



FAMILY ENTERTAINMENT CENTERS

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FAMILY ENTERTAINMENT WORKBOOK

The evolution of family entertainment centers has become more significant than anyone could have ever imagined. From arcades and playgrounds to laser tag, mini-golf courses, and trampoline parks, family entertainment centers have gone from occasional stops along the way to must-see destinations.

This highly profitable industry has continued to grow over the last few years, even with advancements and access to technology. With smartphones and computers solidifying their presence in everyday life, the need for quality time within families is growing stronger by the day. Creating a family entertainment center is a fun and timeless way to profit while giving back to your community.

If you've recently enjoyed one of these facilities and wanted to learn more about opening your own entertainment center, you're in the right place. We're going to walk you through everything you need to consider before diving into your family entertainment center business plan.



TYPES OF FAMILY ENTERTAINMENT CENTERS

Although you may not have heard the specific terminology “family entertainment center” before, you have seen and played in them your entire life. Mini-golf courses, laser tag centers, go-kart tracks, zip lines, and bowling alleys are all examples of different family entertainment centers (FEC’s). Spaces have evolved into exciting experiences that have elevated the entertainment industry. With modern designs and innovative concepts, there is so much more to consider when creating an FEC.

Possible entertainment center options include:

Arcades

Kickback to the classics and enter a world dominated by air hockey, pinball, Pac-man, and Space Invader Frenzy. An environment full of games encourages social engagement and active play for the whole family. And no arcade would be complete without kids counting their tickets at the prize counter.

Bowling Alleys

Here comes Twinkle Toes, winding up for the strike. Next up, King Pins for the spare. This age-old game continues to captivate audiences around the globe, drawing families into a friendly (or not so friendly) competition against one another.

Children’s Amusement Center / Indoor Play Center (Pay to Play):

Perhaps the broadest category, children amusement centers, can take almost any shape, often looking different by region or theme. For example, children can blast off to outer space in one play center while they walk with dinosaurs in another. This inquiry-based environment can encourage independent discovery, exploration, hands-on learning, collaboration, and problem-solving. The one common factor across almost every indoor play center is that a ticket is required for admission.

Children’s Museums & Discovery Centers

With interactive designs, children’s museums can encourage kids to explore and learn in location-based centers. The critical trademark of museums is using interactive tools and themed play to allow children to learn through creative play opportunities, both digital and active play.





Drop-In Daycare

Daycares leverage play into their daily activities, creativity, growth, and social interaction through active free-form play. These development-inspired play experiences keep little ones engaged and help shake the wiggles throughout the day.

Inflatable Centers

Often coined as bounce houses, an inflatable center comprises colossal inflatable play structures. Kids spend their time jumping, bouncing, and sliding on the inflatable play elements.

Trampoline parks

As one of the newest advancements in FEC evolution, trampoline parks offer wall-to-wall aerial entertainment while keeping customers in almost constant motion. It's the epitome of active entertainment for young adults.

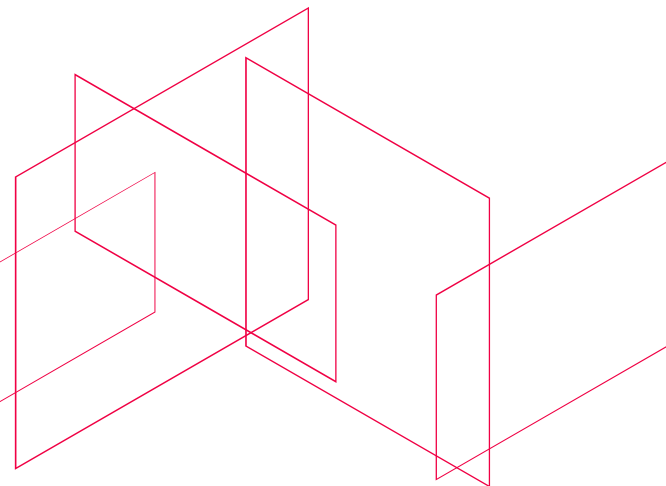
BUILDING IN PLAY

FEC's build in different style play areas to achieve a variety of business goals. Often play is the main attraction, such as an indoor play center. Here families bring their young ones and pay admission with the sole intent to play on the different play structures. With adventure centers, such as rope courses, play is the main attraction as well.

Sometimes play areas are a supporting element, such as for a drop-in daycare center. While play could be the main attraction, most likely, it will be paired with activity centers, dress-up corners, or a mini library for circle time.

Other times play areas are used to create an offering for younger visitors to increase the overall time a family spends at a venue. For example, an arcade center can establish a toddler play area creating a more family-friendly environment, thus keeping a wider demographic entertained longer in the facility. The more time a family spends in the facility, the more money they spend. A bowling alley would likely incorporate a play area for the same reason.

How you build play into your facility will vary depending on the style of FEC, your overall budget, and your unique business goals.



INVESTMENT OUTLINES

How much money do you need to start a family entertainment center? Most of the costs depend on the size of your location and the type of equipment you want to use. A large FEC will cost more than a condensed center in terms of real estate, construction, and equipment. Each of those decisions comes down to your business goals, budget, and overall vision of your FEC.

The following questions will help that vision start to take shape:

- **What is the maximum capacity your FEC will hold? FECs are often high in foot traffic, with hundreds of visitors each day.**
- **How many games, courses, or attractions do you want to have?**
- **What type of attractions do you want? Some FECs have one main style of attraction, while others mix multiple different kinds of entertainment into a space.**
- **Will you have a dining element featured in your business plan?**

Land costs alone will be a significant part of your FEC's budget. Once you start including the attraction elements and construction fees, the price tag will climb. With FECs, you can always start small and expand later, something to keep in mind when selecting your location and establishing your lease. Being smart with your equipment choices will allow your FEC to feature unique experiences and play areas while staying under a price cap.

You'll also need to evaluate the costs versus rewards of offering dining options. The startup costs of a small pizza shop can add up to \$200,000 or more to your initial investment. However, with consistent performance and quality, you can see a return on your profits in your overall revenue for your FEC.

BASIC INVESTMENT OUTLINES

Before jumping into the finer details of making a business plan, it's essential to understand the overall initial investments for different styles of family entertainment centers. While they can be a lucrative business model, they are not small upfront investments.

To help give a foundational investment picture, we've outlined different investment guidelines to consider when planning out your FEC. Since there are various ways that play can be added to an FEC, we created other frameworks to evaluate your costs based on some of the variables you may be considering.

Actual investments will vary drastically based on a variety of different variables, such as the specifics of your location, style of play, particular desired play elements, theming, and more.

BASIC BUDGETS

BUDGETS BASED ON FEC STYLE

If you're in the early stage of looking into opening a family entertainment center, it's vital to understand rough estimates on your initial equipment investment to open a new facility. We've broken out budget recommendations based on the style of FEC and outlined different ranges for play installations.

| | <i>Initial Investment</i> | <i>Play Area Investment</i> |
|---|---------------------------|-----------------------------|
| Arcade Centers | \$500,000 - \$1 Million | \$50,000 - \$75,000 |
| Bowling Alley | \$2 - \$2.5 Million | \$50,000 - \$75,000 |
| Amusement Center Play is the main attraction | \$200,000 - \$750,000 | \$150,000 - \$500,000 |
| Amusement Center Other attractions and play is a smaller attraction | \$200,000 - \$750,000 | \$50,000 - \$100,000 |
| Children's Museum or Discovery Center | \$1 - \$5 million | \$200,000 - \$500,000 |
| Drop In Daycare | \$100,000 - \$300,000 | \$45,000 - \$100,000 |
| Inflatable Centers | \$75,000 - \$150,000 | \$75,000 - \$150,000 |
| Rope Courses & Zip Lines | \$800,000 - \$5 Million | \$800,000 - \$5 Million |
| Trampoline Parks | \$1 - \$5 Million | \$50,000 - \$75,000 |

Equipment costs only. This does not factor in real estate costs.

The prices shown are meant to provide a basic range. They are not an exact quote. Price ranges subject to change.

TURNKEY PLAY AREA BUDGETS BY CHILD CAPACITY

If you are approaching your play area installation based on play capacity, we've broken down different budget ranges based on how many kids can comfortably play in a structure. While this is a good starting point, know that most play areas incorporate more than one style of play element.

| | 10-25 Kids | 26-50 kids | 51-100 | 101-250 |
|-----------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Adventure Courses | X | X | \$300,000 - \$450,000 | \$450,000- \$750,000 |
| Gamified Experiences | \$75,000 - \$100,000 | X | X | X |
| Towers | \$25,000 - \$35,000 | \$36,000 - \$70,000 | \$70,000 - \$150,000 | \$150,000- \$400,000 |
| Sculpted Play Areas | \$24,000 - \$60,000 | \$60,000 - \$120,000 | \$120,000 - \$240,000 | \$240,000 - \$600,000 |

TURNKEY PLAY AREA BUDGETS BY SQUARE FOOTAGE

The last budget guideline we've compiled is investment based on square footage. Like the play capacity budget outlines, most play areas include more than one style of play into their overall space.

| | 150-500 sq ft | 500-1,0000 sq ft | 1,000-5,000 sq ft |
|---|----------------------|-----------------------|-------------------------|
| Adventure Courses Min. ceiling height, 22 ft. | X | \$300,000 - \$450,000 | \$500,000 - \$1 million |
| Gamified Experiences | \$12,000 - \$100,000 | \$75,000 - \$100,000 | X |
| Towers, 9-12 ft Ceiling | \$30,000 - \$75000 | \$75,000 - \$125,000 | \$130,000 - \$300,000 |
| Towers, 13-16 ft Ceiling | \$40,000 - \$90,000 | \$110,000 - \$160,000 | \$160,000 - \$350,000 |
| Towers, 17-30 ft Ceiling | \$60,000 - \$120,000 | \$125,000 - \$175,000 | \$175,000 - \$500,000 |
| Sculpted Play Areas | \$22,000 - \$75,000 | \$75,000- 150,000 | \$150,000 - \$750,000 |

Turn Key budgeting includes flooring (where applicable) and installation.

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BUSINESS PLAN BASICS

Once you have a general idea of what entertainment center you want to pursue, the next step is to create a business plan. Devising a business plan will make the process of planning your FEC more streamlined from start to finish. The elements of a well-constructed business plan will help support your ideas and advertising campaigns and prepare you for pitching potential investors.

Business plans can take many different shapes and formats. It's easy to find different layouts online or at your local small business associations.

Robust business plans will touch on each of the following categories:

- **Executive summary:** Introduces your FEC structure and mission in a company overview.
- **Company analysis:** This portion includes your business's structure and an overview of what services you'll offer.
- **Market analysis:** Display your research of the market, as well as an analysis of your target customers and competitors. This includes evaluating your community demographics to ensure the community can support your business.
- **Operations and management:** This covers the logistics of running an FEC. Detail the roles within the company and the legal structure you intend to adopt.
- **Marketing and sales:** Establish an advertising strategy to promote your FEC within your local region and beyond.

Free Business Planning Resources

Score Startup Resources: <https://www.score.org/resource/list-startup-resources>

U.S. Small Business Administration Business Guide: <https://www.sba.gov/business-guide>

U.S. Small Business Administration Business Plan Guide:
<https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

Funding Resources

Now comes the central part — funding your FEC venture. Funding options are based on your plans, credit, and personal assets. Start by assembling a budget that is as detailed as possible. Include start-up costs, staff training, operation, and maintenance costs to guarantee that your budget covers everything your FEC will need.

You can gain funding through:

- **Investors:** Many business owners can secure venture capital from investors in exchange for equity in the FEC. This option protects your finances at the expense of losing sole ownership.
- **A small business loan:** This option will allow you to retain total control and ownership of your FEC. Sit down with your local bank or the [SBA office](#) to learn more about the requirements to secure a startup loan. Include your business plan or anticipated projects when presenting to a lender.

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REAL ESTATE CONSIDERATIONS

Where you choose to build your family entertainment center will significantly impact the ease of construction, attaining investors, maintaining a budget, and turning a profit. When it comes to finding the right spot to house your FEC, you shouldn't pinch pennies. More often than not, the more expensive the site is, the more likely it is to turn a profit faster.

The location of your business needs to:

- **Be easily accessible to visitors**
- **Be in a safe, well-lit neighborhood**
- **Have options for parking or room for constructing a parking garage**
- **Support heavy foot traffic inside and moderate vehicle traffic outside**
- **Be large and open enough to house multi-level structures, additions, and large crowds**

When choosing your location, the other aspect to consider is the community demographics, such as how many children are in that area and how much demand exists for an indoor playground. Things to consider are:

- **How many children are in your community (ages 0-12)?**
- **What is the median income for the region?**
- **Are there many tourists in your area, or primarily residents?**
- **How many other FECs are in the area?**

Location is crucial to the success of an indoor playground business. Picking a location near a high traffic draw like a mall or shopping center will help bring in more foot traffic or select a site based on a high tourist area.

In addition to the location, the actual property will need to support your preferred play style elements. For example, if you're looking to include a multiple-story play tower in your building, you will need a usable ceiling height between 9ft and 30ft, depending on your design. Knowing the square footage of your play area will also be essential when it comes time to building out your budget and identifying your unique offering to the market.

Working with a commercial real estate agent or a partner who knows the requirements within the family entertainment industry can help you find the perfect location for your FEC. Knowing the local laws and limits when working with a commercial storefront will make the process of finding the right location that much easier. Be prepared to research and work within the constraints of local ordinances and other considerations, such as:

- **Property values**
- **Insurance rates**
- **State and local incentives and taxes**
- **Minimum wage laws**
- **Utility costs**
- **Zoning laws**
- **Construction licenses and fees**

WORKING WITH SOFT PLAY ON YOUR PLAY AREA

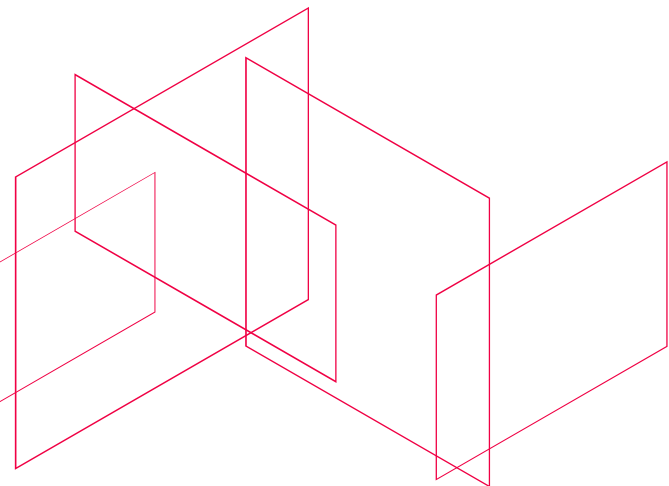
Starting an FEC is an innovative and profitable business investment — we should know! Soft Play is the expert when it comes to family entertainment. Our designs are bold, colorful, and state-of-the-art, so they quickly catch attention and spark intrigue. As a leader in indoor and outdoor playground equipment, we are committed to providing exceptional customer service, quality materials, and unique designs to drive your business.

With installations in more than 60 countries, we know how to attract families to your destinations and grow your business with play that works. We promote active play for all ages and abilities through our immersive and one-of-a-kind designs.

When are you ready to work with a play consultant?

- ☐ *Have your location picked out.*
- ☐ *Know the square footage and usable ceiling height of your play area.*
- ☐ *Identify the style(s) of play you'd like to incorporate into your facility.*
- ☐ *Secure different funding options or have spoken to a lender about your options.*

Once you're ready, we will work with you every step of the way. At Soft Play, we are more than a manufacturing company. We partner with you every step of the way to ensure you have a truly custom turnkey play experience for your FEC.



EXPERIENCE THE SOFT PLAY DIFFERENCE

Design Consultation

We work with you to design custom playgrounds that fit your budget, space, and audience. Whether you want a sizable, themed playground for your new retail space or a smaller play area to draw families to your restaurant, we can't wait to help make your vision a reality. We will make sure your playground is fun, exciting, innovative, and encourages active play.

Sales Support

Our customer service professionals are experts when it comes to our equipment. They are ready to answer any of your questions and help you decide when it is time to repair or update equipment. Our sales representatives are pleased to guide you from design to installation to ensure the equipment will be fun for your audience and all-inclusive.

Expert Installation

We make sure certified professionals install every piece of your custom design, so you can rest assured that your playground is ready for use.

Starting an indoor playground is an excellent business investment whether you wish to add a playground to your existing business or enter the industry anew. At Soft Play, we have the tools and knowledge of indoor playground industry trends to make your new area a success.

Connect with our team today



softplay.com/request-a-quote