while learning *and* while participating in the activity after class, which in turn leads to less fear while learning and more satisfaction while doing – two big emotional drivers.

Market and Industry Analysis

Competitive Environment

The adventure travel and training industry has a significant presence in the Front Range area. Several travel agencies, specialty training facilities, adventure clubs, and other adventure-oriented businesses are currently capitalizing on the prevalence of active Coloradoans. ATC's primary competition comes from existing specialized training companies. Although many of these training companies exist, ATC competes on the depth and breadth of course offerings as well as on a stellar, experienced and friendly staff. NOLS, Outward Bound West, and Alpine World Ascents are a few companies that offer training programs, but none to the extent of the ATC facility. ATC will provide customers with a place where not only can they progress through a series of levels in their chosen activity, but they can also experience numerous types of activities right at

their doorstep at any time of year. See the Competitive Matrix on page 8 for a comparison of how ATC stacks up against the direct competition.

Indirect Competition

Typical training gyms — People may choose to train on their own in a gym or in the field.

Other luxury goods/services — People may spend their expendable income elsewhere.

Future Competition

Several of the large health clubs or gyms may have the ability to build a facility that competes with ours because of their potential access to capital and their existing reputation in the community. Health clubs do not currently see themselves in the adventure training business, but when the ATC proves to be successful, they may look at entering it. The ATC will be able to maintain a competitive advantage through the creation of strong barriers to entry. These barriers will be in the form of an innovative and exciting facility whose atmosphere and perceived value to the consumer are not easily replicated. First mover advantage will help with this. We know how to do adventure training, and the large health clubs do not. They may look to acquire us for this knowledge, but it would be difficult for them to develop it organically.

Barriers to Entry

The building of the proposed ATC will be a capital-intensive project. Since the investment required is significant, others might be, and probably have been, deterred from taking on such a project, especially in terms of the small, fragmented current providers of adventure training. Customer loyalty will be a barrier that the ATC will focus on maintaining as a barrier to entry, especially once the facility opens. The goal is to grab the target market's attention and then get them hooked by building strong relationships. By being so much better than anything offered currently, we will get this strong initial interest. By delivering superior service, we will maintain customers for life.

Competitive Matrix

	Quality of Instructors	Breadth of Product Offering	Depth of Product Offering	Emphasis on Safe Learning	Physical Assets
NOLS	Experienced and well-trained	Limited course offerings in Rocky Mountain region	Custom courses available	Risk management programs	Horse ranch, proximity to mountains and rivers
Outward Bound West	Staff selected based on teaching, life and outdoor experience	Limited by season (winter skills, water skills, etc)	Some tailored classes	“Unmatched safety record”, strong emphasis on safe practices	Ranch in mountains with rock wall, saunas; equipped for camps
Confluence Kayaks	No information about staff on website	Limited to kayaking and Telemark skiing	Multiple levels of instruction	Safety is not emphasized on website	Access to pool, proximity to rivers and mountains
Alpine World Ascents	Experienced and professional	Limited to rock climbing and winter mountain sports	Multiple levels of instruction	Certified guides, emphasis on safety	No physical facility, proximity to mountains
Boulder Outdoor Center	“Expertise is our difference”	Snow sports and paddle sports: more trips than training	Several different kayaking classes	Safety is not emphasized on website	Mostly a store, not a training facility
Adventure Training Center	Highly skilled, excellent teachers, experienced adventure travelers	Numerous different activities	Multiple levels of training	Safe equipment, controlled environment, certified staff	Current pool, proximity to mountains and rivers, cardio equipment, climbing wall

Competitive Advantage

The ATC gives the clients a convenient way to train and explore new adventures during any season. While other training facilities exist and will emerge as the adventure travel industry grows, the ATC competitive advantage will be maintained on three fronts:

- The breadth and depth of the course offerings
- The features of the facility itself
- The high quality of the instructional staff

Breadth and Depth

By offering a wide variety of adventure courses at all levels, the ATC will be the place to go when people want to learn a new adventure sport or when they just want to improve their performance in a current one.

The Facility

The facility will feature a unique pool that will enable kayaking lessons to be taught all year. It will have current and moveable subsurface features to simulate kayaking conditions in a river. No other facility has this. The co-location of a climbing wall, cardiovascular equipment, free weights, and access to personal trainers will make the facility an attractive place to train.

The Staff



The management team and trainers will be experienced and well qualified, with all-important ties to the adventure travel industry. These people will build and maintain relationships with suppliers, vendors, travel agents, and, most importantly, customers. The focus will be on maintaining repeat customer base and gaining referrals. The experience at ATC, as well as the subsequent experience on the adventure trip, will

keep our customers coming back and trying new things.

Combined, these three areas will make ATC an unbeatable competitor for adventure consumers' training dollars.

Marketing Plan

Target Market Strategy

The Adventure Training Center targets the active and activity-oriented. According to a study done by Heidi H. Sung, the adventure travel market can be divided into six segments. Of these segments, the ATC will initially target the Upper High Naturalists and Family Vacationers in the Front Range. These segments generally tend to have a higher disposable income, are aged 30–55 years and are typically safety-conscious.

Positioning

The Adventure Training Center prides itself on the breadth and depth of its course offerings, the quality of its instructors and the uniqueness of the custom facility.

Breadth and Depth

As the perceptual map demonstrates, the ATC positions itself above its competitors with regard to the amount of activities offered, the multiple levels of training and the convenience of the hours and classes available. While many competitors offer multiple activities, they typically don't have multiple levels or the convenience of after-work

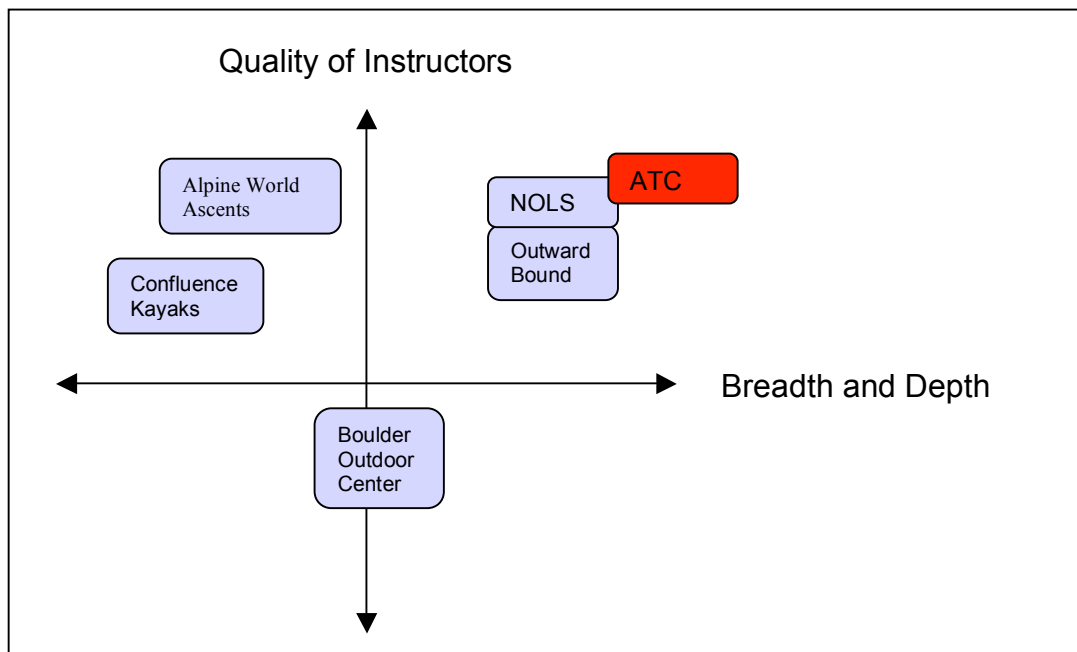
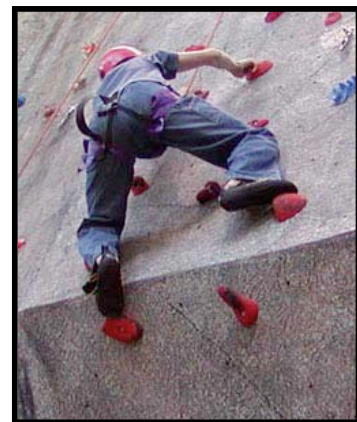
classes. Others may offer multiple levels of training but in only a few specialized activities. For the majority of the competitors, training options mostly consist of extended camps or multi-day courses. The ATC offers several training classes that can be done after working hours on weekdays as well as on weekends.

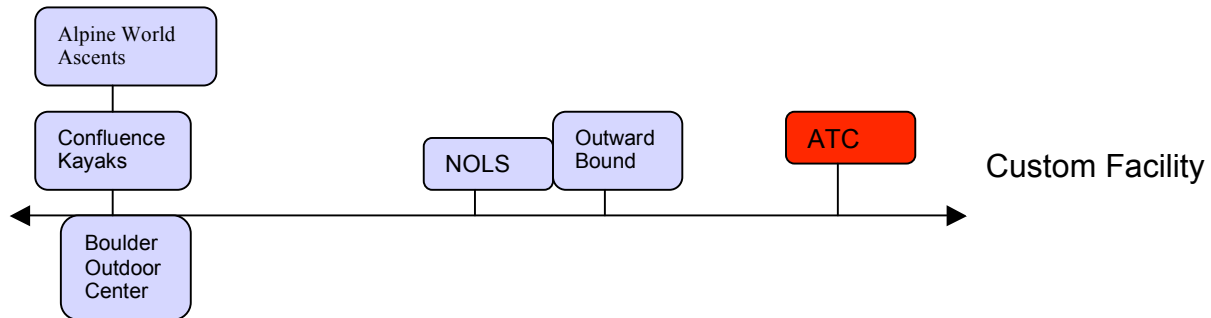
Quality of Instructors

The ATC considers quality instructors to be technically competent, well traveled, experienced, and, most importantly, skilled at teaching. Another important aspect of ATC instructors is their energy and excitement they convey to the customer. While many of our competitors are known to burn out their employees (which is reflected in their work), the ATC will strive to make sure instructors are happy and excited about what they are teaching. Benefit programs and reasonable working hours will help achieve this.

Facility

The ATC custom facility will be like no other facility currently in the marketplace in that it will have an indoor current pool, it will allow many year-round training opportunities not otherwise available, and it will combine a variety of training mechanisms in a safe, controlled environment. Most of the ATC competitors use facilities like recreation centers for their indoor training, allowing little flexibility and limited course offerings. In addition, these places tend to be boring venues. The ATC will be a unique facility that allows for training in an exciting and stimulating environment.





Channels

The ATC's programs and courses will be sold directly to consumers. The ATC will build strategic relationships with adventure travel agencies, kids' camps, and premier athletic clubs. Working with these organizations will help increase awareness in the marketplace and spark interest in our courses. A major goal of the ATC will be to devise a way to sell services to adventure travel centers as a complementary product/service rather than a competitive product. The ATC will help expand everyone's current market including trip agents, gear retailers and adventure organizations. Working with outdoor retail stores is one of the ATC's best channels to consumers because it makes sense for these retailers to train people to use the gear sold in their stores. Many of these outdoor centers are already starting to see relationships with training facilities as key to their business. Another important channel will be the use of internet advertising on our own website as well as on web rings and other adventure sites.

Product/Service Strategy

ATC Positioning Statement:



To adventure-minded individuals looking to expand and improve their adventure sports skills, the ATC is a unique and exciting facility with highly qualified instructors teaching a wide variety of fun and challenging courses, giving you confidence to pursue your adventures safely and competently.

Initially, the ATC will offer courses in 10 separate activities across all ability levels. ATC classes are different from those currently offered in the marketplace because they are more accessible to people with normal working hours. The ATC will have classes after work and on the weekend, as well as training opportunities during lunch hours and during the weekday. Varying levels of time commitment and intensity will appeal to more than just the die-hard adventurers.

At the center's opening we will offer a complete range of courses, with later expansion focusing on offering multi-day courses and camps. The next growth phase will include targeting adventurers outside the Front Range area to come to the ATC as a destination for intensive training seminars. Whereas opening course offerings are analogous to an undergraduate program, the growth of ATC will lead to more 'graduate'-level seminar classes for the well trained and advanced to hone their skills.

Pricing Strategy

The ATC will price its courses at a premium price level; that is, ATC courses will be priced approximately 10–20% above its closest competitors (NOLS, Outward Bound, the Boulder Outdoor Center, etc.). ATC will then offer promotions, such as discounted trial classes, bundling courses, punch cards, and referrals (bring a friend get a free class) to new customers to get them into the center. Promotions will only be used for new clients. The main goal is to get people in the door. Once they are in the training center they will be so impressed with the facility that they will want to come back again and again. Our pricing strategy will ultimately focus on providing a better service for a little more money with discounted opportunities for *new* clients. See course pricing in Appendix A.

Communication Strategy

The overall communication strategy will incorporate messaging that gets both the adventure-minded and those people who are slightly bored and curious about what is behind the walls of the ATC. We want the message to be that no matter who you are, we can make your dream adventure come true. Some sample messaging might include the following taglines:

You too can do it

Enabling your adventures

Make your day extraordinary

Enabling extraordinary adventures

These messages will be communicated via an easy-to-navigate and information-filled website, including a comprehensive e-catalog. The ATC will also have catalogs on-site as well as at such places as Whole Foods, specialty outdoor retailers, and other similarly aligned businesses. The ATC will place some advertisements in magazines and at outdoor retailers. The ATC will utilize direct mail and email campaigns through partnerships with outdoor retailers and adventure travel companies. The people targeted will be current customers of somebody who will receive information about the ATC through the other organizations with whom they are affiliated. In the end, the most important form of communication will be word of mouth. It will be essential to create a "buzz" in the adventure and activity communities as well as with the general public. The ATC needs to be the place everyone is talking about with respect to both adventure activity training and being a fun place to learn and exercise.

Sales Strategy

The first year, ATC will hire a director of sales and marketing to monitor these areas of the business. After year 1, this will become two positions. The sales manager's primary assignment will be to take leads generated through the website, partners and the phone and get these interested people into the center. The sales manager will be compensated on a salary and commission basis. The marketing manager will be in charge of promoting the ATC message at local adventure events and races, creating fun ways to be seen, and organizing and hosting free clinics in places where our target market tends to hang out.

Operations Plan

Operations Strategy

The strength of the ATC's operations will be the people we hire and the partnerships we build. These two areas are the foundation of a relationship-based strategy. Our competitors focus their training in one or two areas, whereas we focus on a wide variety of activities. This builds on our relationship orientation. Because of the large number of courses offered, a high priority will be placed on hiring multi-skilled instructors and scheduling them efficiently.

Our operations strategy will therefore center on quality and timeliness. To offer a quality experience, we will focus on hiring and retaining employees who are exceptional instructors with extensive adventure travel experience and a personable attitude. This also applies to our focus on finding and retaining the right partners. In addition, we will carefully plan our schedules to offer a timely experience in line with our customer's preferences.

Scope of Operations

All operations will be performed in-house. The experienced management team will perform the tasks associated with our competitive advantage, while the areas that are less strategic will be a part of an internship program in partnership with the Metropolitan State College of Denver. In addition, we will consider outsourcing adventure training activities that we do not currently offer, such as scuba diving, to be taught on-site by contractors.

Ongoing Operations

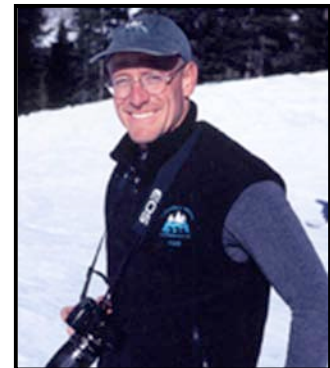
Operational Requirements

The ATC will require approximately a 45,000-square-foot facility in Golden or a similar area. During the first year of operations, in addition to the management team, we will require 5 administrative staff and 14 full-time instructors. The center itself will be designed and constructed as a new facility according to our specifications. Estimated construction costs for a health club facility of this size are approximately \$3 million. Special features of the facility, including a large climbing wall and a standing wave and current pool will cost an additional \$250,000. Instructional equipment such as kayaks,

ropes, harnesses, and so on, will cost \$35,000 in the first year, increasing to \$75,000 in the fifth year as the number of classes increases. Total capital requirements to commence operations are therefore approximately \$3.3 million. Ongoing capital costs include maintenance and upgrades to plant and equipment and are estimated to be \$150,000 in year 2, increasing to \$180,000 in year 5. See Appendices C and D for further details.

Hiring and Retaining

To hire the quality of employees we will require, our recruitment strategy for trainers will center on personal referrals, adventure travel job websites, and national conferences. Most of the initial instructors will be adventure travel guides who have exceptional teaching skills and who are interested in full-time work. Many initial recruits will also come from adventure travel operators, although we will take care not to recruit among partner companies. We will also implement an internship program in partnership with Professor Helle Sorensen, Tourism Department, Metropolitan State College of Denver, to develop quality employees for the operational side of the center.



To retain our quality instructors, we will offer competitive salaries with excellent typical benefits, as well as specific benefits that cater to the adventure travel enthusiast. These individuals are motivated primarily by the freedom to do their own expeditions, the opportunity to increase their skills, and the ability to have an adventure-related job year round with normal benefits. Specific adventure-related benefits will include annual four weeks of paid leave to pursue their own adventure travel trips, the ability to take other ATC courses for free, and free gear loans. In addition, we will encourage and reward our instructors who develop successful courses that are aligned with our mission.

Partnerships

We will pursue mutually beneficial partnerships with adventure travel companies, fitness centers, schools, and specialty outdoor retailers. These organizations will be compensated either by pay for service, commission, service trades, or advertising credits. Our pilot partnership will be with the Metropolitan State College of Denver to include an internship program and advertising.

Course Scheduling

Course scheduling will initially be based on our survey results which show that our potential clients would prefer to take classes after work or on one full weekend day. In addition, because some would prefer intensive two-day weekend classes, we will offer these on a less regular basis. The class schedule will reflect the seasons of activities we represent and fewer courses will be offered in the off-season. We will monitor the percentage of capacity in each class and evaluate every month to determine whether we are offering classes at the right times and which classes we will need to advertise more heavily to increase participation. A full listing of course types is included by month in Appendix E.

Development Plan

The Adventure Training Center expects to commence operations in October 2006 from its 45,000-square-foot facility located near Golden, Colorado. Golden is centrally located within the Front Range, enjoys easy access from multiple highways (I-70, C-470, US-6, CO-93), and is proximate to topography favorable to adventure activities, such as mountain biking, whitewater kayaking, rock climbing, sea kayaking, and backcountry skiing. It is also a desirable place to live and work for the type of staff the ATC will require. See Appendix E for a full development timeline for both pre-operations and during operations.

Facility Construction

The ATC must first secure funding in order to begin construction of the facility. The construction of the facility is the company's most important asset. At the same time, it is important to consult an architectural firm that specializes in athletic clubs for facility layout and design. After designing the facility, the construction will begin and will last for nine months, starting February 2006 and ending October 2006. Our plan is to secure funding through a real estate developer and/or the City of Golden, Jefferson County, or the State of Colorado. The facility is expected to cost around \$60–\$70 per square foot of construction.

Key Hires

The ATC will hire the management team once funding has been secured for the center's construction. The initial management team will consist of a CEO, a Director of Sales and Marketing, a Director of Operations, and a CFO. See the Management section for details. Qualified instructors will be recruited and hired three months prior to completion. Training will commence two months prior to opening and will involve all instructors. The instructors will also assist in course curriculum development.

Marketing Plan Implementation

Marketing communication and promotional campaigns will commence six months prior to center completion (May 2006). The marketing campaign will be strategic and coordinated so as to build interest, curiosity and enthusiasm for the center as it is being constructed, but not to overreach prior to completion. This will be accomplished initially through a public relations campaign (May–Oct 2006), direct mail postcards to our partners' mailing lists with coupons for their first visit (Aug–Sep 2006), promotional races and clinics near the center (Sep 2006), and culminating with a grand opening at the ATC on 1 October 2006.

Management Plan

The ATC management will consist of very motivated and capable individuals with experiences appropriate to their positions within the company. The first team will exist to build the facility and commence marketing prior to completion.

Construction Project Manager (CPM)

We require an individual who is experienced in overseeing construction and development of health club type facilities of similar sizes, and is excited about the prospect of a facility built for adventure activities. The CPM will coordinate with the developer in ensuring the facility is constructed to design, on time and on budget.



CEO, Mike Young

Mike recently completed his MBA from the University of Colorado, and for six years has owned and operated an adventure travel and training company in Denver. Prior to this he served 11 years as a US Naval Officer, where his leadership experiences included running departments of 200 personnel and equipment worth billions of dollars. His unique background is ideally suited to ensure timely execution of this project.

Director of Operations, Mark Young

Mark has been an adventure guide in many different fields for the past 20 years, including managing or working for adventure school and guide training programs. He has been the manager of the RA Guides kayaking school in Denver for the past 4 years. He has excellent contacts within the adventure training industry and is an exceptional instructor and trainer. Given the resources of this center, he will be able to attract high-quality instructors as well as develop others.

Directors of Sales and Marketing, Mark Joffe

Mark has extensive experience in managing and marketing adventure activities to many different audiences. From managing a rafting company on the Zambezi River in Zimbabwe to running an event management company that specialized in marketing and operating adventure training races around the world, Mark has done it all. He has organized, marketed and operated several rafting and kayaking races here in Colorado and has extensive contacts with organizations involved with this market.

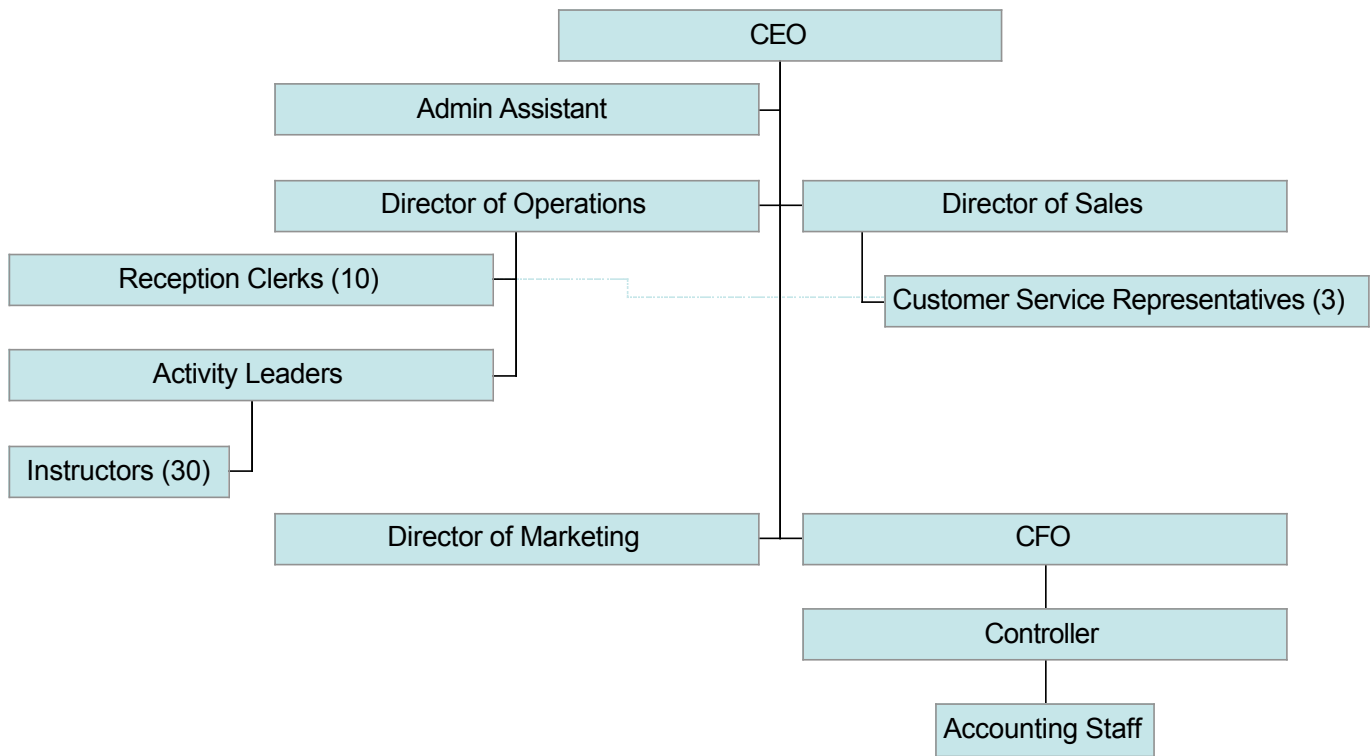
CFO

ATC is currently seeking a CFO to manage all financing operations of the business. This person must have experience in the financial aspects of commercial real estate operations, including debt and equity transactions, as well as be able to set up efficient systems for business accounting practices.

Other Personnel

Other employees will be hired as detailed in the development plan, with a structure given by the following organizational chart in year 5.

ATC Organizational Chart - Year 5



Financial Plan

Summary

The ATC generates revenue mostly from service fees charged for classes, as well as a small amount from sales of soft goods at the center. Gross margins are approximately 52%, and net profits before taxes are 3% of sales in year 2, increasing to 12% of sales in year 5. Net earnings numbers are given before taxes because the company is organized as an LLC and does not pay taxes on income. A summary of key financial data are provided below.

Summary of Financial Projections

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Summary Financials (\$)					
Revenue	513,495	3,079,840	4,065,389	5,366,313	7,083,533
Gross Profit	(57,667)	1,609,098	2,127,797	2,721,394	3,617,527
EBIT	(711,608)	216,805	416,441	627,733	951,668
EBITDA	(552,303)	387,538	601,697	825,132	1,181,448
Net Earnings	(861,608)	81,805	296,441	522,733	861,668
Net Cash from Operating Activities	(626,638)	252,538	500,926	750,498	1,131,532
Capital Expenditures	3,320,000	65,000	85,000	125,000	170,000
Interest Income/(Expense)	(150,000)	(135,000)	(120,000)	(105,000)	(90,000)
Dividends	0	0	0	0	0
Cash	153,362	190,899	456,825	932,323	1,743,855
Total Equity	(761,608)	(679,802)	(383,362)	139,371	1,001,039
Total Debt	1,500,000	1,350,000	1,200,000	1,050,000	900,000

Growth

Revenue Growth Rate - CAGR:	500%	32%	32%	32%
Net Earnings Growth Rate - CAGR:	Nil	262.4%	76.3%	64.8%

Ratios

Current Ratio	0.8	0.9	1.6	2.6	3.8
Debt to Capital (LT Debt + Equity)	0.5	0.4	0.4	0.3	0.2

Profitability

Gross Profit %	-11.2%	52.2%	52.3%	50.7%	51.1%
Operating Expenses %	122.5%	45.2%	42.1%	39.0%	37.6%
Net Earnings %	-167.8%	2.7%	7.3%	9.7%	12.2%

Returns

Return on Assets	-25.3%	2.5%	8.4%	13.2%	18.1%
Return on Equity	-49.6%	4.5%	14.0%	19.8%	24.6%
Return on Capital (LT Debt + Equity)	-26.6%	2.6%	8.9%	14.2%	19.6%

Detailed financial statements are included in Appendix D.

Key Assumptions

- ATC will have 16,142 students in the first 12 months after the center opens, with average revenue per student of \$175. This total of \$2.8 million in sales from classes represents market penetration of 5.3%.
- Market size in the Front Range for adventure training courses is estimated to be 10% of the total population that participates in the adventure activities used at the center. This equaled 3.56 million man-activities in 2004. At an average cost of \$150/course, this represents a market size of \$53.4 million.
- Soft goods sales will be \$20,000/month in years 1–2 after the center opens.
- The number of students will increase by 20% per year, and the price per class will increase by 10% per year. In year 5, ATC will have 12% of the 2004 market. The numbers used to estimate market size are on the low side, since

it was assumed the western states have a homogeneous distribution of adventure sports enthusiasts. It is highly likely that the Front Range has a higher concentration of these enthusiasts and that the ATC will be able to obtain much higher market penetration than 12% by year 5.

- Sales and marketing expenses are based on 5% sales commissions, 8% of sales for other sales and marketing efforts (website, catalogs, print ads, PR), and a fixed amount for direct mail campaigns (\$100,000 in year 1).
- Facility construction and land acquisition costs will be \$3 million to the build-out of a standard health club/gym. The special features of the ATC, such as the climbing wall and current/wave pool, will cost an additional \$250,000. Actual equipment used in training (kayaks, ropes, helmets, etc.) will cost \$35,000 in year 1, increasing to \$75,000 in year 5.
- Accounts receivable and payable were estimated as a percentage of gross sales, using industry comparable numbers of 2% and 6.5%, respectively. These numbers make sense, since we do not carry inventory other than the soft goods and all clients pay for classes shortly in advance or on the day of the class.

A detailed list of all assumptions used to derive the pro forma financial statements is included in Appendix B.

Risks

Market

Risk: Customers will not want to train for adventure activities, and demand forecasts will prove inaccurate.

Mitigate: Trends and interviews show that a large portion of the population is comfortable with the idea of training indoors to be able to have more fun doing the real activity outdoors. Since we offer technical skill training, people see training indoors for some aspects as appropriate. Demand for adventure training already exists and is growing.

Technology

Risk: We will not be able to successfully create a standing wave similar enough to a river hole. Rodeo kayakers will not come to use it. A key feature to draw people to the center will not work.

Mitigate: We know people who have developed many whitewater parks and who are experts in designing surfing holes. Prior to large capital construction expenditures, we will work with mechanical engineers and hydrological engineers to ensure the flow characteristics of the pool will work.

Operational

Risk: We will not be able to hire or retain instructors to the quality we desire to make our center enjoy the significant competitive advantage described earlier.

Mitigate: Our compensation packages and the culture we will have at the center are without equal in the outdoor guide/instructor industry. These benefits will attract many

potential recruits, enabling us to choose the best. Retention should be excellent for these same reasons.

Funding

The ATC will require \$4.6 million in funds to pay for the construction of the facility, buy initial equipment, and hire management and staff to run the facility. The working capital amount is that required to keep a minimum monthly cash balance of \$187,000 (which is as low as cash gets on the SCF pro forma). Working capital includes amounts for all operational expenses, including sales and marketing, salaries, utilities, and so on. The sources and use of these funds is as follows:

Source		Use	
Founders	\$100,000	Center construction	\$3,000,000
Investors	\$2,500,000	Special features	\$250,000
Bank Loan	\$1,500,000	Office equipment	\$35,000
Total	\$4,100,000	Class equipment	\$35,000
		Legal Fees	\$25,000
		Working Capital	\$568,000
		Total	\$3,913,000

Offering

Equity

Founders will provide \$100,000 in initial funding through the purchase of common stock. Equity investors are sought to provide \$2.5 million through the purchase of convertible preferred stock. A developer and general contractor is sought who will accept partial fee payment for an equity stake. Remainder of equity requirement will be met through private equity.

Debt

A bank loan of \$1.5 million will also be sought. Terms of the bank loan will be 10 years at 10% fixed interest, secured by the facility as collateral. Typical construction loans for this type of commercial real estate development are 50% loan to value, so the amount of this loan is in line with standard industry practices.

Valuation

Life Time Fitness, Inc., has a P/E ratio of 38. If the ATC is valued at a P/E of 30 upon a liquidation event in year 5, through either a public offering or by being acquired, it will be worth \$25.85 million. Equity investors who invest \$2.5 million for a 45% stake today would enjoy an IRR of 36% over 5 years. Pre-money valuation would thus be \$3.1 million, and post-money would be \$5.6 million.

Exit Strategy

This business plan has been prepared for one facility operating in the Front Range. If the projections are accurate, the intention is to replicate this model in other major metropolitan centers in the United States, perhaps with multiple centers in each city, depending on realized demand. Such a move would require significant capital for each center. In order to pursue this, the most likely path would be for the center and management team to become acquired by one of the major health club chains, such as Bally Total Fitness or Life Time Fitness. If acquired in year 5, investors would realize an annual IRR of 36%. If acquired prior to year 5, the IRR would be somewhat lower (17% if acquired in year 3, and 30% if acquired in year 4).

**Adventure Training
Center**



Enabling Your Adventures

Appendices

- A: Proposed Schedule of Courses
- B: Summary of Survey Results
- C: List of Financial Assumptions
- D: Financial Statements
- E: Development Plan Timeline
- F: Management Biographies
- G: Adventure Training Center Layout

Appendix A
Proposed Schedule of Courses

Course Title	Price	Average students per course	Number of courses in year 1	Annual Revenue per course	Total Revenue per Sector
Whitewater kayaking					\$ 628,800
Intro series of 3	\$150	10	240	\$ 360,000.00	
Beginning River Running	\$250	10	32	\$ 80,000.00	
Intermediate River Running	\$275	10	32	\$ 88,000.00	
Advanced River Running	\$275	6	32	\$ 52,800.00	
Playboating	\$150	10	32	\$ 48,000.00	
Sea Kayaking					\$ 106,000
Intro to sea kayaking	\$60	6	40	\$ 14,400.00	
Intermediate skills	\$265	6	40	\$ 63,600.00	
Expedition preparation	\$350	4	20	\$ 28,000.00	
Mountain Biking					\$ 88,800
Intro to Mountain Biking	\$60	10	48	\$ 28,800.00	
Intermediate MB Skills	\$125	10	24	\$ 30,000.00	
Advanced MB Skills	\$125	10	24	\$ 30,000.00	
Backcountry Skiing					\$ 164,500
Intro to backcountry skiing	\$80	10	32	\$ 25,600.00	
Intermediate	\$100	10	32	\$ 32,000.00	
Advanced	\$100	10	16	\$ 16,000.00	
Avalanche Clinic Level 1	\$220	20	16	\$ 70,400.00	
Avalanche Clinic Level 2	\$350	10	4	\$ 14,000.00	
Avalanche Clinic Level 3	\$650	5	2	\$ 6,500.00	
GPS Navigation					\$ 212,400
Intro to using your GPS	\$60	30	48	\$ 86,400.00	
Basic navigation skills	\$100	20	48	\$ 96,000.00	
Advanced navigation skills	\$125	10	24	\$ 30,000.00	
Safety Certification Courses					\$ 756,000
Wilderness First Aid	\$150	30	48	\$ 216,000.00	
Wilderness First Responder	\$550	20	24	\$ 264,000.00	
Wilderness EMT	\$2,600	10	6	\$ 156,000.00	
SRT and WRT	\$300	25	16	\$ 120,000.00	
Adventure Racing					\$ 136,000
Intro to Adventure Racing	\$100	40	16	\$ 64,000.00	
Safety Cert for adventure racing	\$100	20	16	\$ 32,000.00	
Advanced Adventure Racing Techniques	\$250	10	16	\$ 40,000.00	
Rock Climbing					\$ 231,840
Intro to top-roping	\$60	10	96	\$ 57,600.00	
Basic climbing techniques	\$80	10	96	\$ 76,800.00	
Intro to lead climbing	\$120	6	48	\$ 34,560.00	
Intermediate lead climbing	\$220	6	24	\$ 31,680.00	
Advanced lead climbing	\$350	4	12	\$ 16,800.00	
Aid climbing techniques	\$120	10	12	\$ 14,400.00	
Mountaineering					\$ 143,000
Glacier travel and crevasse rescue	\$200	10	16	\$ 32,000.00	
High altitude mountaineering techniques	\$250	10	24	\$ 60,000.00	
Basic expedition planning	\$250	10	12	\$ 30,000.00	
Advanced expedition planning	\$350	10	6	\$ 21,000.00	
Guide Training					\$ 372,500
Raft guide training	\$500	30	8	\$ 120,000.00	
Safety kayaker training	\$250	20	8	\$ 40,000.00	
International tour guide training					
Trekking	\$500	10	5	\$ 25,000.00	
High altitude mountaineering	\$650	10	5	\$ 32,500.00	
Interpretive tours	\$350	10	5	\$ 17,500.00	
Whitewater rafting and kayaking	\$350	10	5	\$ 17,500.00	
Mountaineering	\$2,000	10	6	\$ 120,000.00	

Appendix B

Summary of Survey Results

Survey methodology

Online surveys were emailed to the current customer opt-in mailing list of Renaissance Adventure Guides. Respondents were offered a 10% discount on a New Zealand kayaking trip for completing the survey.

Respondent Characteristics

Number of respondents	96
Reside in the Front Range	71%
Male	67%
Female	33%
Single	32%
Married, no kids	32%
Married, kids at home	29%
Married, kids moved out	6%
Age	
< 20	1%
21-30	20%
31-40	44%
41-50	22%
51-60	9%
61-70	3%
> 70	1%
Annual Household Income	
< \$30,000	9%
\$30,000-\$50,000	14%
\$50,000-\$75,000	19%
\$75,000-\$100,000	26%
> \$100,000	32%

Note: Many of the people on this list have previously taken courses with RA Guides, or they have been river guides. As such, the list is somewhat biased towards kayakers. However, it should be noted that some of the most popular courses were not kayaking, showing the trend of current adventure-minded individuals to want to learn new activities, and that they are willing to pay for them.

Opinions on ATC Concept

Interested in taking a course at ATC in:	
Hiking	27%
Indoor rock climbing	25%
Top roping on natural rock	30%
Lead climbing	27%
Glacier travel	40%
Ice climbing	35%
Avalanche course	63%
Telemark skiing at resort	43%
Backcountry skiing	51%
Nordic skiing at Nordic center	28%
Mountain biking	34%
Whitewater kayaking	53%
Sea kayaking	51%
Whitewater rafting	34%
SCUBA diving	54%
WFR/WEMT course	36%
Adventure racing	25%
WRT/SRT	23%
High altitude trekking	33%
GPS course	55%
Very important ATC provide:	
Physical training and conditioning	38%
Technical skills training for an activity	74%
Information about the activity	48%
Most likely times of interest for classes:	
After work, 2 hours on weekday	49%
One full day on weekday	19%
One full day on weekend	56%
Two full days on weekend	48%
Week long course (3+ days)	18%
Specialty course interest:	
Women's only courses	26%
Private personal training	33%
Youth courses, camps	16%
Family courses	35%
Corporate training	17%
Guide training	43%

Appendix C

List of Financial Assumptions

Revenue Forecasts

- \$20,000/month soft goods sales, grow at 10%/year.
- \$2,839,840 in course sales the first 12 months the center is open, based on schedule of courses in Appendix A. This is for 16,142 students, giving an average cost per student of \$175.93.
- The number of students grows at 20% per year in years 3-5
- The price per student grows at 10% per year in years 3-5 (partly due to inflation, and partly due to more students taking more classes, for a higher per student revenue)

Costs of Revenue

- Soft goods COGS is 60% of sale price
- COGS on courses is due to personnel costs of instructors and reception clerks
- Other costs of revenue are liability insurance, which is 15% of gross sales. This is on the low end of the industry 14-22% range, but is due to the fact that our training is more controlled in the center, and our staff are more qualified and trained.
- Depreciation on equipment, the climbing wall, and the building are also included in costs of revenue.

Operating Expenses

- Sales commissions are 5% of gross sales
- Direct mail campaigns are budgeted at \$100k in year 1, increasing to \$350,000 by year 3
- Other sales and marketing expenses are budgeted at 8% of gross sales, and include website development, email campaigns, chat rooms, catalog printing, promotional adventure races, etc.
- Facility utilities are estimated at \$2.50/sq.ft. per year, or approximately \$100,000 in year 1. They are estimated to increase by 6% per year.
- CAMS (common area maintenance charges) are estimated at \$3.25/sq.ft., or \$150,000 in year 1, and increase at 6% per year thereafter.
- Property insurance estimated at \$20,000 and property tax is estimated at \$30,000 in year 1. Grows at 5% per year.
- Other operating expenses are estimated at 2% of gross sales.

Personnel

- A combined Director of Sales and Marketing is hired in year 1 at \$50k. Split into two positions in year 2 at \$55k each. These salaries increase to \$85k each by year 5.
- One customer service rep is hired in year 2, and another is added in year 3, and a third in year 5.
- A CEO and CFO are hired in year 1. Additional accounting staff are hired in year 2 as required through outsourcing or on a part-time basis as required. Admin assistant also hired in year 2.
- Reception clerks are paid hourly, starting at \$10/hour in years 1-2 and increasing to \$12/hour in year 5. More are added each year until 10 in year 3, which is the number for years 4 and 5, too.

Appendix C

List of Financial Assumptions

- Instructors are paid a salary of \$35,000/year in year 1, increasing to \$50,000/year in year 5. The number of instructors increases to keep the number of students taught per week on average below 25/instructor. This results in 14 instructors in years 1-2, and 25 by year 5.
- Benefits are the same for all employees, and are estimated at 15% in year 1 and 2, 17% in year 3, and 20% in years 4 and 5 as the benefits packages are more attractive.

Extraordinary income and expenses

- There is only one expense upon startup considered extraordinary, and that is the legal fees for setting up the bond and equity structure for the financing.

Taxes

- No income taxes are assessed on the business because it is an LLC, and all income is passed through to the members.

Property and Equipment

- In year 1, the building is bought for \$3 million. This includes the full build-out to the normal standard of a health club.
- The climbing wall and current pool are estimated to cost another \$250,000.
- Equipment for classes such as kayaks, ropes, helmets, etc. will cost \$35,000 in years 1-2s, and increase as the number of classes increases, becoming \$75,000 by year 5.
- Office equipment, including computers at information kiosks throughout the center, will cost \$35,000 in year 1, and then require a maintenance and upgrade of \$20,000/year.
- Office equipment is depreciated over 3 years
- The climbing wall is depreciated over 7 years
- Other class equipment is depreciated over 1 year
- The building is depreciated over 39 years (the required time for commercial real estate)

Working Capital

- Accounts receivable are estimated at 2% of sales (consistent with comp)
- Inventory is estimated at one months worth of soft goods sales, which is approx 1% of gross sales
- Accounts payable are estimated at 6.5% (consistent with comp)
- Other current liabilities are estimated at 1% to be conservative

Funding

- Founders invest \$100,000 in common stock on day 1
- Investors invest \$2,500,000 in round A of financing for 49% stake in company
- Debt secured by the facility is obtained in the amount of \$1.5 million at 10% interest, to be repaid over 10 years.
- No additional funding is required.

Appendix D
Financial Statements

Adventure Training Center

Income Statement

Years 1 to 5

(\$)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
NET REVENUES	513,495	3,079,840	4,065,389	5,366,313	7,083,533
COST OF REVENUE	571,162	1,470,742	1,937,591	2,644,918	3,466,006
% of Revenues	111.2%	47.8%	47.7%	49.3%	48.9%
GROSS PROFIT	(57,667)	1,609,098	2,127,797	2,721,394	3,617,527
% of Revenues	-11.2%	52.2%	52.3%	50.7%	51.1%
OPERATING EXPENSES					
Sales & Marketing	310,504	711,379	939,101	1,193,621	1,600,859
Research & Development	0	0	0	0	0
General and Administration	318,437	680,913	772,256	900,041	1,065,000
Total Operating Expenses	628,941	1,392,293	1,711,357	2,093,662	2,665,859
% of Revenues	122%	45%	42%	39%	38%
EARNINGS FROM OPERATIONS	(686,608)	216,805	416,441	627,733	951,668
EXTRAORDINARY INCOME / (EXPENSE)	(25,000)	0	0	0	0
EARNINGS BEFORE INTEREST & TAXES	(711,608)	216,805	416,441	627,733	951,668
INTEREST INCOME / (EXPENSE)	(150,000)	(135,000)	(120,000)	(105,000)	(90,000)
NET EARNINGS BEFORE TAXES	(861,608)	81,805	296,441	522,733	861,668
TAXES	0	0	0	0	0
NET EARNINGS	(861,608)	81,805	296,441	522,733	861,668
% of Revenues	-167.8%	2.7%	7.3%	9.7%	12.2%

Appendix D
Financial Statements

Adventure Training Center

Balance Sheet

Years 1 to 5

(\$)

	<u>Begin</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
ASSETS						
CURRENT ASSETS						
Cash	100,000	153,362	190,899	456,825	932,323	1,743,855
Accounts Receivable		43,237	43,237	54,225	71,577	94,482
Inventories		21,619	21,619	27,113	35,789	47,241
Other Current Assets		21,619	21,619	27,113	35,789	47,241
Total Current Assets	100,000	239,836	277,374	565,275	1,075,478	1,932,818
PROPERTY & EQUIPMENT	0	3,160,696	3,054,963	2,954,707	2,882,308	2,822,527
TOTAL ASSETS	100,000	3,400,532	3,332,337	3,519,982	3,957,785	4,755,346
LIABILITIES & SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short Term Debt	0	0	0	0	0	0
Accounts Payable & Accrued Expen		140,521	140,521	176,231	232,626	307,066
Other Current Liab		21,619	21,619	27,113	35,789	47,241
Current portion of long term debt	0	150,000	150,000	150,000	150,000	150,000
Total Current Liabilities	0	312,140	312,140	353,344	418,414	504,307
LONG TERM DEBT (less current portion)	0	1,350,000	1,200,000	1,050,000	900,000	750,000
STOCKHOLDERS' EQUITY						
Common Stock	100,000	100,000	100,000	100,000	100,000	100,000
Preferred Stock	0	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Retained Earnings		(861,608)	(779,802)	(483,362)	39,371	901,039
Total Equity	100,000	1,738,392	1,820,198	2,116,638	2,639,371	3,501,039
TOTAL LIABILITIES & EQUITY	100,000	3,400,532	3,332,337	3,519,982	3,957,785	4,755,346

Appendix D
Financial Statements

Adventure Training Center

Cash Flow Statement

Years 1 to 5

(\$)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
OPERATING ACTIVITIES					
Net Earnings	(861,608)	81,805	296,441	522,733	861,668
Depreciation	159,304	170,733	185,256	197,399	229,780
Working Capital Changes					
(Increase)/Decrease Accounts Receivable	(43,237)	0	(10,988)	(17,352)	(22,905)
(Increase)/Decrease Inventories	(21,619)	0	(5,494)	(8,676)	(11,452)
(Increase)/Decrease Other Current Assets	(21,619)	0	(5,494)	(8,676)	(11,452)
Increase/(Decrease) Accts Pay & Accrd Expenses	140,521	0	35,711	56,394	74,440
Increase/(Decrease) Other Current Liab	21,619	0	5,494	8,676	11,452
Net Cash Provided/(Used) by Operating Activities	(626,638)	252,538	500,926	750,498	1,131,532
INVESTING ACTIVITIES					
Property & Equipment	(3,320,000)	(65,000)	(85,000)	(125,000)	(170,000)
Other					
Net Cash Used in Investing Activities	(3,320,000)	(65,000)	(85,000)	(125,000)	(170,000)
FINANCING ACTIVITIES					
Increase/(Decrease) Short Term Debt	0	0	0	0	0
Increase/(Decrease) Curr. Portion LTD	150,000	0	0	0	0
Increase/(Decrease) Long Term Debt	1,350,000	(150,000)	(150,000)	(150,000)	(150,000)
Increase/(Decrease) Common Stock	0	0	0	0	0
Increase/(Decrease) Preferred Stock	2,500,000	0	0	0	0
Dividends Declared	0	0	0	0	0
Net Cash Provided / (Used) by Financing	4,000,000	(150,000)	(150,000)	(150,000)	(150,000)
INCREASE/(DECREASE) IN CASH					
	53,362	37,538	265,926	475,498	811,532
CASH AT BEGINNING OF YEAR					
	100,000	153,362	190,899	456,825	932,323
CASH AT END OF YEAR					
100,000	153,362	190,899	456,825	932,323	1,743,855

Appendix E

Adventure Training Center
Development Plan: Pre-Operations

Event	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Jul-06	Aug-06	Sep-06	Oct-06
Secure Funding	Green										
Evaluate Funding Requirements											Green
Site Selection	Blue										
Architectural Plans	Blue										
Equipment order		Blue									
Receive equipment and stock it										Blue	Blue
ATC Construction		Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Hire Management Team	Pink										
Recruit and Hire Instructors								Pink			
Train Instructors									Pink	Pink	
Public Relations Campaign					Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Direct Mail Campaign											
Promotional Races and Clinics											
Grand Opening											
Establish Strategic Partnerships			Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Commence Classes											

Funding Related	Green
Construction Related	Blue
Personnel Related	Pink
Sales and Marketing Related	Yellow
Operations Related	Purple

Appendix E

Adventure Training Center
Development Plan: Ongoing Operations

Event	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
Evaluate funding requirements	Green			Green			Green			Green		
Courses analysis				Blue						Blue		
Add/drop new courses	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Monitor the capacity of the classes	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Company-wide team building activities	Pink				Pink			Pink			Pink	Pink
Recruit and Hire Instructors	Pink				Pink			Pink			Pink	Pink
full-time instructors training	Pink				Pink		Pink		Pink			Pink
Public Relations Campaign	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Direct Mail Campaign	Yellow			Yellow			Yellow		Yellow		Yellow	Yellow
Promotional Races and Clinics	Yellow			Yellow			Yellow		Yellow		Yellow	Yellow
Evaluate marketing strategy	Yellow			Yellow			Yellow		Yellow		Yellow	Yellow
Establish Strategic Partnerships	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Ongoing Classes	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Whitewater kayaking	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Sea Kayaking	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Mountain Biking	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Backcountry Skiing	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
GPS Navigation	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Safety Certification Courses	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Adventure Racing	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Rock Climbing	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Mountaineering	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Guide Training	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple

Funding Related	Green
Analysis related	Blue
Personnel Related	Pink
Sales and Marketing Related	Yellow
Operations Related	Purple

Appendix F Management Biographies

Mike Young, CEO

Mike Young has had a widely varied career, ranging from a nuclear engineer on a US Navy cruiser to running his own adventure travel company. Mike received his BS from the Colorado School of Mines in 1989 with high scholastic honors in Engineering Physics. He then served on active duty with the US Navy for 10 years in jobs which included: nuclear engineer on the USS TRUXTUN, Leadership Instructor at the Australian Defence Force Academy, and Operations Officer on the USS CHANDLER. Mike left the Navy in 1999 to start Renaissance Adventure Guides with his brother, Mark. During the past 6 years they have successfully run trips to Nepal, East Africa, Peru, Ecuador, Costa Rica and Panama. They have also run a successful kayaking school in Denver for the last 4 years. In 2004, Mike went back to school, and is scheduled to receive his MBA from the Leeds School of Business in April 2006. Mike has the requisite leadership skills, business experience, and understanding of the adventure training industry to make the Adventure Training Center a resounding success.

Mark Young, Director of Operations

Mark, aka Mad Max, has been active in the adventure industry for the past 20 years. He initially started as a raft guide on the Arkansas River in Colorado while attending the University of Colorado in 1986, where he was also active in the CU Outdoor Program teaching kayaking. He has guided for other companies in New Zealand and Guatemala for several seasons, and also on the Grand Canyon. He ran the outdoor instructional program for AAE from 1988-93, helping to make it one of the largest programs of its type in the state. During the off season for rafting in 1991, he was the climbing wall manager for the East Boulder Community Center, developing their complete climbing program from scratch. From 1993-95 he was director of operations for Area Verde Expeditions in Guatemala. Under his direction, AVE pioneered first descents on over 11 rivers. From 1998-99 he was head boatman for Clear Creek Rafting, managing a 22-man guide staff as well as all maintenance on the boats and facilities. In 1999 he started Renaissance Adventure Guides with his brother, Mike, and was responsible for guiding trips to Central and South America, as well as running the kayaking school in summers. Max's experience in the outdoor industry is extensive. He has hundreds of contacts with guides in every field, and excels at managing the unique personalities associated with these free spirits, while also giving the client an amazing learning experience.

Mark Joffe, Director of Sales and Marketing

Mark Joffe has been involved in sales, marketing and adventure sport management since 1994. His initial marketing and sales experience was as general manager of Shearwater Adventures in Zimbabwe. Under his direction, Shearwater acquired 52% of the entire Zambezi market out of 6 companies operating on the river. As managing director of Rapidpulse since 1997, Mark has been responsible for all facets of event management, including event conceptualization, sponsorship acquisition/event sales, event marketing, website design, coordinating television productions, and working with the various media outlets (press, magazines, web, and television). Mark has operated events from grass-roots local levels to world championships. Although the events usually focus on rafting, they also include adventure races, mountain biking, corporate hospitality and team building. Mark has worked and lived on four continents and understands what adventure sports are and what companies and people are looking for as adventure sports move into the future.

Appendix G
Adventure Training Center Layout

