



BUSINESS PLAN · INDIA

Sports Equipment Retail & Distribution

A fitting-and-service business that also sells product

SPORTS, FITNESS & RECREATION BUSINESSES

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Sports Equipment Retail & Distribution** business in India — technical equipment (bats, racquets, running shoes, cycles), apparel and accessories, protective gear, institutional and bulk supply to schools, academies and clubs, and an in-store service workshop for stringing, bat care, cycle servicing and fitting.

This is the vertical's distribution business, and it starts from the same weak position the pet supplies store occupied: it owns nothing. Every product on the shelf belongs to someone else's brand, is available online, and is usually cheaper there. **Three differences, however, make this a genuinely different problem — and the first of them is the whole plan.**

Sports equipment is fit-dependent in a way almost nothing the pet store sold ever was. A running shoe matched to the wrong foot mechanics causes injury. A bat's weight and pickup have to suit the player's hands. Racquet grip size and string tension change how a wrist loads. A cycle frame that is one size out produces knee and back pain over months. **None of this can be resolved from a photograph, which is precisely why online footwear return rates run at thirty to forty per cent — an unresolved fitting problem, expressed as logistics cost.** That is the store's structural advantage and its only genuinely defensible ground: **the fitting is the product, and the equipment is what the fitting is delivered on.**

The second difference is that counterfeits are endemic in this category and are a safety matter, not merely an intellectual-property one. Fake branded sportswear, grey imports and factory seconds sold as first quality are pervasive in Indian sports retail — and while a counterfeit t-shirt is a commercial irritation, **a counterfeit helmet, abdominal guard or cricket pad is protective equipment that has never been tested and will fail at the moment it matters.** This plan therefore carries **products sourced from authorised distributors with a full invoice trail: 100%, and grey-market or parallel-import stock: NIL** — a real differentiator in this trade rather than a formality.

The third difference shapes the business model: this category splits sharply into commodity and technical. Apparel, balls, accessories and consumables are commoditised, thin-margin and will be lost to online however well the store is run — **they must be stocked so the shop looks like a sports shop, and they cannot be defended.** Bats, racquets, shoes and cycles require fitting, knowledge and ongoing service. **The plan is therefore built as a fitting-and-service business that also sells product** — the same conclusion the aquarium plan reached about maintenance — with **service revenue rising from 11.2% to 15.3%, commodity apparel falling from 20.6% to 16.7%, and gross margin improving 33.6% → 36.7% on mix alone.**

This plan models a store requiring **₹72 lakh** (₹40 lakh promoter + ₹18 lakh term loan + ₹14 lakh working-capital finance), moving from **₹2.14 crore revenue and a ₹4 lakh loss** in Year 1 to **₹4.3 crore revenue and ₹30 lakh profit** by Year 3 — **a 7.0% net margin that is honest for specialty retail.** (*Fitting-led retail with a service spine — figures illustrative.*)

2. Business Description, Vision & Legal Structure

Concept: A specialty sports retailer organised around fitting and service — gait assessment for running shoes, bat selection and knocking, racquet stringing and grip fitting, cycle sizing and workshop servicing — supported by authorised-dealer product sourcing and an institutional supply arm.

Vision: To be the shop a serious player comes back to every six weeks, not once a season.

Mission: Fit before selling; source only through authorised channels; never stock protective equipment we cannot trace; charge for expertise and credit it honestly; and build the workshop, not the shelf.

Legal structure options

- **Private Limited** — suits brand dealership agreements, institutional tendering and multi-store plans.
- **LLP** — workable for a partner-run store.
- **Proprietorship** — viable for a single outlet, though it limits tender participation and brand dealership terms.

Regulatory anchor: ordinary retail compliance plus two areas that matter more here than elsewhere. **Protective equipment is subject to standards** — helmets in particular fall under BIS requirements, and **selling uncertified or counterfeit protective gear exposes the retailer to product-liability consequences that are qualitatively different from selling a fake jersey**, because the product's entire purpose is to prevent injury. **Counterfeit and parallel-import goods carry trademark-infringement exposure under the Trade Marks Act**, and a retailer cannot rely on ignorance where invoicing is absent. Alongside those: Legal Metrology declarations and MRP compliance; consumer-protection obligations on performance claims repeated from brands — **a retailer that repeats a manufacturer's claim has made it to the customer**, as the pet supplies plan noted; shops and establishments and trade licence; GST with e-way documentation for institutional supply; **government and institutional tender compliance including EMD, technical specification conformity and delivery timelines**; and brand dealership agreements, which frequently impose **minimum purchase commitments, territory restrictions and mandated stocking that must be read as inventory obligations rather than as marketing support**.

3. Promoter & Ownership

Led by a promoter with sports retail, playing or coaching background. Three competences decide outcomes: *fitting expertise*, which is the only defensible product and must exist in the promoter or be hired at real cost; *inventory discipline*, because size and specification matrices make dead stock worse here than in general retail; and *institutional relationship management*, since schools and academies provide the base volume that keeps a specialty store viable. Fitting credibility, service recurrence, sourcing integrity & turns are the differentiators. Ownership, equity & any partner are editable inputs.

4. Market Analysis — India

Demand is driven by growing recreational participation, running and cycling as adult fitness activities, badminton's mass popularity, cricket's permanent base, school and academy equipment cycles, and rising willingness to buy proper equipment rather than the cheapest available. The market is large, brand-led and rapidly shifting online for anything that does not require fitting. It is **fit-differentiated, price-transparent, seasonally violent and counterfeit-infested**.

Demand drivers

- **Adult recreational running and cycling**, where equipment spend per participant is high and fitting genuinely matters.
- **Badminton participation** at mass scale, with racquet and stringing demand that recurs.
- **Cricket's structural base**, including school teams, academies and club cricket.
- **Institutional cycles** — schools and academies replacing equipment on a term or annual rhythm.
- **Injury awareness**, which converts shoe and protective-gear purchases from price decisions into fitting decisions.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Indian sports goods retail	Large; brand- and online-led
SAM	Catchment retail plus institutional radius	Locally bounded, tender-extended
SOM (Yr 1-3)	Fitted purchases + recurring service jobs	~18,000 → ~36,000 transactions

The fitting advantage is real but must be operationalised, because a store that offers fitting and does not charge for it invites the sector's characteristic loss: showrooming. A customer spends forty minutes with a specialist on a treadmill, has their gait assessed, tries five shoes, finds the right model and size — **and buys it online that evening for eight hundred rupees less.** The store has delivered its entire value and been paid nothing. Moralising about this achieves nothing; **the answer is structural: charge a fitting fee and credit it in full against a purchase made that day.** Customers who intend to buy pay nothing extra; customers who intend to showroom pay for the expertise they consumed. This plan takes **showroom-to-online loss from 34% to 13%** by that mechanism alone, with **the fitting fee credited against purchase in 100% of converted cases.** The deeper point is that **the fitting must be good enough to be worth paying for** — a perfunctory size check is not a service, and a store charging for one deserves the showrooming it gets.

Target segments

- **Serious recreational players** — runners, cyclists, badminton and cricket players; the fitting and service core.
- **Parents buying for children**, where sizing changes annually and advice is genuinely wanted.
- **Schools, academies and clubs** — institutional volume, thin margin, slow payment; **the academy and turf businesses in this vertical are exactly these customers.**
- **Beginners**, who need to be told what they actually require rather than sold the most expensive option.
- **Service-only customers** — restringing, cycle servicing — who visit far more often than buyers do.

5. Competition & Competitive Advantage

Landscape: e-commerce platforms with full price transparency, brand-owned exclusive stores, large-format sports retail chains, local general sports shops, **grey-market and counterfeit sellers at a fraction of the price**, and direct-to-consumer brands. **The store loses on price to all of them and can only win on fitting, service and provenance.**

The business's edge

- **Genuine fitting capability** — gait assessment, bat pickup, grip sizing, frame fitting — which no online seller can replicate.
- **A working service workshop** that brings customers back on a cycle rather than on a whim.
- **Verifiable authorised sourcing**, which matters most in exactly the categories where it matters most.
- **Institutional relationships** providing base volume through seasonal troughs.
- **Advice that includes "you don't need that"**, which builds the multi-year relationship price cannot.

The counterfeit problem deserves a specific position because the category's most-faked items are also its safety-critical ones. A fake jersey disappoints; **a fake cricket helmet, abdominal guard, chest guard or cycling helmet is a product whose sole function is to absorb an impact, manufactured by someone who has tested nothing.** It looks identical on a shelf and costs a third as much, and the customer — frequently a parent buying for a child —

has no means of telling. **A retailer stocking it has not made a pricing decision; they have sold a protective device that will not protect.** The commercial argument aligns with the obvious one: **authorised sourcing with a complete invoice trail is verifiable, defensible in a liability claim, and is the single clearest statement a specialty store can make about why it charges more than the market stall.** It costs range and margin — grey-market stock is cheaper and moves faster — and **this plan forgoes it entirely rather than partially, because a store that stocks authorised goods "mostly" has no claim it can actually make.**

6. Merchandise, Service & Revenue Model

Line	Character	Basis
Technical equipment (bats, racquets, shoes, cycles)	Fitting-led, defensible	~40% of revenue; the core
Apparel & commodity accessories	Commoditised, online-exposed	20.6% → 16.7% — falling by design
Institutional & bulk (schools, academies, clubs)	Volume, thin margin, slow pay	Base load through troughs
Service (stringing, bat care, cycle servicing, fitting)	Recurring, no inventory risk	11.2% → 15.3% — the spine
Protective & safety equipment	Standards-bound	Authorised sourcing critical
Rental, trade-in & used equipment	Margin on existing stock	Under-used; suits growing children
Grey-market / parallel-import stock	NIL — by policy	Sourcing firewall

Racquet stringing deserves particular attention because it is the closest thing this business has to the grooming salon's rebooking dynamic, and most sports retailers under-exploit it entirely. A serious badminton or tennis player restrings every four to eight weeks — **which means a stringing customer visits the store eight to twelve times a year, while an equipment buyer visits perhaps twice.** Each of those visits is an opportunity that costs nothing to acquire, and the customer is standing in a shop full of grips, shuttles, shoes and apparel. **Cycle servicing works the same way on a longer cycle; bat knocking, oiling and repair on a seasonal one.** The strategic implication is that **service should be priced to build volume rather than to maximise per-job margin**, because the job's real value is the visit it produces. Growing recurring service customers from 210 to 940 is **the acquisition of a customer base that returns by necessity rather than by persuasion**, which is a rarer thing in retail than it sounds.

7. Go-to-Market — Fit, Service, Return

Acquisition

- **Club, academy and running-group relationships**, which reach committed players in groups.
- **Institutional tenders**, which build volume and local credibility simultaneously.
- **Service as the entry point** — a first restring costs the customer little and starts a cycle.
- **Coach and trainer referral**, where fitting credibility is recognised and passed on.

Retention

- **The service cycle**, which brings customers back without any marketing.
- **Fitting records held**, so the next purchase is faster and better.
- **Honest downgrading** — recommending the ₹4,000 racquet over the ₹12,000 one when it is right.
- **Growing-child sizing reminders**, which convert an annual chore into a relationship.

Sales approach

Win the fitting → convert to a service cycle → hold the institutional base → let commodity go where it will. **The strategic error to avoid is fighting for the apparel and accessory business.** It is visible, it fills the shop, and it is entirely lost to online on price — **a store that discounts jerseys and shuttlecocks to defend share is spending its fitting and service margin to lose slowly.** Commodity lines should be stocked at sensible depth because a sports shop without them is not a sports shop, priced fairly, and **allowed to decline as a share of revenue while the defensible lines grow.** Apparel falling from 20.6% to 16.7% is that strategy visible in the accounts.

8. Operations Plan (source, fit, service, supply, turn)

- **Sourcing:** authorised distributors only, complete invoice trail retained, no grey-market or parallel-import stock.
- **Fitting operations:** gait and foot assessment, bat weight and pickup selection, grip sizing, cycle frame fitting — **with records kept against the customer.**
- **Fitting fee:** charged and **credited in full against same-day purchase.**
- **Service workshop:** stringing, bat knocking and repair, cycle assembly and servicing, with turnaround commitments.
- **Protective equipment:** standards conformity checked; **nothing stocked that cannot be traced to an authorised source.**
- **Institutional supply:** tender preparation, specification conformity, delivery scheduling, and **credit control on slow-paying institutions.**
- **Inventory management:** size-matrix discipline, ageing by SKU and size, **markdown before the season ends rather than after.**
- **Trade-in & rental:** particularly for children's equipment that is outgrown before it is worn out.

Store economics chain

Stage	Activity	Control point
Source	Authorised only, invoice trail	100% traceable; grey stock NIL
Fit	Assess, size, match to level	Fittings before technical purchase 48% → 91%
Convert	Fitting fee credited against purchase	Showroom loss 34% → 13%
Service	Stringing, bat care, cycle workshop	Recurring customers 210 → 940
Supply	Institutional tenders & delivery	Contracts 14 → 58; DSO 88 → 62
Turn	Size-matrix ageing, timed markdowns	Turns 2.8 → 4.4; markdown 3.7% → 2.6%

Inventory in sports retail is harder than in the pet trade, and the reason is the size matrix. A single running shoe model exists in **eight or nine sizes, sometimes in two widths, in three colourways** — and the store must carry the full run to fit anyone at all, while **demand concentrates in the middle sizes.** The predictable result is **size stranding:** the 8s and 9s sell out, the 6s and 12s do not, and what remains is a broken run that cannot fit the next customer and cannot be sold as a set. **This is dead stock created by the very completeness the store needs in order to offer fitting at all,** which makes it a cost of the business model rather than a buying error. Three disciplines control it. **Buy depth in the middle and single units at the extremes,** accepting that rare sizes are ordered in rather than stocked. **Mark down before the season ends rather than after** — a cricket bat discounted in August recovers most of its cost, the same bat in November recovers very little. And **use the institutional channel to clear,** since a school buying twenty pairs is far less

size-sensitive than an individual buying one.

9. Sourcing Integrity, Standards & Institutional Supply (India)

- **Authorised sourcing only, invoice trail complete** — **grey-market and parallel-import stock: NIL**, forgone entirely rather than partially, **because a store that stocks authorised goods "mostly" has no claim it can actually make.**
- **Protective equipment standards:** helmets and protective gear fall under **BIS requirements**, and **selling uncertified or counterfeit protective equipment carries product-liability exposure qualitatively different from selling a fake jersey — the product's entire purpose is to prevent injury.**
- **Trade Marks Act exposure** for counterfeit and infringing goods; **absence of invoicing removes any defence of ignorance.**
- **Performance claims** repeated from brands become the retailer's representation to the customer under consumer-protection law.
- **Legal Metrology** declarations and MRP compliance; GST and e-way documentation for institutional consignments.
- **Institutional tendering:** EMD, technical specification conformity, delivery timelines and penalty clauses — **and payment terms that are slower than any retail customer's.**
- **Brand dealership agreements:** minimum purchase commitments, territory and mandated stocking — **to be read as inventory obligations rather than as marketing support.**

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / store manager	1	1	2
Fitting specialists (shoes, racquets, bats, cycles)	5	8	13
Counter & sales	4	6	9
Service technicians (stringing, cycle workshop, bat care)	3	6	10
Institutional sales & tenders	2	4	7
Stock, inventory & receiving	2	4	6
Admin & accounts	1	2	3
Total	18	31	50

Fitting specialists and service technicians together outnumber counter sales throughout — 8:4 in Year 1 becoming 23:9 — which is the plan's thesis expressed in payroll: **this is a workshop with a shop attached, not a shop with a workshop at the back.**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-3	Premises, dealership approvals, fitting area, service workshop, opening inventory

Launch	Month 3–12	~18,000 transactions; ₹2.14cr revenue, ₹4L loss; fittings at 48%
Build	Year 2	Fittings 76%, service recurring 520, turns 3.6; ₹3.08cr, ₹12L profit
Scale	Year 3	~36,000 transactions; ₹4.3cr, ₹30L profit; fittings 91%, service 15.3%, showroom loss 13%

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **Fitting conversion, service recurrence, inventory turns and size-stranding control are the levers — and commodity apparel is modelled FALLING as a share, because it cannot be defended and should not be fought for.**

12.1 Project cost & means of finance

Capital requirement	₹
Opening inventory	30,00,000
Store fit-out (display, fitting area, service workshop)	16,00,000
Deposits & advance rent	10,00,000
Working capital	7,00,000
Service equipment (stringing machine, cycle workshop, gait analysis)	5,00,000
Launch & local marketing	3,00,000
Technology, licences & insurance	1,00,000
Total project cost	72,00,000
Promoter contribution	40,00,000
Term loan	18,00,000
Working-capital finance	14,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Technical equipment (bats, racquets, shoes, cycles)	86,00,000	1,18,00,000	1,58,00,000
Institutional & bulk (schools, academies, clubs)	38,00,000	58,00,000	84,00,000
Apparel & commodity accessories	44,00,000	56,00,000	72,00,000
Service (stringing, bat care, cycle servicing, fitting)	24,00,000	42,00,000	66,00,000
Protective & safety equipment	16,00,000	22,00,000	30,00,000
Rental, trade-in & used equipment	6,00,000	12,00,000	20,00,000
Grey-market / parallel-import stock	NIL	NIL	NIL
Total revenue	2,14,00,000	3,08,00,000	4,30,00,000

Cost of goods sold	1,42,00,000	1,99,00,000	2,72,00,000
Salaries (fitting specialists, technicians, counter, admin)	28,00,000	38,00,000	52,00,000
Rent, utilities & facility	17,00,000	19,00,000	22,00,000
Dead stock, size-stranding markdowns & obsolescence	8,00,000	9,00,000	11,00,000
Marketing & customer acquisition	6,00,000	8,00,000	11,00,000
Service consumables (strings, grips, spares, tools)	5,00,000	7,00,000	10,00,000
Office, overheads & admin	5,00,000	7,00,000	10,00,000
Insurance, licences & compliance	2,00,000	3,00,000	4,00,000
Depreciation, interest & other	5,00,000	6,00,000	8,00,000
Total expenses	2,18,00,000	2,96,00,000	4,00,00,000
Net profit / (loss) before tax	(4,00,000)	12,00,000	30,00,000
Net margin	(1.9%)	3.9%	7.0%
Gross margin — rising on service mix	33.6%	35.4%	36.7%
Fitting consultations completed before technical purchase	48%	76%	91%
Showroom-to-online loss (fitted but not purchased)	34%	21%	13%
Fitting fee credited in full against same-day purchase	100%	100%	100%
Products from authorised distributors with invoice trail	100%	100%	100%
Recurring service customers (restringing / service cycle)	210	520	940
Service jobs completed	~4,200	~8,600	~14,500
Inventory turns / Dead stock & size-stranding markdown as % of revenue	2.8 / 3.7%	3.6 / 2.9%	4.4 / 2.6%
Return rate on fitted technical purchases	4.2%	2.1%	1.4%
Commodity apparel as % of revenue — falling by design	20.6%	18.2%	16.7%
Institutional contracts held / Institutional DSO (days)	14 / 88	32 / 74	58 / 62

12.3 Unit economics & break-even

- **Service lifts gross margin without inventory risk** — 33.6% → 36.7% comes almost entirely from mix, and a stringing job consumes ₹150 of string and an hour, not ₹8 lakh of stock.
- **Recurring service customers are the closest thing to a retained base.** A restringing customer visits eight to twelve times a year against a buyer's two — **service should therefore be priced to build volume, because the job's real value is the visit it produces.**
- **Fitting reduces returns to a fraction of the online rate** (4.2% → 1.4% against 30–40% online), which is the same advantage expressed as avoided cost rather than as sales.
- **Inventory turns matter more than margin percentage**, and size stranding makes them harder to achieve here than in general retail — 2.8 → 4.4 is the difference between loss and profit at these margins.
- **Break-even: Year 2. Year 1's loss reflects a full size-matrix opening inventory and specialist payroll carried before the fitting reputation exists.**

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	21,00,000	15,00,000	12,00,000	12,00,000
Collections	46,00,000	50,00,000	54,00,000	58,00,000
Purchases, salaries, rent, marketing & overheads	52,00,000	53,00,000	54,00,000	55,00,000
Closing balance	15,00,000	12,00,000	12,00,000	15,00,000

Two cash pressures operate simultaneously here and they pull in opposite directions. The first is inventory, which is heavier than ordinary retail because size matrices force completeness — ₹30 lakh of the ₹72 lakh raised becomes stock before the first customer arrives, and **a broken size run ties up capital in goods that cannot fit anyone. The second is the institutional channel**, which is the only reliable base load through seasonal troughs and **pays at 62 to 88 days while the store pays its suppliers far sooner** — schools settle at term end, academies when fees come in, government slowest of all. **The combination means the business finances both its shelves and its institutional customers at once**, which is why the working-capital line is nearly as large as the term loan. Three disciplines follow: **negotiate supplier credit as hard as purchase price**, since dealership terms often include it and it directly offsets the institutional receivable; **cap institutional exposure per customer** rather than chasing volume that cannot be collected; and **time major buying against the season**, because **cricket stock bought in March is working capital and the same stock bought in September is a markdown waiting to happen**.

12.5 Key Performance Indicators to Monitor

- **The defensible ground: fitting consultations before technical purchase; showroom-to-online loss;** return rate on fitted purchases; fitting-fee conversion.
- **Service spine: recurring service customers and visit frequency;** service jobs completed; service revenue share; workshop turnaround times.
- **Inventory: turns by category; size-stranding and markdown as % of revenue;** ageing by SKU and size; middle-versus-extreme size depth.
- **Integrity & institutional: authorised-source invoice coverage (must be 100%);** protective-equipment standards conformity; institutional DSO and exposure per customer; tender win rate.

13. Funding Requirement & Bankability

Total ask: **₹18 lakh term loan plus ₹14 lakh working-capital finance** against ₹40 lakh promoter contribution. Four points. **First, inventory is the security and it is better than the pet store's** — sports equipment does not expire — **but broken size runs and last-season models are worth far less than book value**, and a lender should discount accordingly. **Second, the metric to underwrite is inventory turns, not revenue:** at these gross margins, **a store at 2.5 turns is carrying its profit as stock and will need more working capital every year merely to stand still. Third, the working-capital facility is doing two jobs at once** — funding shelves and funding institutional receivables at 62–88 days — **so it should be sized to the combined cycle rather than to revenue. Fourth, and specific to this trade, ask to see the invoice trail.** A retailer that cannot evidence authorised sourcing for its protective equipment **is carrying both a trademark exposure and a product-liability exposure on goods whose only purpose is to prevent injury** — and in that category, unlike apparel, **the consequence of a failure is not a refund.**

13.1 Funding utilisation

Use of funds	₹	% of total
Opening inventory	30,00,000	41.7%
Store fit-out (display, fitting area, service workshop)	16,00,000	22.2%
Deposits & advance rent	10,00,000	13.9%
Working capital	7,00,000	9.7%
Service equipment (stringing machine, cycle workshop, gait analysis)	5,00,000	6.9%
Launch & local marketing	3,00,000	4.2%
Technology, licences & insurance	1,00,000	1.4%
Total	72,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Showrooming	A customer takes forty minutes of gait assessment and five shoe trials, then buys online that evening for eight hundred rupees less — the store has delivered its entire value and been paid nothing. Moralising achieves nothing; charge a fitting fee and credit it IN FULL against same-day purchase — buyers pay nothing extra, showroomers pay for expertise consumed (loss 34% → 13%). And the fitting must be good enough to be worth paying for: a perfunctory size check is not a service, and a store charging for one deserves the showrooming it gets
Counterfeit protective equipment	A fake jersey disappoints; a fake cricket helmet, abdominal guard or cycling helmet is a product whose sole function is to absorb an impact, manufactured by someone who has tested nothing — identical on a shelf, a third of the price, and the customer, frequently a parent buying for a child, has no means of telling. A retailer stocking it has not made a pricing decision; they have sold a protective device that will not protect. Authorised sourcing 100%, grey stock NIL, forgone entirely rather than partially, because a store that stocks authorised goods "mostly" has no claim it can actually make
Size stranding	A shoe model runs to eight or nine sizes across colourways, the store must carry the full run to fit anyone at all, and demand concentrates in the middle → the 8s sell, the 6s and 12s do not, and what remains is a broken run that cannot fit the next customer and cannot be sold as a set. This is dead stock created by the very completeness the store needs in order to offer fitting — a cost of the model, not a buying error. Depth in the middle, singles at the extremes, ordered-in rarities, markdown before season end, institutional clearance
Fighting for commodity apparel	Visible, fills the shop, entirely lost to online on price — a store that discounts jerseys and shuttlecocks to defend share is spending its fitting and service margin to lose slowly. Stock at sensible depth, price fairly, and let it decline as a share (20.6% → 16.7%) while defensible lines grow
Institutional receivables	The only reliable base load through troughs, and it pays at 62-88 days while suppliers are paid far sooner — schools settle at term end, academies when fees arrive, government slowest of all. The business finances both its shelves and its institutional customers at once. Cap exposure per customer; negotiate supplier credit to offset

Seasonal buying errors	Cricket stock bought in March is working capital; the same stock bought in September is a markdown waiting to happen. Time major buying against the sport's season; monsoon collapse in outdoor categories planned for
Brand dealership obligations	Minimum purchase commitments, territory limits and mandated stocking must be read as inventory obligations rather than as marketing support — a dealership that requires ₹20 lakh of stock to hold is a working-capital decision
Repeated performance claims	A manufacturer's claim repeated by the retailer becomes the retailer's representation to the customer under consumer-protection law
Specialist dependence	Fitting expertise is the product and sits in a few people; certification, cross-training and documented fitting records reduce single-person dependence
Thin margins	7.0% net at ₹4.3cr is honest for specialty retail — which means turns and mix, not price increases, are the only levers that work

15. SWOT Analysis

Strengths Fitting is genuinely unavailable online and is the store's only defensible ground; service creates a customer who returns eight to twelve times a year by necessity; authorised sourcing is verifiable and defensible; institutional channel provides base load through troughs; returns at a fraction of online rates; no expiry on inventory.	Weaknesses Owns nothing — every product is someone else's brand, available cheaper online; size matrices create dead stock the model itself requires; institutional receivables at 62–88 days; thin net margin leaves no room for error; specialist-dependent; price is fully transparent with nowhere to hide margin.
Opportunities Service priced to build visit frequency; trade-in and rental for children's equipment outgrown before worn out; club, academy and running-group relationships; the academy and turf businesses in this vertical as institutional customers ; growing injury awareness converting price decisions into fitting decisions.	Threats E-commerce with total price transparency; brand-owned exclusive stores and D2C going direct; counterfeit and grey-market sellers at a third of the price; dealership terms tightening; seasonal demand collapse in monsoon; large-format chains entering the catchment.

16. Recommended AiSevak Tools for This Business

This sports equipment retail business would use AiSevak's Sports and Retail vertical tools in operations:

- **Fitting: customer fitting records with size and specification history,** fitting-fee credit workflow, **showroom-conversion tracking,** return-rate analysis on fitted purchases.
- **Service: workshop job management with restringing cycle reminders,** recurring service customer register, turnaround-time monitoring.
- **Inventory: size-matrix ageing with stranding alerts,** turns by category, season-timed markdown prompts, middle-versus-extreme depth analysis.
- **Sourcing integrity: authorised-distributor invoice trail register,** protective-equipment standards conformity records, dealership commitment tracking.

- **Institutional:** tender pipeline and specification conformity, **DSO and exposure-per-customer monitoring**, delivery scheduling.

17. Key Assumptions & Notes

- Sports equipment retail: technical equipment (bats, racquets, shoes, cycles), apparel and accessories, protective gear, institutional and bulk supply, and an in-store service workshop for stringing, bat care, cycle servicing and fitting.
- **△ THE VERTICAL'S DISTRIBUTION BUSINESS, STARTING FROM THE SAME WEAK POSITION pet-supplies-store OCCUPIED — IT OWNS NOTHING:** every product belongs to someone else's brand, is available online, and is usually cheaper there. **BUT THREE DIFFERENCES MAKE IT A GENUINELY DIFFERENT PROBLEM, AND THE FIRST IS THE WHOLE PLAN.**
- **(1) SPORTS EQUIPMENT IS FIT-DEPENDENT IN A WAY ALMOST NOTHING THE PET STORE SOLD EVER WAS.** A running shoe matched to the wrong foot mechanics **CAUSES INJURY**; a bat's weight and pickup must suit the player's hands; racquet grip size and string tension change how a wrist loads; **a cycle frame one size out produces knee and back pain over months — NONE OF WHICH CAN BE RESOLVED FROM A PHOTOGRAPH, WHICH IS PRECISELY WHY ONLINE FOOTWEAR RETURN RATES RUN AT THIRTY TO FORTY PER CENT: AN UNRESOLVED FITTING PROBLEM, EXPRESSED AS LOGISTICS COST** → the store's structural advantage and only defensible ground, stated as **THE FITTING IS THE PRODUCT AND THE EQUIPMENT IS WHAT THE FITTING IS DELIVERED ON** (fittings before technical purchase 48%→76%→91%; return rate on fitted purchases 4.2%→1.4% against 30-40% online). **BUT IT MUST BE OPERATIONALISED, BECAUSE A STORE THAT OFFERS FITTING AND DOES NOT CHARGE FOR IT INVITES SHOWROOMING:** a customer takes forty minutes of gait assessment and five shoe trials, **then buys online that evening for eight hundred rupees less — THE STORE HAS DELIVERED ITS ENTIRE VALUE AND BEEN PAID NOTHING → MORALISING ACHIEVES NOTHING; THE ANSWER IS STRUCTURAL: CHARGE A FITTING FEE AND CREDIT IT IN FULL AGAINST SAME-DAY PURCHASE**, so buyers pay nothing extra and showroomers pay for expertise consumed (loss 34%→21%→13%) — with the deeper caveat that **THE FITTING MUST BE GOOD ENOUGH TO BE WORTH PAYING FOR: A PERFUNCTORY SIZE CHECK IS NOT A SERVICE, AND A STORE CHARGING FOR ONE DESERVES THE SHOWROOMING IT GETS.**
- **(2) COUNTERFEITS ARE ENDEMIC IN THIS CATEGORY AND ARE A SAFETY MATTER, NOT MERELY AN INTELLECTUAL-PROPERTY ONE** — fake branded sportswear, grey imports and factory seconds sold as first quality are pervasive in Indian sports retail, and while **a fake jersey disappoints, A FAKE CRICKET HELMET, ABDOMINAL GUARD, CHEST GUARD OR CYCLING HELMET IS A PRODUCT WHOSE SOLE FUNCTION IS TO ABSORB AN IMPACT, MANUFACTURED BY SOMEONE WHO HAS TESTED NOTHING**; it looks identical on a shelf, costs a third as much, and **THE CUSTOMER — FREQUENTLY A PARENT BUYING FOR A CHILD — HAS NO MEANS OF TELLING → A RETAILER STOCKING IT HAS NOT MADE A PRICING DECISION; THEY HAVE SOLD A PROTECTIVE DEVICE THAT WILL NOT PROTECT**; carried as **authorised distributors with complete invoice trail 100%, GREY-MARKET/PARALLEL-IMPORT STOCK: NIL — forgone ENTIRELY rather than partially, BECAUSE A STORE THAT STOCKS AUTHORISED GOODS "MOSTLY" HAS NO CLAIM IT CAN ACTUALLY MAKE**; regulatory backing — **helmets and protective gear fall under BIS requirements and selling uncertified or counterfeit protective equipment carries product-liability exposure QUALITATIVELY DIFFERENT from selling a fake jersey, because the product's entire purpose is to prevent injury, plus Trade Marks Act exposure where ABSENCE OF INVOICING REMOVES ANY DEFENCE OF IGNORANCE.**
- **(3) THE CATEGORY SPLITS SHARPLY INTO COMMODITY AND TECHNICAL, AND THAT SHAPES THE BUSINESS MODEL:** apparel, balls, accessories and consumables are commoditised, thin-margin and **WILL BE LOST TO ONLINE HOWEVER WELL THE STORE IS RUN — THEY MUST BE STOCKED SO THE SHOP LOOKS LIKE A SPORTS SHOP, AND THEY CANNOT BE DEFENDED**; bats, racquets, shoes and cycles require fitting, knowledge and ongoing service → **BUILD AS A FITTING-AND-SERVICE BUSINESS THAT ALSO SELLS PRODUCT** (the same conclusion aquarium-

exotic-pets reached about maintenance), with service 11.2%→13.6%→15.3%, commodity apparel 20.6%→18.2%→16.7% *falling by design*, and gross margin 33.6%→36.7% **on mix alone**; strategic error to avoid — **FIGHTING FOR THE APPAREL BUSINESS: a store that discounts jerseys and shuttlecocks to defend share IS SPENDING ITS FITTING AND SERVICE MARGIN TO LOSE SLOWLY**. Headcount states the thesis: **fitting specialists and service technicians together outnumber counter sales throughout (8:4 → 23:9) — THIS IS A WORKSHOP WITH A SHOP ATTACHED, NOT A SHOP WITH A WORKSHOP AT THE BACK**.

- **RACQUET STRINGING IS THE CLOSEST THING THIS BUSINESS HAS TO THE GROOMING SALON'S REBOOKING DYNAMIC, AND MOST SPORTS RETAILERS UNDER-EXPLOIT IT ENTIRELY** — a serious player restrings every four to eight weeks, **SO A STRINGING CUSTOMER VISITS THE STORE EIGHT TO TWELVE TIMES A YEAR WHILE AN EQUIPMENT BUYER VISITS PERHAPS TWICE**, each visit costing nothing to acquire and occurring **in a shop full of grips, shuttles, shoes and apparel**; cycle servicing works the same way on a longer cycle, bat knocking and repair on a seasonal one → **SERVICE SHOULD BE PRICED TO BUILD VOLUME RATHER THAN TO MAXIMISE PER-JOB MARGIN, BECAUSE THE JOB'S REAL VALUE IS THE VISIT IT PRODUCES** (recurring service customers 210→520→940, **a customer base that returns BY NECESSITY rather than by persuasion, which is rarer in retail than it sounds**); and service lifts gross margin **without inventory risk — a stringing job consumes ₹150 of string and an hour, not ₹8 lakh of stock**.
- **INVENTORY IS HARDER THAN IN THE PET TRADE, AND THE REASON IS THE SIZE MATRIX**: a single shoe model exists in **eight or nine sizes, sometimes two widths, three colourways** — and the store must carry the **FULL RUN** to fit anyone at all, while **DEMAND CONCENTRATES IN THE MIDDLE SIZES** → predictable **SIZE STRANDING**: the 8s and 9s sell out, the 6s and 12s do not, and **WHAT REMAINS IS A BROKEN RUN THAT CANNOT FIT THE NEXT CUSTOMER AND CANNOT BE SOLD AS A SET — DEAD STOCK CREATED BY THE VERY COMPLETENESS THE STORE NEEDS IN ORDER TO OFFER FITTING AT ALL, WHICH MAKES IT A COST OF THE BUSINESS MODEL RATHER THAN A BUYING ERROR** → three controls: **buy DEPTH IN THE MIDDLE and SINGLE UNITS AT THE EXTREMES** with rare sizes ordered in rather than stocked; **MARK DOWN BEFORE THE SEASON ENDS RATHER THAN AFTER** — a cricket bat discounted in August recovers most of its cost, the same bat in November recovers very little; and **USE THE INSTITUTIONAL CHANNEL TO CLEAR**, since a school buying twenty pairs is **FAR LESS SIZE-SENSITIVE** than an individual buying one (turns 2.8→3.6→4.4, markdown 3.7%→2.6%). Cash: **two pressures pull in opposite directions — INVENTORY (₹30L of ₹72L becomes stock before the first customer, and a broken size run ties up capital in goods that CANNOT FIT ANYONE) and the INSTITUTIONAL CHANNEL, the only reliable base load through troughs, which PAYS AT 62-88 DAYS WHILE THE STORE PAYS SUPPLIERS FAR SOONER** (schools settle at term end, academies when fees come in, government slowest of all) → **THE BUSINESS FINANCES BOTH ITS SHELVES AND ITS INSTITUTIONAL CUSTOMERS AT ONCE**, which is why the working-capital line is nearly as large as the term loan → **negotiate supplier credit as hard as purchase price** (dealership terms often include it and it **DIRECTLY OFFSETS** the institutional receivable), **CAP INSTITUTIONAL EXPOSURE PER CUSTOMER** rather than chasing volume that cannot be collected, and **TIME MAJOR BUYING AGAINST THE SEASON** because **CRICKET STOCK BOUGHT IN MARCH IS WORKING CAPITAL AND THE SAME STOCK BOUGHT IN SEPTEMBER IS A MARKDOWN WAITING TO HAPPEN**. Also: **brand dealership agreements impose minimum purchase commitments, territory restrictions and mandated stocking that MUST BE READ AS INVENTORY OBLIGATIONS RATHER THAN AS MARKETING SUPPORT**; and **performance claims repeated from brands BECOME THE RETAILER'S REPRESENTATION** (as pet-supplies-store noted). Natural link: **the academy and turf businesses in this vertical are exactly this store's institutional customers**. Lender note: **inventory is better security than the pet store's since sports equipment does not expire, BUT BROKEN SIZE RUNS AND LAST-SEASON MODELS ARE WORTH FAR LESS THAN BOOK VALUE**; underwrite **INVENTORY TURNS** not revenue, since at these gross margins **A STORE AT 2.5 TURNS IS CARRYING ITS PROFIT AS STOCK AND WILL NEED MORE WORKING CAPITAL EVERY YEAR MERELY TO STAND STILL**; size the working-capital facility to the **COMBINED** cycle (shelves + institutional

receivables), not to revenue; and **ASK TO SEE THE INVOICE TRAIL** — a retailer that cannot evidence authorised sourcing for its protective equipment is carrying **BOTH a trademark exposure AND a product-liability exposure on goods whose only purpose is to prevent injury, and in that category, UNLIKE APPAREL, THE CONSEQUENCE OF A FAILURE IS NOT A REFUND.** Net margin of 7.0% at ₹4.3cr is honest for specialty retail — **which means TURNS AND MIX, NOT PRICE INCREASES, ARE THE ONLY LEVERS THAT WORK.** ₹72L, ~18,000→36,000 transactions, 18→50 staff, rev 2.14→4.3cr, Y1 —₹4L → Y3 ₹30L. Figures illustrative, exclude GST.

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