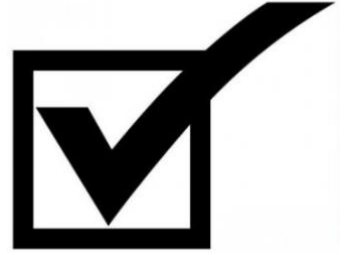




**BUSINESS
PROFESSIONALS**
of **AMERICA**
Giving Purpose to Potential



FINANCIAL ANALYST TEAM

(150)

REGIONAL 2023

Initial Case Study Topic:

Prior to the pandemic, Amber was a yoga teacher at a local yoga studio in Cleveland, Ohio. During the pandemic, Amber began to post yoga videos to her personal social media accounts, since the yoga studio she taught at was closed. The yoga studio has since closed permanently, so Amber is now considering opening her own yoga studio and has identified two possible scenarios.

Scenario 1: Amber found a building she could buy for \$550,000 in an older residential neighborhood. The studio has five rooms that could be used as activity rooms, plus a small office and front desk area.

Scenario 2: Amber also found a space to lease for \$1,200 a month in the entertainment district. The studio has two small activity rooms and a small front desk area.

Under both scenarios, Amber would need to hire a front desk receptionist, and estimates she can charge \$25 per yoga or Pilates class.

Amber is unsure what she should do and would like your expert advice. Please prepare a financial analysis of both scenarios, including all additional expenses that Amber has not yet considered and potential revenue streams. Amber has hired you as a consultant to help her through this process. You will make a presentation of your findings, including break-even analysis and pro forma financial statements, along with your recommendation as to how she should proceed.

Potential Questions for Financial Analyst Team

- What market research did you do on the industry?
- In creating the financial statements, what do you see as the biggest red flag for this business?
- What additions would have the biggest impact on Amber's financial success?