

ATHGO Climate Change Conference: *Change Your Attitude, Not the Weather*

GROUP 8: Business Model

VISION STATEMENT: To integrate a sustainable business model that empowers local communities in a profitable business

Emerging economies are capable of furthering their development from short-term profit gain into long-term sustainable business strategies. As Kristina Skierka stated, there is a "triple bottom line" that surrounds people, planet, and profit. By incorporating partnerships between local communities and businesses, profit becomes attainable. The fitness sector, one of the industries that will benefit from this strategy, will profit by retrofitting current establishments to utilize renewable energy resources available. This on-site variable model would include energy harvesting from solar energy and site-specific water recycling, as well as recapturing energy from the fitness center's users. A series of positive social consequences are inevitable: social change and community empowerment, bridging the gaps between business and municipalities, and environmental justice and health promotion. Not only would social impact be achieved, there would be extensive profit generated from the creation of new jobs. By supporting eco-friendly businesses, and with support from their partnerships, a positive corporate image is created through environmental awareness.

Fitness centers across Los Angeles have enormous potential for energy harvesting from a variety of resources. By retrofitting the centers to incorporate solar panels, storm rain collection, and natural ventilation, the energy costs of running the center's lights and air conditioning will decrease. There is currently an incentive for businesses to incorporate such technologies in their establishment, with a 30% of building cost tax deductible, as stated in the IRS Form 3468. Not only would these centers benefit from natural means of renewable energy, but the physical activity of cardiovascular fitness equipment users has potential to generate viable wattage by converting the amount of calories burned into kilowatts. Instead of inefficiently storing this energy in a battery, it would be transmitted directly to the city's power grid.

There is mention that this technology is in experimental stages in California and China but it has yet to be available on a mainstream level. The time is now to jumpstart this technology, as both Los Angeles' affluent and low-income neighborhood regions are ideal locations. The city's economic elite embrace their ability to lead emerging trends and thus could be capitalized upon; and by charging a premium for their membership in this premiere fitness center, even more profit can be generated. Low-income neighbourhoods, on the other hand, could incorporate partnerships between a specified industry and the center, with the industry potentially providing a membership to the fitness center as part of a health plan benefit. The ability to educate these workers on proper health and nutrition also becomes possible to combat the problem of obesity. In each location, a positive corporate image is generated through being environmentally-aware.

Partnership agreements with like-minded companies are required to sustain the fitness center, due to the waste produced through the use of towels. By partnering with Marci Zaroff's "Under the Canopy" organic cotton products, the company's product would permanently be on display as an eco-friendly product. Fitness wear would also be sold on-site to further promote her business and generate income for the center. The towels require great energy to be washed and maintained for each client's use and as such, innovative washer and dryer systems would be implemented.

The expected barriers are reflected by the high cost of the new technology. This equipment requires an initial investment but would generate profit once partnerships were established. The municipal government and utilities commission should provide incentives for self-sustaining fitness centres, as the solar energy capture and natural ventilation would reduce the energy required to run the center itself. The difference in this project is its ability to go beyond current renewable energy sources with new self-sustainable technology, consequently involving the consumers and, with them, contributing to the community. Not only does the consumer exercise and generate energy, they pay to do so with membership fees, and by doing so the consumer has a better sense of self while he or she contributes to the community's empowerment. Regardless of which community, members of other fitness centers will feel obligated to follow suit as environmental awareness increases.

The implementation of retrofitted fitness centers in Los Angeles would enable the city to market its current demographic regions, as well as set an example for other cities to follow. The business that jumpstarts this succession would be distinguished as the first fitness center to incorporate various forms of renewable energy. It would significantly lower the costs of its own maintenance as well as incorporating the community in a profit-bearing dominating economy.