

A business risk assignment report

On

(Back pain advice for employers)

Corporate
Fitness

The logo for Corporate Fitness features the word "Corporate" in a grey, sans-serif font above the word "Fitness" in a bold, blue, italicized sans-serif font. A horizontal bar with a color gradient from grey to orange is positioned between the two words.

EXECUTIVE SUMMARY

Corporate Fitness will serve Seattle area businesses, helping them to become more productive, while lowering their overall costs. Our business is based on two simple facts, one is healthy employees are more productive than chronically ill employees. Second is their cost less to prevent injuries or illnesses than to treat them after they occur. At Corporate Fitness, we tie worker productivity directly to the health care issue. We believe that traditional approaches to the current health care crisis are misdirected. These traditional efforts are what we call reactive that is, they wait until after the worker has been stricken with illness or injury, and then pay for the necessary treatments. Our approach, which emphasizes prevention and good health promotion, is much more proactive. By helping employees change their behavior patterns and choose more healthy lifestyles, Corporate Fitness will lower companies' health care expenditures, while raising worker productivity. Health care expenditures will decrease due to reduced medical insurance premiums, reduced absenteeism, reduced turnover rates, reduced worker's compensation claims, reduced tardiness, shorter hospital stays, etc.

AGREEMENT

The undersigned reader acknowledges that the information provided by _____ in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of _____.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to _____.

Upon request, this document is to be immediately returned to _____.

Signature

Name (typed or printed)

Date

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1.0 COMPANY SUMMARY

Corporate Fitness is based on the belief that healthy employees are more productive and efficient employees. For this reason, it provides wellness strategies/programs to businesses in the downtown Seattle area. This combines promotion of health and exercise-related activities designed to facilitate positive lifestyle changes in members of a company's work force.

1.1 OBJECTIVES

- Provide wellness strategies/programs to businesses in the downtown Seattle area.
- Create working relationships with 20 companies by the end of year one.
- Expand Corporate Fitness into Portland, Oregon by the end of year two.

1.2 KEYS TO SUCCESS

Corporate Fitness' keys to success are:

- Marketing services to companies and individuals.
- Recruitment of experienced managerial talent.
- Dedication and hard work of the founders.
- Raising productivity.
- Lowering overall costs.

1.3 MISSION

Corporate Fitness is a health service that helps businesses and individual workers attain one of the greatest gifts of all that of good health. Personal gains, such as improved self-esteem and self-motivation, combined with measurable benefits will create tremendous advantages for both the employer and the employee

1.4 COMPANY LOCATIONS AND FACILITIES

Corporate Fitness headquarters are located within the first club located in downtown Seattle. Upon expansion, offices will be moved to a different location, not within any individual club.

2.0 SERVICES

Business ratios for Corporate Fitness indicate strong financial growth and an impressive chance for investment opportunities, making expansion and further development both very possible.

2.1 Service Description

Corporate Fitness provides wellness strategies/programs to businesses in the downtown Seattle area. A wellness strategy is a long-term effort, combining both health-promotion and exercise-related activities designed to facilitate positive lifestyle changes in members of a company's work force. Corporate Fitness will work with a company's senior management to help it develop a mission statement for its wellness program. The client company's employees will undergo a health-risk analysis, following which each employee will be given the opportunity to meet with a health professional to design a personalized health program. Finally, Corporate Fitness will furnish employee progress reports to senior management with which to carry out the incentive program and generally monitor changes in the behavior of its work force.

3.0 COMPETITIVE COMPARISON

Corporate Fitness is not primarily a health club, as are the majority of competitors. This organization is in the business of health care cost management. The major function is to work with client companies to implement wellness strategies. Many employees will become benefactors of such strategies without ever visiting the fitness facility, as exercise is only one facet of overall wellness. Corporate Fitness has a vested interest in each individual member of every wellness program, unlike many competitors. An integral part of this service is following up and monitoring the individuals.

3.1 FULFILLMENT

All fitness machines are purchased from exercise equipment distributors, while all medical equipment is bought from a reputable supply company.

4.0 MARKET SEGMENTATION

The market for corporate fitness is not particularly segmented, as potential customers include all downtown businesses that offer their employees some type of medical benefits, are experiencing escalating health care costs, and wish to more effectively manage those costs.

Corporate Fitness, however, segments its services for individual organizations. Corporate Fitness works with senior management to develop mission statements and provide incentive plans, and with employees to design personalized health and fitness programs.

4.1 SERVICE BUSINESS ANALYSIS

Several small fitness facilities are currently in operation in the downtown area, none of which cater their services to corporations. These organizations are primarily exercise facilities with little emphasis on personalizing individual plans to improve working performance.

4.1.1 Main Competitors

The three main competitors for Corporate Fitness are:

- Gold's Gym-services are targeted toward those motivated and dedicated individuals who workout five to seven times per week.
- Better Bodies-aimed at casual fitness-seekers who do not work out with a high intensity but still desire the status and recognition.
- YMCA-market is lower-income families and/or students who want accessibility and affordability of fitness facilities

4.1.2 Distributing a Service

Few fitness centers are located in the downtown Seattle area, while the majority are found in suburban neighborhoods and shopping complexes. Those in the downtown area are located close to professional centers containing restaurants, parks, and other recreational activities. In suburban locales, these establishments are often found close to grocery stores, restaurants, and retail stores.

5.0 BACK PAIN ADVICE FOR EMPLOYERS

Low back pain is common and can be extremely painful. It can be difficult to cope with the severe pain but fortunately it is rarely due to serious disease. There are things that employers can do to manage back pain and other musculoskeletal disorders (MSDs) in the workplace. People can be helped to remain in work or helped to make an earlier return to work.

5.1 LEGAL DUTIES

Employers have a legal obligation to protect the health and safety of their employees and other people who might be affected by what they do. Some health and safety regulations are particularly relevant to dealing with back pain in the workplace.

The Manual Handling Operations Regulations ([external link opens in a new window / tab](#)) require an employer to carry out a risk assessment on the manual handling tasks that pose a risk of injury.

Health and Safety Regulations ([external link opens in a new window / tab](#)) some users of visual display units may get aches and pains, including back pain. The regulations set out what employers need to do if their employees are habitual users of DSE.

The Control of Vibration at Work Regulations ([external link opens in a new window / tab](#)) regular long-term exposure to whole body vibration (WBV) is associated with back pain. The regulations require an employer to take actions to protect persons against risk to their health and safety arising from exposure to vibration at work.

5.2 BACK PAIN IN THE WORKPLACE

Back pain can be caused by different work factors. The exact cause is often unclear, but back pain is more common in occupational roles that involve:

- ✚ Repetitive tasks - such as manual packing of goods
- ✚ Force - heavy manual labour, handling tasks, pushing and pulling loads that require excessive force
- ✚ Posture - poor/ awkward postures such as stooping, bending over or crouching
- ✚ Duration - maintaining the same position for long periods of time e.g. working with computers or driving long distances. Also working when physically overtired
- ✚ Vibration - operating vibration tools
- ✚ Cold temperature - working in low temperature environments e.g. outdoor working in winter

5.3 THINGS TO REMEMBER ABOUT RISK FACTORS FOR BACK PAIN

Risk factors may be experienced during non-occupational activities. In addressing any issue of back pain it would be a mistake to focus solely on the workplace. As individuals we are all different, the variation exists for example in our size, shape, strength, endurance, flexibility, knowledge, experience and skill. Two individuals exposed to the same combination of risk factors and to the same degree will respond differently. One employee may NOT experience any discomfort, while another might develop back pain. Other predisposing factors can also increase the risk of developing back pain.

5.4 CONSULT YOUR EMPLOYEES

You have a legal duty to consult with all your employees or their elected representatives. Talking to your staff is good because they know what they find difficult and often have good ideas about how to improve things.

Involving employees and safety representatives in discussions about how to improve health and safety will also make it easier to agree changes and employees will be more likely to follow procedures that they have helped to design. Some people are more susceptible to back pain than others, so it is important to consult employees in the risk assessment process.

5.5 PREDISPOSING FACTORS

Many factors increase the risk of developing back pain. Some of these factors are important risk factors for the development of persistent back pain.

- Previous back injury - the single best predictor of back pain is a previous injury. Relapses are common after a significant episode of back pain
- Alcohol and drug abuse - alcohol and illicit drug use have been shown to increase one's risk for back pain
- Level of activity (physical fitness) - the strength and endurance of the back and abdominal muscles have been shown to be related to the development of back pain. Studies have shown that physical fitness and conditioning may prevent back injuries
- Obesity - studies have shown an increase in back pain in obese individuals
- Sports and hobbies - such as skiing, gymnastics and contact sports such as football and rugby increase the risk of developing back pain as a result of injury
- Smoking - studies have shown that smokers are at greater risk of developing back pain than non-smokers. It is thought to be due to reduced oxygen supply to the spinal discs and decreased blood oxygen from the effects of nicotine on constriction of the arteries
- Psychological and social factors - it is increasingly recognized that a wide variety of psychological and social factors can increase the risk of back pain. Research has shown anxiety, depression, job dissatisfaction, mental stress at work can place people at increased risk for developing chronic back pain

6.0 RISK ASSESSMENT

Risk assessment is a five stage process and involves:

- looking for the risks (hazards)
- deciding who might be harmed
- evaluating the risks and deciding whether the existing precautions are adequate or whether more should be done
- recording your findings and telling your employees about them
- reviewing your assessment and revising it if necessary, for example if the work changes significantly; if there is an accident; or when someone returns to work after sickness or injury, or suffers a change in their health, that could affect or be affected by their work

6.1 RISK ASSESSMENT AIDS, TOOLS AND CHECKLISTS

A number of risk assessment aids, tools or checklists have been developed that will help you assess the risks from some of the manual handling activities that your workers may carry out. A body mapping tool can be used to collect some basic statistical information from your employees on pain experienced during working. It draws on

direct experience of employees themselves and it helps develop an understanding of the shared risk-factors in the work they do.

If your employees are carrying out manual labour then you will need to consider a risk assessment tool that assesses the risks of manual handling.

If your employees work with computers then you will need to perform a display screen equipment (DSE) risk assessment

If your employees' work duties involve repetitive or forceful actions, twisting, pushing, pulling, lifting, reaching movements or poor posture, they may be at risk of upper limb disorders (ULDs) and back pain and therefore you will need to carry out a ULD risk assessment.

6.2 MANUAL HANDLING RISK ASSESSMENTS AND SPECIFIC TOOLS

Things to remember about manual handling risk assessments:

- Risk assessments are not an end in themselves they are a structured approach to analyzing risk and should point the way to practical solutions
- A risk assessment should cover all standard operations, including cleaning and maintenance activities. It should reflect how the work is actually done
- The main areas to focus on are the task load, working environment and individual capability

Once the risk assessment is completed you should now review ways in which to eliminate or reduce the risk of employees developing back injury in your workplace. This will often involve redesigning the task (to reduce the amount of manual handling or exposure to the risks) and may involve the introduction of mechanical lifting aids that can support the weight of the load and therefore potentially reduce the risk of back injury. There are a number of different companies that produce manual handling lifting aids to reduce the manual handling risks to the employee and therefore reduce the risk of developing back pain. The leaflet 'Making the best use of lifting and handling aids (external link opens in a new window / tab)' provides information of some of the different aids available. This list is not exhaustive and there are a number of different aids available for a variety of different work processes. The guidance on the Manual Handling Regulations contains a risk assessment filter to help you screen out low risk manual handling activities. The filter allows you to identify those manual handling tasks that may be categorized as hazardous and pose a risk of injury. As a result a more detailed risk assessment is required. Application of the filter guidelines will provide a reasonable level of protection to around 95% of working men and women. However, the guidelines should not be regarded as safe weight limits for lifting.

6.3 OTHER RISK FACTORS

Research has shown that there are other risk factors that can affect an employee's physical health. Within the work setting, examples of these other risk factors are:

- ✓ High workloads
- ✓ Tight deadlines
- ✓ lack of control of the work and working methods
- ✓ working relationships with supervisors and colleagues

These risk factors can lead not only to stress but also to back pain. For example, stress related changes in the body, such as increased muscle tension, could make employees more susceptible to back pain, or changes in behavior such as not taking breaks to try to cope with deadlines. These other risk factors are also known as

psychosocial risk factors. Psychosocial risk factors are about the interaction between a person and their social or work environment and the influences on their behavior.

6.4 PREVENTING BACK PAIN

Active work is good for your employees. Active work has a positive impact on individuals' physical and mental wellbeing. The idea that manual handling or repetitive movements is 'bad for employees' is a myth but it is true active work approached wrongly can sometimes contribute to health conditions like back pain and other musculoskeletal disorders (MSDS) such as muscular aches and strains.

6.5 TAKE STEPS TO REDUCE THE RISK OF BACK PAIN IN THE WORKPLACE.

- ✚ Provide safe equipment to assist your employees in their duties
- ✚ Consult regularly with the employees on their health and well being to help you identify concerns and developing trends
- ✚ Take actions to address any outcomes from these discussions
- ✚ Respond promptly when an individual employee reports back pain
- ✚ Talk to employees and get them to suggest ideas and discuss possible solutions for high risk tasks/activity
- ✚ Provide information, training and supervision on safe ways to work
- ✚ Carry out risk assessments conducted by trained assessors to minimise risks
- ✚ Make changes to work environment and work style as far as is practical i.e. vary tasks to give employees a range of postures
- ✚ Consider ways in which you can make jobs physically easier and safer to perform, e.g. by moving loads on wheels, providing better handles on loads, adjusting heights of worktops etc
- ✚ Consider Job Enlargement/ Job Rotation- to reduce physical and mental fatigue
- ✚ Encourage employees to warm up to prepare their bodies for heavy or repetitive work (e.g. general stretch of all major muscle groups or gentle jog on the spot)
- ✚ Encourage employees to adopt correct postures for the tasks they do at work and home
- ✚ Ensure employees take allocated breaks and leave work on time
- ✚ Make employees aware of the predisposing factors for back pain e.g. poor physical fitness, psychosocial issues and smoking
- ✚ Consider basic 'health promotion in the work place' tips. This might include advice or information about walk or cycle to work schemes and providing information sessions for employees on important health issues

7.0 EARLY ACCESS TO ADVICE AND HELPING EMPLOYEES RETURNS TO WORK

The occupational health professional will be able to highlight any work factors that are causing difficulty and should liaise with supervisors or managers if necessary in order to help the person stay at work or return to work. Some cases will require monitoring by occupational health professionals with a review of progress at regular intervals. Some individuals such as those with a serious condition or serious back injury may be under the care of their GP or hospital specialist. While they are absent from work long term, occupational health professionals will be in a position to liaise with the GP or specialist to gain further information on the diagnosis and the plans for medical management including time frames. This will enable you to plan your work and arrange for cover as needed.

7.1 EARLY ACCESS TO ADVICE

This service could be used for employees with back symptoms who are still at work or any who are on sick leave. Occupational health professionals with experience of back problems and workplace situations (occupational physiotherapists, occupational therapists or other appropriate health professionals) are able to give appropriate advice via face- to-face appointments or telephone contact. The system should include assessment of clinical priority. Severe conditions linked to back pain are rare. An individual with serious symptoms would be directed to seek medical attention as appropriate as they may need urgent treatment from the NHS. Other individuals can be reassured and given appropriate advice with a follow up contact arranged if necessary.

7.2 EXTRA HELP IN RETURNING TO WORK

If someone is off work or unable to work normally due to back pain or injury and they have continued to have problems for 4-6 weeks, you can invest in a particular type of scheme to help restore function to the employee. This is called a functional restoration programme. There is strong evidence from good quality research for the effectiveness of this process. Gradual strengthening takes place under the supervision of occupational physiotherapists or occupational therapists. These professionals are able to assist employees to overcome any barriers such as fear of further injury and get them to carry out work-oriented tasks with the aim of going back to the original job. You should be aware that an exercise programmed is not the same as a functional restoration programme and will not give the same benefits to the employee.

This is a real life example of where functional restoration was used to help employees return to work. Royal Mail paid occupational physiotherapists to run a programme that had a success rate of 67%. In this scheme, employees had a history of extensive problems, suffering e.g. a prolapsed disc or back injury, and had been off work for periods such as 14 months. They had many years of potential employment ahead of them and had physically-demanding jobs, including lifting heavy mail bags. Most of these employees were able to return to work after a programme lasting typically just 10 weeks. They returned to full duties and were able to go back to active leisure pursuits like football. The evidence indicates that these special programmes can prevent long-term back pain and be highly cost-effective, especially when individuals are selected as needing this approach

8.1 PERSONNEL PLAN

Corporate Fitness' personnel staff requirements are shown in the table below.

Table personal

Personnel Plan		
Fitness Center Management		
Program Director		
Personnel Manager		
Health/Fitness Specialists		
Attendants		
Total People		
Total Payroll		

8.2 TABLE: PROFIT AND LOSS

Sales are predicted to increase each month with first year annual sales totaling close to a half-million dollars. Gross margin, likewise, is expected to increase correspondingly.

Compared to total sales, net profit will increase each month and is predicted to increase for 1995 through 1997.

Pro Forma Profit and Loss			
	Year 1	Year 2	Year 3
Sales			
Direct Cost of Sales			
Other Costs of Sales			
Total Cost of Sales			
Gross Margin			
Gross Margin %			
Expenses			
Payroll			
Marketing/Promotion			
Depreciation			
Rent			
Utilities			
Insurance			
Leased Equipment			
Payroll Taxes			
Other			
Total Operating Expenses			
Profit Before Interest and Taxes			
EBITDA			
Interest Expense			
Taxes Incurred			
Net Profit			
Net Profit/Sales			

8.3 Projected Cash Flow

Ordinary cash flow will increase significantly while expenses remain relatively static, with only minimal increases. We plan to take out a short-term loan to cover our receivables and other contingencies in month one, and repay it in month 12.

Table: Cash Flow

Pro Forma Cash Flow			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales			
Cash from Receivables			
Subtotal Cash from Operations			
Additional Cash Received			
Sales Tax, VAT, HST/GST Received			
New Current Borrowing			
New Other Liabilities (interest-free)			
New Long-term Liabilities			
Sales of Other Current Assets			
Sales of Long-term Assets			
New Investment Received			
Subtotal Cash Received			
Expenditures			
Expenditures from Operations			
Cash Spending			
Bill Payments			
Subtotal Spent on Operations			
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out			
Principal Repayment of Current Borrowing			
Other Liabilities Principal Repayment			
Long-term Liabilities Principal Repayment			
Purchase Other Current Assets			
Purchase Long-term Assets			
Dividends			
Subtotal Cash Spent			
Net Cash Flow			
Cash Balance			

8.4 PROJECTED BALANCE SHEET

The balance sheet indicates that at the end of the first year of operation, net worth will be positive and constantly increasing through the end of 1997.

Table: Balance Sheet

Pro Forma Balance Sheet			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash			
Accounts Receivable			
Other Current Assets			
Total Current Assets			
Long-term Assets			
Long-term Assets			
Accumulated Depreciation			
Total Long-term Assets			
Total Assets			
Liabilities and Capital			
Current Liabilities			
Accounts Payable			
Current Borrowing			
Other Current Liabilities			
Subtotal Current Liabilities			
Long-term Liabilities			
Total Liabilities			
Paid-in Capital			
Retained Earnings			
Earnings			
Total Capital			
Total Liabilities and Capital			
Net Worth			

8.5 BUSINESS RATIOS

The following table outlines some of Corporate Fitness' more important business ratios. The final column, Industry Profile, details specific ratios based on the Physical Fitness Facilities industry as it is classified by the Standard Industry Classification (SIC) code, 7991. These ratios indicate strong financial growth and an impressive chance for investment opportunities, making expansion and further development both very possible.

Table: Ratio analysis

Ratio Analysis				
	Year 1	Year 2	Year 3	Industry Profile
Sales Growth				
Percent of Total Assets				
Accounts Receivable				
Other Current Assets				
Total Current Assets				
Long-term Assets				
Total Assets				
Current Liabilities				
Long-term Liabilities				
Total Liabilities				
Net Worth				
Percent of Sales				
Sales				
Gross Margin				
Selling, General & Administrative Expenses				
Advertising Expenses				
Profit Before Interest and Taxes				
Main Ratios				
Current				
Quick				
Total Debt to Total Assets				
Pre-tax Return on Net Worth				
Pre-tax Return on Assets				
Additional Ratios				
Net Profit Margin				
Return on Equity				
Activity Ratios				
Accounts Receivable Turnover				
Collection Days				
Accounts Payable Turnover				

Payment Days				
Total Asset Turnover				
Debt Ratios				
Debt to Net Worth				
Current Liab. to Liab.				
Liquidity Ratios				
Net Working Capital				
Interest Coverage				
Additional Ratios				
Assets to Sales				
Current Debt/Total Assets				
Acid Test				
Sales/Net Worth				
Dividend Payout				

Appendix

