ST. CLOUD AREA FAMILY YMCA

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Sports and Entertainment Marketing Operations Research Event

Table of
CONTENTS

I. Executive Summary

Description of the Business:

The St. Cloud Area Family YMCA is a **nonprofit organization** focused on fostering a healthier, more connected community by ensuring access to wellness programs for all. With offerings ranging from swimming lessons and youth sports to mental health support, the YMCA serves the local community through the generosity of approximately **700 donors** and **18,000 members**. The organization's commitment to community outreach is reflected in its scholarship programs and initiatives aimed at expanding its impact beyond the facility. After opening a state-of-the-art facility in 2017, the YMCA plans to further enhance its offerings with an outdoor waterpark, positioning itself as a regional destination for all ages.

"Healthy living, youth development, and social responsibility" are the core principles guiding the YMCA, as highlighted by Executive Director Greg Gack. These values drive the organization's commitment to fostering a vibrant community where everyone can thrive.

Objective of the Project:

The objective of this project is to **assess** the St. Cloud YMCA's use of **Artificial Intelligence (AI)**, **identify** industry trends and competitor strategies, and **develop** activities to enhance its market position. Welsh Consulting structured its research around these three goals to provide valuable insights for creating a facility that meets the community's evolving needs.

Assess   **Identify**   **Develop**

Research Methods:

1 SEP-OCT 2024 **PRELIMINARY**	**2** OCT-DEC 2024 **PRIMARY**	**3** NOV-DEC 2024 **SUPPLEMENTARY**
• AI Online Article Reviews • Fitness Industry AI Analysis • Corporate Website & Annual Report Exploration • Customer Feedback & Social Media Engagement Examination	• SCYMCA Leadership Interviews • Fitness Center Competitor Interview • University Faculty Consultation • Focus Group Facilitation	• Member Survey Review • Performance Benchmark Online Exploration • YMCA Branding Analysis

Findings and Conclusions:

KEY FINDINGS	CONCLUSIONS
• AI is transforming industries, especially in fitness, but SCYMCA senior leadership lacks understanding of its potential applications.	• AI integration presents significant opportunities, and SCYMCA must explore its potential to stay competitive.
• SCYMCA's primary market is children and families, with a goal to increase its community outreach from 10% to 30%.	• SCYMCA must expand its technology infrastructure to support growth, particularly to better meet the needs of younger generations.
• Departmental leaders are interested in AI, but budget constraints limit the ability to invest in large-scale AI projects.	• Integrating AI-driven revenue-generating programs and expanding partner collaborations would optimize SCYMCA's limited resources.
• Eight out of ten members expressed excitement about AI's potential but require transparency regarding the use of their data.	• SCYMCA must prioritize securing data privacy and maintaining transparency to build trust and ensure the successful adoption of AI.

Plan Sub-Objectives:

Welsh Consulting's strategic plan aims to **introduce innovative** and **exciting technology solutions** that position the St. Cloud YMCA for success in an evolving landscape. It outlines **four key sub-objectives** to ensure seamless technology integration, advancing the organization while mindful of budgetary constraints.

Promote Education

Develop Digital Strategy

Advance Program Growth

Address Data Privacy

Proposed Strategic Plan:

Welsh Consulting's strategic plan, **"Leading the Way: Your YMCA, Your Future,"** uses the **LEAD** framework—**Leverage**, **Enhance**, **Advance**, and **Drive**—to transform the St. Cloud YMCA by implementing AI technology to improve member experiences and operational efficiency.

LEADING THE WAY: YOUR YMCA, YOUR FUTURE

Leverage Educational Opportunities

- Fitness Technology Annual Summit
- AI-focused Internship Program

Enhance Technology Adoption

- Exergame: AI-Enhanced Fitness Gaming Challenges
- Lynxight: AI-Driven Pool Safety Monitoring System

Advance Collaborative Impact

- Modernization Committee
- Community School Partnership Expansion

Drive Engagement and Awareness

- SocialBee: AI Social Media Manager
- Social Media Campaign

Proposed Activity Timeline:

The timeline of the strategic plan spans four fiscal quarters, beginning in 2026. Each initiative within LEAD has been independently evaluated to determine its projected implementation timeline. This **initiative-centric approach** ensures a comprehensive strategy focused on efficiency.

	Q1		Q2				Q3			Q4		
MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
L			Tech Summit									
				AI College Intern								
E					Exergame Program Development				Exergame Implementation			
								Lynxight Pool Installment & Staff Training				
A	*			*			*			*		
										School Collaboration		
D				SocialBee Implementation								
								Social Media Campaign				

*	Modernization Committee Quarterly Meetings

Proposed LEAD Metrics Over 3 Years:

Key Performance Indicators (KPIs) were designed to assess progress in all activities of the LEAD plan. A summary is provided below.

L ABOVE 90%

KNOWLEDGE ACQUISITION RATE
Tracks summit attendance and actionable insights applied to operations.
Score scale of 70% to 90%.

E ABOVE 95%

POOL SAFETY COMPLIANCE RATE
Measures real-time incident detection and lifeguard responses.
Score scale of 75% to 95%.

A ABOVE 75%

SCHOOL PARTICIPATION RATE
Measures expanded school adoption program with Exergame integration.
Score scale of 50% to 75%.
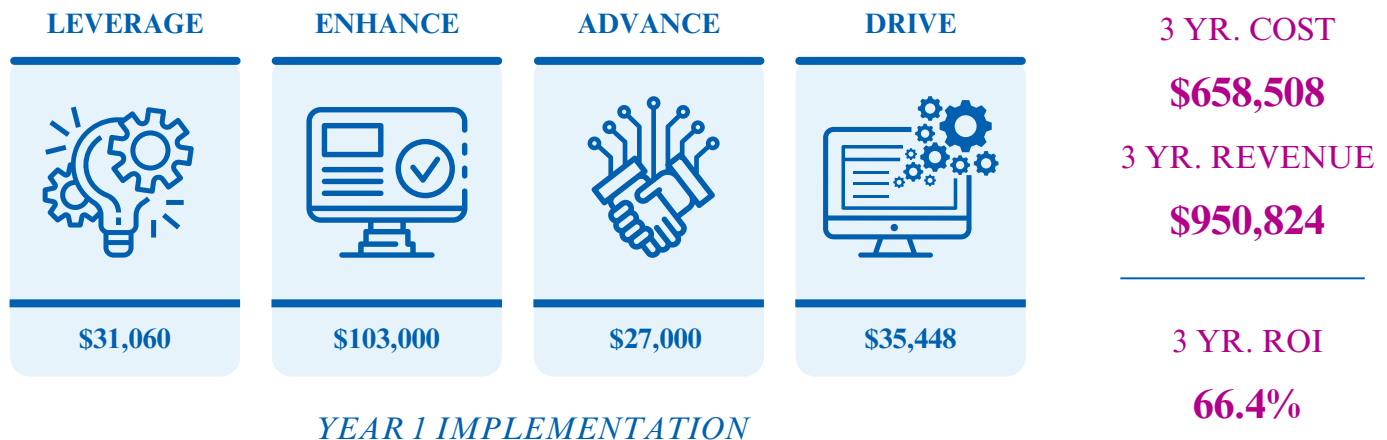
D ABOVE 90%

SOCIAL MEDIA PRODUCTIVITY RATE
Tracks content scheduling efficiency with SocialBee automation.
Score scale of 70% to 90%.

In addition, general KPIs, such as Year-Over-Year Membership Growth Rate, Program Development Rate, and ROI from New Technology Enhancements, measure overall performance. These KPIs, based on industry standards, will be assessed monthly, quarterly, and annually to ensure alignment with strategic goals.

Proposed Budget:

The budget for LEAD's strategic plan is divided across its four components, with the total cost for **first-year implementation totaling $196,508**. After three years, the program's **cumulative revenue is $950,824**.

LEVERAGE	ENHANCE	ADVANCE	DRIVE	3 YR. COST
				$658,508
				3 YR. REVENUE
				$950,824
$31,060	$103,000	$27,000	$35,448	3 YR. ROI
				66.4%

YEAR 1 IMPLEMENTATION

	3 YEAR BUDGET SUMMARY					
Year	Annual Expenses	Cumulative Expenses	Annual Revenue	Cumulative Revenue	Net Profit	ROI (%)
Year 1 (2026)	$196,508	$196,508	$212,038	$212,038	$15,530	7.9%
Year 2 (2027)	$206,000	$402,508	$312,554	$524,592	$106,554	51.7%
Year 3 (2028)	$256,000	$658,508	$426,232	$950,824	$170,232	66.4%

II. Introduction

A. Description of the business or organization

Founded in 1969, the St. Cloud Area Family YMCA is more than just a family wellness and fitness facility—it serves as a beacon of community service and belonging. As a **nonprofit organization**, the YMCA is committed to ensuring that everyone, regardless of financial status, has access to its programs and services. At its core, the YMCA's mission is to foster a healthier, more connected community. With a strong focus on **youth development, healthy living, and social responsibility**, the YMCA has enriched the lives of thousands of individuals and families.

Figure 1: St. Cloud Area Family YMCA

The St. Cloud YMCA's impact goes beyond fitness. It partners with over **60 community organizations** and nonprofits to deliver a wide range of programs, including swimming lessons, youth sports, social services, and mental health support. In 2017, a state-of-the-art facility was opened, featuring a fitness center, gym, dance studio, children's zone, rock wall, and indoor aquatic center (Figure 1). As a result, memberships doubled. Looking to the future, the YMCA plans to break ground on an outdoor waterpark behind the current facility in 2026. This exciting addition is set to become a regional destination, offering attractions for all ages.

St. Cloud Area Family YMCA 2023 Community Impact

20,000 youth interactions	18,200 members served	2,450 swim lessons	1,840 scholarship recipients	1,300 1:1 chaplain meetings	70 supervised family visits

The St. Cloud YMCA's financial structure reflects its commitment to community service. In 2023, the organization received $1,620,074 in cash donations from nearly **700 donors**, showcasing the **tremendous local support** for its mission. With total revenues reaching $6,907,605 and expenses totaling $6,381,295, the YMCA ensures that a significant portion of its resources are directed toward community outreach and support. A major focus of the YMCA's efforts is providing financial assistance through **scholarships**. In 2023 alone, the organization allocated $408,858 to scholarships, allowing those with financial barriers to participate in its programs. Additionally, the YMCA invested $1,376,912 in community outreach programs, which extend beyond its facility to touch the lives of those most in need. Whether it's offering subsidized memberships, creating programs for underprivileged youth, or ensuring access to essential health and wellness services, the YMCA consistently delivers on its promise to **improve the well-being of the entire St. Cloud community**.

B. Description of the target market (demographics and psychographics)

The St. Cloud YMCA is located in the heart of St. Cloud, Minnesota, approximately 65 miles north of the Minneapolis-St. Paul metropolitan area. St. Cloud is a vibrant community known for its rich diversity and strong family values, serving as a central hub for the surrounding region. The St. Cloud Metropolitan Statistical Area (MSA), which includes several neighboring towns, has a population of about **200,000 residents**.

The area is home to a **youthful demographic**, primarily composed of Generation Z and Millennials, ages 11 to 43, who play a significant role in shaping the region's culture and economy (Figure 2). In alignment with its mission to strengthen community, the YMCA focuses on program-driven growth rather than capital-driven expansion, targeting **family memberships** as its primary market segment. Services such as swimming lessons, youth sports, and access to its pool attract families looking to enhance their children's well-being while fostering community engagement. Ages 10-12 are the most involved age groups in the YMCA's program offerings. While local high schools, colleges, adult fitness centers, and the nearby senior recreation center offer fitness facilities, the YMCA intentionally focuses on family involvement, addressing a need not fully met by these institutions. A breakdown of annual revenue and membership segmentation, highlighting the YMCA's strength in family memberships and its pivotal role within the community, is detailed below (Figure 3).
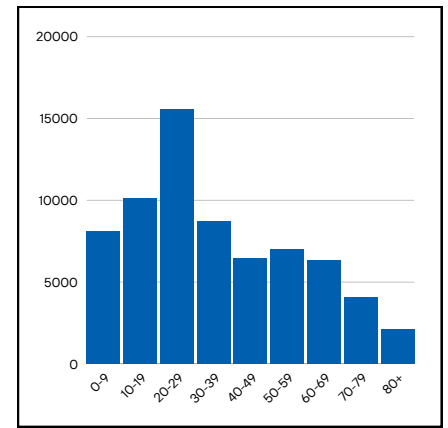
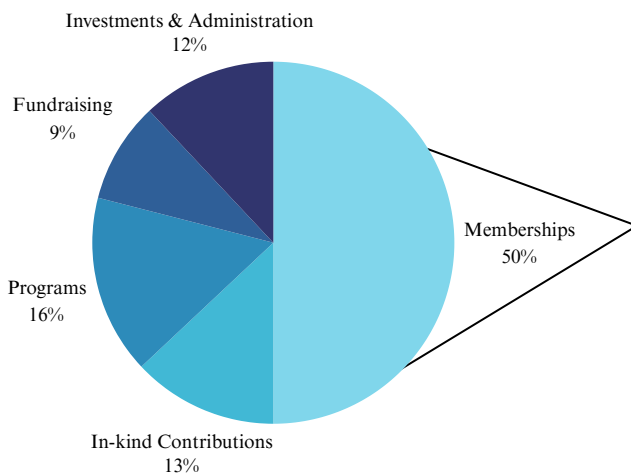

Figure 2: St. Cloud Demographics by Age

Figure 3: Revenue Breakdown & Membership Segmentation

Segment	Number	Monthly Fee	Considerations
Family	10,593	$59.99-$64.99	Community Outreach & Programs
Adult (18-61)	1,426	$39.99	St. Cloud Area Fitness Centers
Student (High School & younger)	285	$19.99	School Programs & Facilities
Senior (62+ & Couple)	258	$38.99-$54.99	Senior Recreation Center next door to YMCA

C. Overview of the business or organization's current artificial intelligence strategies and usage

Through interviews with YMCA leadership, Welsh Consulting found that the organization's use of AI tools is **currently limited**. Senior leadership expressed a **lack of familiarity** with AI, even asking, "What is AI?" and voiced concerns about how the community might react to AI-driven changes (Figure 4: A photo of the Welsh Consulting team alongside senior leadership during the initial meeting). During the interview, Welsh Consulting demonstrated the use of ChatGPT, providing examples of how the tool could assist leaders in responding quickly to emails and other tasks. Senior leadership deferred a more in-depth analysis to the organization's technology leader. Subsequent investigation revealed that departmental leaders exhibited a greater awareness of AI and expressed a growing interest in using it to enhance

Figure 4: Senior Leadership Interview

efficiency. Some staff members are already using tools like ChatGPT for basic tasks. However, the YMCA continues to rely primarily on traditional methods, such as manual data entry for data management and basic forecasting. While the organization collects website traffic data, tracks social media interactions, and utilizes membership statistics, these efforts are not fully optimized for deeper analysis or trend identification through AI. More detailed insights from these interviews, including the organization's specific concerns and interests, will be provided in the Primary Findings section on page 10.

A. Description and rationale of research methodologies selected to conduct the research study

Welsh Consulting structured its research efforts around three primary goals to guide its approach: **Assess** the current landscape of the St. Cloud YMCA and its implementation of **AI technology**, **Identify** industry trends and competitor strategies, and **Develop** targeted activities to strengthen the YMCA's position within the industry. These goals supported the research objective: understanding how to create a technologically advanced and impactful facility that meets the evolving needs of the community.

Assess
Assess
SCYMCA's
current practices

Identify
Identify
competitor and
industry trends

Develop
Develop
activities to
enhance practices

After establishing the research goals, Welsh Consulting employed various research methods. To begin, the team conducted **Preliminary Research** to gain a comprehensive understanding of AI, its applications in fitness facilities, and the operations and community engagement of the St. Cloud YMCA. The methods used in the Preliminary Research are detailed and rationalized in Table 1.

TABLE 1: PRELIMINARY RESEARCH		
Research Method	**Description**	**Rationale**
1 Online Article Reviews **1.1** AI Overview **1.2** Fitness Industry AI Reports	**1.1** Conducted research on AI trends, effectiveness, applications, and associated challenges. **1.2** Reviewed articles on how AI is being utilized and its impact on the fitness industry.	**1.1** To gain insights into how AI can enhance services and operations. **1.2** To understand the role of AI in shaping trends and practices within fitness facilities.
2 Corporate Analysis **2.1** SCYMCA Website & Annual Report	**2.1** Studied various sections of SCYMCA's website and examined the 2023 Annual Report.	**2.1** To assess the navigation and information accessibility related to the organization's mission and programs, as well as evaluate its financial health and operational achievements.
3 Customer Feedback **3.1** Online Reviews & Social Media Accounts	**3.1** Analyzed recent online customer reviews and observed SCYMCA's social media practices and engagement.	**3.1** To gauge customer satisfaction and evaluate outreach effectiveness and digital engagement.

The next phase involved **Primary Research**, which focused on acquiring an in-depth understanding of AI technology within the St. Cloud YMCA and its competition. Additionally, a university faculty consultation was conducted to gain expert insights on AI applications and emerging trends, further enriching the research process. This phase also aimed to gather insights into member perceptions of current operations and the potential enhancements AI could bring. The methods used in the Primary Research are described in Table 2.
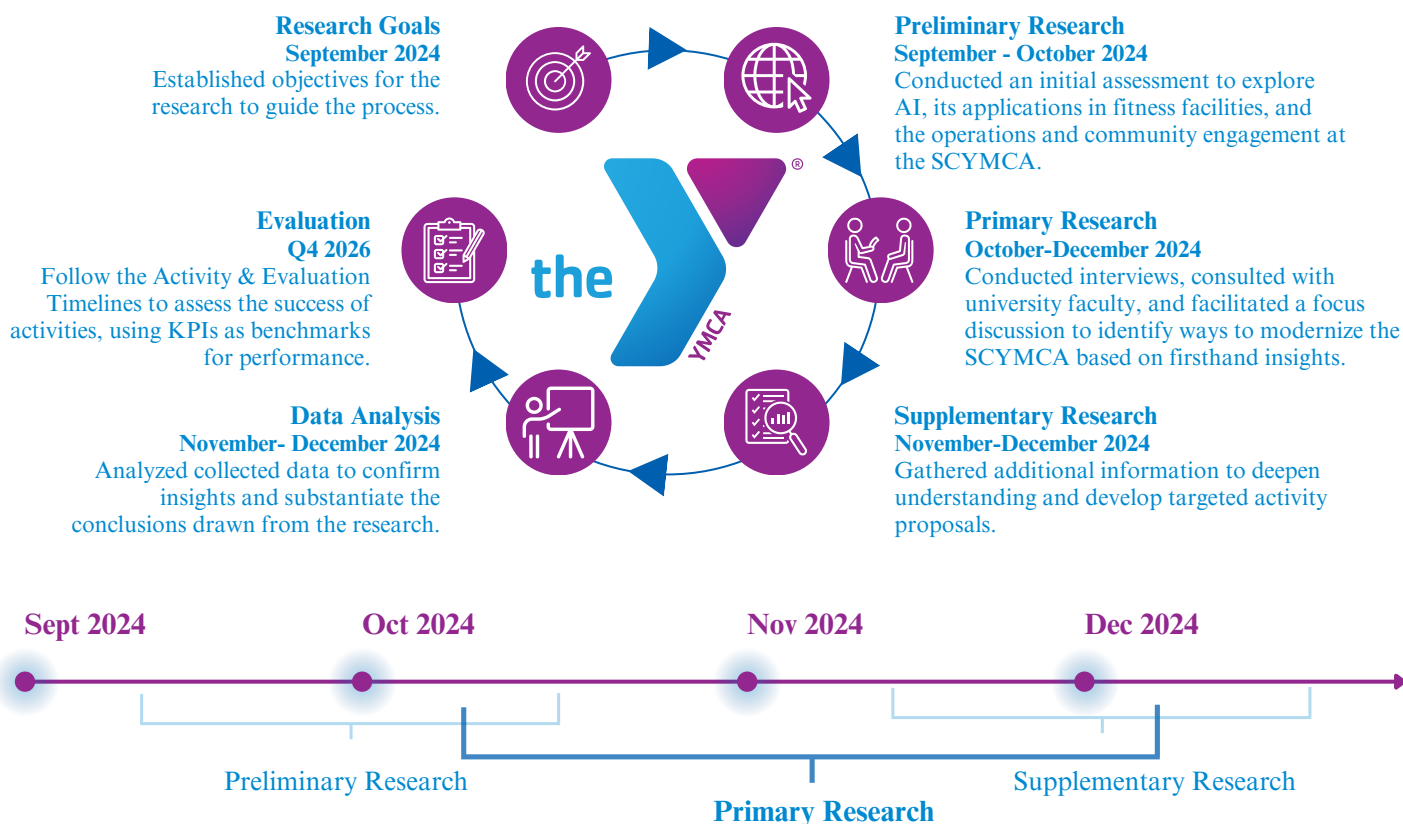
TABLE 2: PRIMARY RESEARCH		
Research Method	**Description**	**Rationale**
4 SCYMCA Interviews **4.1** Greg Gack & Tim McLean **4.2** Jon Lang **4.3** Courtney Sullivan	**4.1** Interviewed Executive Director, Greg Gack & Senior Program Director, Tim McLean **4.2** Met virtually with Finance Director/technology leader, Jon Lang. **4.3** Interviewed Regional Marketing Director, Courtney Sullivan.	**4.1** To obtain firsthand perspectives on the implementation of AI technology and its potential impact on the organization. **4.2** To identify strengths and areas for improvement in SCYMCA's technology infrastructure and its application of AI. **4.3** To explore how individual departments within the organization may be impacted by AI.
5 Competitor Interview **5.1** Kim Balfanz	**5.1** Interviewed Sta-Fit Owner, Kim Balfanz.	**5.1** To gain insights and identify opportunities for the SCYMCA to strengthen its competitive position and enhance its offerings.
6 University Faculty Consultation **6.1** Mark Gill	**6.1** Consulted Mark Gill, Visualization Engineer at St. Cloud State University.	**6.1** To gain insights into AI integration, with an emphasis on its impact in small business marketing.
7 Focus Group **7.1** SCYMCA Members	**7.1** Conducted a focus group with 10 members of the SCYMCA.	**7.1** To gather feedback on the potential impact of AI on services and engagement.

Welsh Consulting's final phase involved **Supplementary Research**, during which the team aimed to further explore key topics to reinforce the findings. This phase included a member survey review, performance benchmark analysis, and a branding assessment to strengthen insights and provide a comprehensive understanding. The methods and rationale for this phase are outlined in Table 3.

TABLE 3: SUPPLEMENTARY RESEARCH		
Research Method	**Description**	**Rationale**
8 Survey **8.1** Member Survey	**8.1** Reviewed 564 member survey responses.	**8.1** To gather quantitative data on member satisfaction, informing future AI implementation strategies.
9 Internet Research **9.1** Performance Benchmarks	**9.1** Researched industry KPI benchmarks for membership and technology.	**9.1** To establish realistic performance targets for the YMCA's LEAD plan.
10 Marketing Review **10.1** Branding Guidelines	**10.1** Reviewed the YMCA's branding guidelines.	**10.1** To ensure alignment with the national YMCA brand and maintain integrity in messaging.

B. Process used to conduct the selected research methods

Welsh Consulting initiated a **comprehensive research project** from September to December 2024. The diagrams below outline the timeline used to gather data through various research methods. After defining research goals and conducting preliminary investigations, the most valuable insights were gathered through primary interviews, beginning on October 21st with St. Cloud YMCA's leadership team, Greg Gack and Tim McLean, followed by interviews with departmental leaders and a competitor. A consultation with Mark Gill from St. Cloud State University was held on November 12th, followed by a focus group discussion with YMCA members. After completing primary research, supplementary research was conducted. These insights were analyzed to draw key conclusions, which were then used to develop activity proposals aimed at improving operational processes. The evaluation of key performance indicators (KPIs) will provide a framework for assessing the success of each initiative, which will be discussed in more detail on page 17.

Research Goals
September 2024
Established objectives for the research to guide the process.

Preliminary Research
September - October 2024
Conducted an initial assessment to explore AI, its applications in fitness facilities, and the operations and community engagement at the SCYMCA.

Evaluation
Q4 2026
Follow the Activity & Evaluation Timelines to assess the success of activities, using KPIs as benchmarks for performance.

Primary Research
October-December 2024
Conducted interviews, consulted with university faculty, and facilitated a focus discussion to identify ways to modernize the SCYMCA based on firsthand insights.

Data Analysis
November- December 2024
Analyzed collected data to confirm insights and substantiate the conclusions drawn from the research.

Supplementary Research
November-December 2024
Gathered additional information to deepen understanding and develop targeted activity proposals.

Sept 2024	Oct 2024	Nov 2024	Dec 2024

Preliminary Research

Primary Research

Supplementary Research

The following table outlines the processes for each research method. Throughout each phase, detailed notes were taken to capture **key insights** and **themes**, which supported thorough analysis and the development of actionable recommendations.

TABLE 4: RESEARCH PROCESSES

METHOLODOLGY	PROCESS
PRELIMINARY	
Online Article Review	• Prepared research ideas, starting with broad concepts (AI) and narrowing down into specific topics like AI applications in fitness. • Conducted in-depth preliminary research, focusing on AI trends, advancements, and challenges. within the fitness industry.
Website Review & Corporate Analysis	• Prepared analysis questions regarding user experience and company overview. • Explored and navigated the St. Cloud YMCA website. • Conducted a thorough review of the St. Cloud YMCA's 2023 Annual Report.
Customer Feedback & Social Media Engagement	• Prepared analysis questions to assess customer sentiment and feedback. • Explored social media platforms, including Instagram, LinkedIn, and YouTube. • Monitored comments, reviews, and posts to gain insights into customer opinions and engagement.
PRIMARY	
SCYMCA Interviews	• Arranged interviews with key SCYMCA leaders. • Prepared open-ended questions to explore AI integration and usage. • Informed interviewees of anonymity to guarantee objective responses. • Conducted interviews and followed up with emails as needed, with additional questions.
Competitor Interview	• Prepared open-ended questions regarding competitor's use of AI technology. • Reviewed competitor's website and social media accounts. • Conducted a telephone interview with fitness center owner. • Informed the interviewee of anonymity to ensure honest and objective responses.
University Faculty Consultation	• Reached out to university faculty to schedule a meeting on AI integration. • Prepared open-ended questions on AI applications in business. • Explored academic perspectives on AI trends and challenges.
Focus Group	• Arranged a focus group with 10 current SCYMCA members. • Compiled a series of introductory, exploratory, follow-up, and closing questions to understand members' interests and concerns regarding AI. • Hosted the focus group over Zoom to facilitate participation and convenience. • Informed the group of anonymity to guarantee objective and candid responses.
SUPPLEMENTARY	
Survey	• Reviewed 564 completed member survey responses. • Identified key trends and insights from the survey data. • Compared survey results with industry benchmarks to assess performance.
Performance Benchmarks	• Prepared a list of KPIs to compare SCYMCA's current performance with industry standards. • Gathered performance data from relevant sources, including industry reports and competitor benchmarks. • Analyzed SCYMCA's performance in areas like membership growth and engagement, establishing benchmarks for future review.
Branding Review	• Reviewed YMCA's current branding materials, including logo, taglines, and promotional content. • Analyzed branding consistency across platforms (website, social media, printed materials).

IV. Findings and Conclusions of the Study

A. Findings of the research study

Preliminary Research:

1 Online Articles
1.1 AI Overview
Welsh Consulting began by defining artificial intelligence (Figure 5), examining its key elements, and researching how businesses are leveraging AI to enhance their operations and services.

Artificial Intelligence (AI) refers to the simulation of human intelligence processes by computer systems. These processes include learning (the acquisition of information and rules for using it), reasoning (the ability to solve problems), and self-correction. AI can encompass a range of technologies, including machine learning, natural language processing, robotics, and computer vision. The ultimate goal of AI is to create systems that can perform tasks that typically require human intelligence, thereby improving efficiency and enabling new capabilities across various industries.

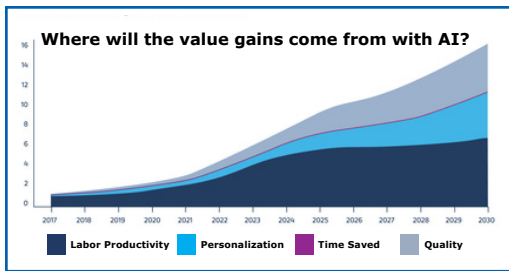Figure 5: AI Defined by ChatGPT

Figure 6: Global GDP Impact by AI Effect

The team reviewed articles revealing AI's rapid transformation across industries. Global AI revenue is expected to reach $154 billion by 2030 (Statista, 2023), **significantly impacting global GDP**, particularly in areas like labor productivity, time savings, and personalization (Figure 6). AI's widespread use in data analysis, customer service automation, and personalized marketing is enhancing efficiency and decision-making. As AI adoption continues to grow and reshape industries, it is essential for companies to address ethical and privacy concerns to ensure responsible implementation that meets consumer expectations.

Key Finding A: The integration of AI solutions is reshaping business strategies and driving growth.

1.2 Fitness Industry AI Reports

Welsh Consulting analyzed AI in the fitness sector, finding it transforms gym operations through personalization. AI enhances training by offering tailored experiences and real-time feedback, with 80% of consumers interested in **personalized health solutions** (Deloitte, 2023). Additionally, AI analyzes member data to uncover trends, helping gyms improve marketing strategies and boost satisfaction by up to 25% (McKinsey, 2023). Fitness centers embracing AI will gain a competitive edge in the digital age.

Key Finding B: AI is revolutionizing fitness centers by personalizing experiences and optimizing operations.

2 Corporate Review
2.1 SCYMCA Website & Annual Report

The team analyzed the St. Cloud YMCA's website, simulating potential customer experiences (Figure 7). The site effectively addresses inquiries about the organization's services and operations. The team also reviewed the YMCA's 2023 Annual Report, which highlights **strong performance** and **growth**. Notably, the "Safety Around Water" initiative, launched in 2022, provides free swim lessons to second graders in St. Cloud schools. Given drowning as the second leading cause of death for Minnesota children, the program focuses on prevention and has already reached 750 students. Funded entirely by donations, the initiative underscores the YMCA's commitment to **community impact**.

Figure 7: Website Review & Corporate Analysis

Key Finding C: The SCYMCA shows strong performance with targeted programs, impacting the community.

3 Customer Engagement
3.1 Online Reviews & Social Media Activity

St. Cloud Area Family YMCA
4.4. ★★★★☆ 555 Google Reviews

An analysis of customer reviews and engagement at the St. Cloud YMCA shows positive feedback but highlights **limited digital engagement**, especially among younger generations. The St. Cloud YMCA is active on YouTube, Instagram, and LinkedIn, but averages only 16 "likes" on its last 10 Instagram posts, indicating low interaction. The YMCA is also absent from TikTok, a platform popular with Gen Z and Millennials—the largest demographic in the St. Cloud metro area. While the National YMCA has a successful TikTok presence, the local chapter's lack of participation limits its ability to engage these key groups. AI research shows that TikTok, Instagram, and Snapchat are the most popular platforms among younger users, underscoring the need for the St. Cloud YMCA to expand its social media presence.

- **Gen Z:** Most active on platforms like TikTok, Snapchat, and Instagram.
- **Millennials:** More likely to be on Facebook, Instagram, and YouTube. 🔗

Key Finding D: The SCYMCA's limited social media presence restricts engagement with younger demographics.

St. Cloud YMCA Leadership Interviews

| 4.1 Greg Gack | 4.1 Tim McLean | 4.2 Jon Lang | 4.3 Courtney Sullivan |

4 SCYMCA Interviews

4.1 Greg Gack & TimMcLean

As outlined on page 5, Welsh Consulting conducted an interview with Executive Director Greg Gack and Senior Program Director Tim McLean, revealing that YMCA leadership had limited familiarity with AI and was hesitant about its adoption. As a result, Welsh Consulting shifted its focus to better understand the YMCA's strategic goals, with the aim of aligning any future AI initiatives with these objectives. It was shared that the St. Cloud YMCA plans to expand its community outreach from 10% to 30% and is preparing to break ground on an outdoor aquatic center in May 2026, with the goal of becoming a regional destination. The YMCA remains **financially stable** and appreciates **strong community support**.

> *Key Finding E: SCYMCA is focused on expanding community outreach and regional growth initiatives.*

4.2 Jon Lang

A virtual meeting was held with Jon Lang, Finance Director, who also oversees the YMCA's technology functions, including software and systems (Figure 8). Mr. Lang noted that while AI has not been implemented for operational tasks, there is interest in exploring its potential for improving processes. Currently, software programs, such as budgeting, require manual adjustments. Mr. Lang highlighted the possibility of using AI to enhance efficiency, though **budget constraints** remain a consideration.

Figure 8: Virtual Meeting with Jon Lang

> *Key Finding F: Budget constraints limit the SCYMCA's ability to fully explore AI potential.*

4.3 Courtney Sullivan

An interview was conducted with Courtney Sullivan, the Regional Marketing Director, to understand how YMCA departmental leaders perceive AI. Courtney **expressed interest** in AI, recognizing its potential to improve targeting, member retention, community engagement, and provide predictive analytics and personalized recommendations. However, she noted that current AI technologies are limited, and additional resources would be needed for successful implementation.

> *Key Finding G: Departmental leadership is interested in AI to enhance operations.*

5 Competitor Interview

5.1 Kim Balfanz, Owner of Sta-Fit

Sta-Fit, located 4 miles away, is a major YMCA competitor, offering similar amenities that appeal to central Minnesota's demographics. In an interview, owner Kim Balfanz shared that while Sta-Fit uses some technology, AI is **not heavily integrated**. She mentioned challenges such as keeping up with evolving tech, adapting to new tools, and the high costs involved. Sta-Fit focuses on its family-owned philosophy and excellent member service over widespread tech adoption.

> *Key Finding H: Competition is not using AI, creating an opportunity for YMCA's competitive advantage.*

6 St. Cloud State University Faculty Consultation

6.1 Mark Gill

Welsh Consulting consulted Mark Gill, a Visualization Engineer at St. Cloud State University, to explore AI's role in business operations, particularly marketing. Gill explained how AI transforms data analytics and automates social media management, reducing manual labor by optimizing content, scheduling, and posts. He noted AI's value for small businesses with **limited marketing resources**, ensuring consistent engagement without large teams. Gill emphasized the need for systems to manage these processes for effective AI-driven growth.

7. Focus Group
7.1 Member Participants

Welsh Consulting conducted a focus group with current YMCA members to explore their views on AI. Eight out of ten participants expressed openness to AI features, believing these innovations could **enhance their experience**. While privacy was a concern, they emphasized the importance of transparency in how personal data would be used (Figure 9).

Openness to AI

Concerned About Privacy

Improve Experience with AI

Importance of Data Transparency

Figure 9: SCYMCA Focus Group Findings

Key Finding J: Members see AI enhancing their experience but require transparency in data use.

Supplementary Research:

8 Survey Review
8.1 Member Survey

Welsh Consulting reviewed the St. Cloud YMCA's annual member survey, where members praised the clean facilities and variety of classes. The YMCA's NPS score of 55 indicates **strong member loyalty**, surpassing the national average of 49% for fitness centers (Statista, 2023). Research suggests maintaining satisfaction requires upholding safety protocols, engaging members, and addressing concerns promptly (IHRSA & Club Industry, 2023).
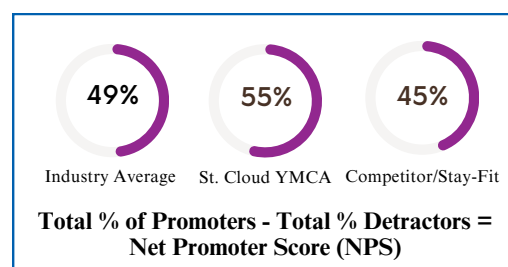

49%	55%	45%
Industry Average	St. Cloud YMCA	Competitor/Stay-Fit

Total % of Promoters - Total % Detractors = Net Promoter Score (NPS)

Figure 10: SCYMCA Net Promoter Score

Key Finding K: Strong safety protocols and member engagement drive high satisfaction and loyalty.

9 Online Article Exploration
9.1 Performance Benchmarks

Welsh Consulting conducted research on the impact of planned activities on revenue, membership growth, and youth engagement, focusing on the St. Cloud YMCA's goal of engaging 30% of the community, especially families and children. Industry trends suggest **membership growth of 3% to 8%** annually, with tech-driven programs like gamified fitness and AI tools contributing. For instance, the YMCA of Greater Toronto saw a 12% increase in membership after launching digital fitness programs. Fitness centers using AI-driven personalization and analytics saw an average **ROI of 50-60%** within 18 months (McKinsey, 2023). Key Performance Indicators on page 17 will guide growth and revenue strategies.

Key Finding L: Tech-driven programs have proven to significantly boost membership growth and revenue.

10 Marketing Analysis
10.1 Branding Guidelines

Given the YMCA's status as a national organization with a corporate structure, Welsh Consulting reviewed the YMCA's branding guidelines to ensure consistency and alignment in promoting a campaign (Figure 11). This examination maintains the **integrity of the brand** while effectively conveying the campaign's message to the community. By adhering to these guidelines, the campaign can leverage the established reputation and values of the YMCA, enhancing its overall impact and recognition.

Key Finding M: Branding guidelines ensure campaign consistency and value alignment.

Figure 11: Branding Guidelines

B. Conclusions based on the findings

Welsh Consulting grouped its research findings and conducted a SWOT analysis, identifying strengths, weaknesses, opportunities, and threats to provide a comprehensive overview of the YMCA's current position and potential for growth.

STRENGTHS

Strong financial foundation
Successful community initiatives
Diverse programs and services
Niche consumer market

WEAKNESSES

Inconsistent AI knowledge across leadership
Slow technological integration
Concerns over community acceptance
Limited budgets for tech advancements

OPPORTUNITIES

Educate leadership and staff on AI
Develop AI tools for operational efficiency
Incorporate technology for future growth
Engage younger demographics

THREATS

Cost of advanced technology
Reluctance to AI adoption
Risk of data privacy
Competition from tech-savy organizations

The analysis reveals that the St. Cloud YMCA benefits from a **competitive advantage**, driven by its diverse programs, strong community support, and solid financial position. However, there are **several key challenges** that must be addressed to ensure it remains an efficient and impactful resource for the community. From these findings, Welsh Consulting has drawn conclusions regarding the strategic actions needed to drive continued progress and long-term success.

1

ARTIFICIAL INTELLIGENCE INTEGRATION PRESENTS SIGNIFICANT OPPORTUNITIES

Artificial intelligence presents a transformative opportunity to enhance operational efficiency, drive member engagement, and boost overall satisfaction. Research highlights AI's potential to significantly improve customer experiences and profitability, offering a clear path for organizations to modernize and stay competitive. By integrating AI, the St. Cloud YMCA can streamline its operations, deliver more personalized services, and position itself as a forward-thinking, tech-savvy community hub in an increasingly digital landscape. However, the SCYMCA is currently underutilizing AI, with a lack of cohesive understanding across the organization about its potential. **Based on Key Findings A, B, E, G, I, J, & K**

2

SCYMCA SEEKS GROWTH AND EXPANSION OPPORTUNITIES

The SCYMCA is focused on expanding its community outreach, building on a solid foundation of high-quality programs and successful local partnerships. With an increasing emphasis on engaging younger demographics, there is a clear opportunity to leverage technology to enhance program offerings and extend the YMCA's impact. Today's youth expect to be actively engaged in dynamic, technology-driven experiences that align with their interests and needs. **Based on Key Findings C, D, E, & L**

3

LIMITED BUDGETS RESTRICT AI INTEGRATION POTENTIAL

The SCYMCA's limited budget for technology investment poses a challenge to integrate AI into its operations. While AI offers considerable potential to improve efficiency and enhance member engagement, current financial constraints prevent the organization from pursuing large-scale AI projects. However, strategic partnerships have proven effective in driving program development and could provide a pathway to access the resources necessary for AI adoption. **Based on Key Findings A, B, C, F, G, & I**

4

COLLECTIVE CONCERNS REGARDING AI INTEGRATION AND DATA PRIVACY

The SCYMCA leadership has expressed reservations about incorporating AI into its operations, citing potential challenges with community acceptance. Members have also voiced collective concerns regarding the integration of AI, particularly related to data privacy. Research underscores that public apprehension about the use of personal information is a key issue, as AI systems typically require the collection and analysis of large volumes of member data. These concerns highlight the importance of addressing privacy issues when considering AI adoption, ensuring that transparency and trust are maintained within the community. **Based on Key Finding J**

V. Proposed Strategic Plan

A. Objectives and rationale of the proposed strategic plan

Welsh Consulting has developed a strategic plan to **introduce** innovative technology solutions that will position the St. Cloud YMCA for success in an evolving landscape. Recognizing the YMCA's concerns about AI and its financial constraints, the plan's primary objective is to **build understanding** and **enthusiasm** for the potential benefits of technology. The strategy outlines four key sub-objectives designed to facilitate the seamless integration of technology, ensuring a smooth transition to a more advanced, future-ready organization while remaining mindful of budget limitations.

OBJECTIVE	RATIONALE	DESCRIPTION
1.) Promote Education on AI Integration	Gaining an understanding of AI technologies will empower SCYMCA leadership to integrate AI into operations, improving member services. *Derived from Conclusion 1*	To develop AI literacy, SCYMCA should prioritize leadership education to understand AI's benefits and its potential to transform operations. *Short-Term Benefit: Improved leadership insight* *Long-Term Benefit: Enhanced operational efficiency*
2.) Develop Youth-Focused Digital Strategy	Engaging younger demographics with technology-driven programs will help SCYMCA attract new members and keep pace with evolving digital trends. *Derived from Conclusion 2*	To engage youth, SCYMCA needs to create a digital strategy that incorporates innovative, interactive, tech-based fitness solutions. *Short-Term Benefit: Increased youth engagement* *Long-Term Benefit: Sustained member growth*
3.) Advance Growth through Program Expansion	Expanding programs and integrating AI will boost member engagement, attract new participants, and position SCYMCA as an innovative leader. *Derived from Conclusion 3*	To support growth, SCYMCA should broaden program offerings and adopt technologies that meet evolving community needs and drive engagement. *Short-Term Benefit: Greater member participation* *Long-Term Benefit: Increased community impact*
4.) Address Data Privacy and AI Use Concerns	Ensuring data privacy and transparency in AI usage is critical to maintaining member trust and safeguarding sensitive information. *Derived from Conclusion 4*	To protect member data, SCYMCA should prioritize data security protocols and establish clear policies for AI implementation. *Short-Term Benefit: Increased trust and transparency* *Long-Term Benefit: Stronger member retention*

B. Proposed activities and timelines

Welsh Consulting's strategic plan, titled **"Leading the Way: Your YMCA, Your Future,"** aims to transform the St. Cloud YMCA by harnessing the power of AI and technology to enhance member experiences and improve operational efficiency. The plan is structured around the **LEAD** framework—**Leverage, Enhance, Advance,** and **Drive**—which will guide the YMCA in adopting innovative solutions and modernizing its operations.

LEADING THE WAY: YOUR YMCA, YOUR FUTURE

Activity 1: Fitness Technology Annual Summit

Description: Welsh Consulting recommends that leaders of the St. Cloud YMCA attend the Fitness Technology Annual Summit in San Diego, California, in March 2026. The annual event gathers fitness professionals and tech innovators to explore AI and other technologies in the fitness industry. It features sessions on AI-driven solutions, data analytics, and emerging fitness technologies, along with product demos and networking opportunities with industry experts.

Rationale: Attending this summit will provide YMCA leadership with valuable insights into AI technologies, helping them understand how to effectively apply these innovations to improve services and operations. The summit offers knowledge on trends and best practices, enabling the YMCA to make informed decisions on integrating new technologies that enhance member experiences and improve operational efficiency.

Activity 2: AI-Focused Internship Program

Description: Welsh Consulting recommends that the St. Cloud YMCA introduce an AI-focused internship program to support its efforts in integrating technology into operations. Led by the YMCA's technology leader, the program would provide internships for students from local colleges offering courses and certifications in AI, tapping into a talent pool of approximately 22,000 students. A summer intern would assist in tasks such as technology implementation, data analysis, and member engagement initiatives, aiding the YMCA in its technology integration efforts.

Rationale: The internship program will bring fresh perspectives and innovative ideas to the YMCA, while offering students valuable real-world experience. By partnering with local educational institutions, the YMCA will foster a culture of innovation, enhance its technological capabilities, and strengthen its ties with the community, all while supporting its mission to improve services through advanced AI solutions.

E

ENHANCE TECHNOLOGY ADOPTION
OBJECTIVE 2 & 4 ADDRESSED

Activity 3: Exergame Partnership for Youth Engagement

Description: Welsh Consulting recommends partnering with Exergame, an interactive fitness solution that combines gaming elements with AI to personalize workouts and track progress (Figure 12). Widely adopted across the country, Exergame has proven effective in boosting engagement, especially among younger audiences. By integrating Exergame into youth programs such as after-school activities, summer camps, and school partnerships, the YMCA can showcase the benefits of AI in fitness.

Figure 12: Exergame AI Fitness Program

Rationale: Partnering with Exergame will help the YMCA bridge the gap in AI adoption while attracting new participants, especially youth, through a tech-driven fitness experience. This initiative positions the YMCA as a leader in integrating technology into fitness, promotes healthy habits, and provides a dynamic, engaging environment for young members. Through this partnership, the YMCA will foster long-term engagement and encourage lasting healthy habits among its youth demographic.

Activity 4: AI-Powered Pool Safety with Lynxight

Description: Welsh Consulting recommends leveraging AI to improve safety and efficiency in high-traffic areas like aquatic centers. By partnering with Lynxight, an AI company specializing in real-time pool monitoring, the St. Cloud YMCA can enhance safety in its expanding aquatic program. Lynxight's system tracks swimmer activity, detects unsafe behaviors, and alerts lifeguards to potential risks, helping prevent accidents. The system ensures safety while protecting privacy by not storing personal data.
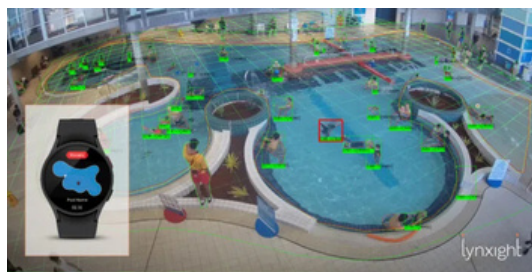
Figure 13: Lynxight Pool Safety Monitoring System

Rationale: Integrating Lynxight's AI technology will improve operational efficiency and showcase the YMCA's commitment to innovation. By proactively monitoring swimmer behavior, the YMCA can better protect participants, particularly beginners, and create a safer environment overall. This partnership strengthens safety measures, builds trust with members, and positions the YMCA as a leader in using AI to enhance the member experience.

A — ADVANCE COLLABORATIVE IMPACT
OBJECTIVE 1, 2, 3 & 4 ADDRESSED

Activity 5: Modernization Committee

Description: Welsh Consulting recommends forming a Modernization Committee to oversee the integration of AI into YMCA operations, starting with a review of existing systems to identify opportunities for improvement. It will consist of key stakeholders from leadership, operations, IT, and the member base to ensure a collaborative approach. The committee will also address data privacy concerns and security protocols, meeting quarterly to track progress and adjust strategies as needed.

Rationale: The creation of a Modernization Committee will ensure a structured and strategic approach to adopting new technologies, positioning the YMCA to stay competitive and innovative. By integrating AI into its operations, the YMCA can streamline processes, enhance member engagement, and address data privacy concerns. Regular reviews and alignment with the YMCA's strategic goals will help the organization adapt to the evolving digital landscape, fostering long-term success.

Activity 6: Middle School Fitness Program

Description: Welsh Consulting recommends expanding the YMCA's successful "Safety Around Water" model into a middle school program focused on fitness technology. By integrating Exergame fitness activities into health and physical education classes, the YMCA can offer engaging, personalized fitness routines that are accessible and enjoyable. This initiative aims to build lifelong fitness habits in youth and foster a future pipeline of YMCA members, with partnerships with local schools to support these efforts.

Rationale: This initiative will make fitness routines more relevant and engaging by using personalized approaches and innovative fitness technologies. It showcases the YMCA's commitment to wellness, innovation, and personalized health, helping students build healthier, more active futures.

D — DRIVE ENGAGEMENT AND AWARENESS
OBJECTIVE 2, 3 & 4 ADDRESSED

Activity 7: "Leading the Way: AI Fitness Campaign"

Description: Welsh Consulting recommends launching the "Leading the Way: Your YMCA, Your Future" campaign to promote the YMCA's AI-driven fitness solutions. The campaign will use TikTok to engage younger audiences with viral trends, interactive challenges, and fitness content. Exergame will host virtual fitness challenges, tracking progress in a fun, community-focused way. A dedicated TikTok page will feature AI-powered solutions, like Exergame, with tutorials, behind-the-scenes content, and updates on innovations like the Lynxight pool safety system (Figure 14).

Rationale: This campaign will position the YMCA as a leader in fitness innovation and engage audiences. By showcasing AI-driven solutions on TikTok, the YMCA will foster excitement, build community involvement, and promote the benefits of AI in fitness. The campaign will drive awareness, highlight transparency in AI adoption, and encourage members to embrace these technologies for a more personalized fitness experience.
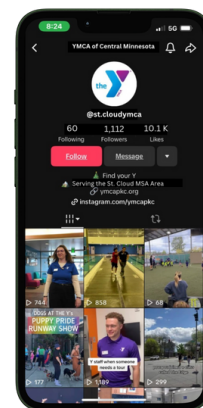

Figure 14: TikTok Profile

Activity 8: Streamlining Marketing with SocialBee

Description: Welsh Consulting recommends using SocialBee, an AI-powered tool, to automate content creation and scheduling for the YMCA across various social media platforms (Figure 15). This platform is ideal for small organizations with limited resources, reducing the need for large marketing teams or budgets. SocialBee handles repetitive tasks, enabling the YMCA team to focus on creative initiatives and personalized outreach Its data-driven insights will optimize posting times and engagement strategies.
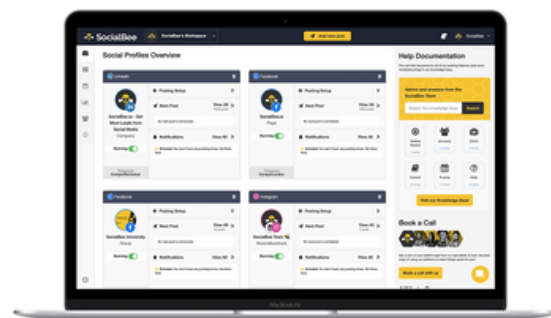

Figure 15: SocialBee AI Manager

Rationale: SocialBee will improve the YMCA's marketing efficiency, strengthening its brand presence across social media. By automating tasks, the tool frees up time for more creative efforts, ensuring the community stays informed about the YMCA's AI-driven innovations. This approach will boost engagement, raise awareness, and position the YMCA as a leader in fitness innovation, maximizing social media reach.

Strategic Plan Timeline:

LEAD activities will be implemented over four quarters, starting in January 2026 and concluding in December 2026. Some initiatives, such as the development of the Exergame gamification system and the Lynxight pool monitoring solution, will require a more extensive timeline. In contrast, initiatives like the internship program and SocialBee adoption are designed for faster, more streamlined rollouts. This **initiative-driven schedule** ensures a thorough and well-paced execution of the plan.

ACTIVITY IMPLEMENTATION TIMELINE (2026)

	Q1		Q2			Q3			Q4		
MONTH	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**
L			Tech Summit									
			AI College Intern									
E					Exergame Program Development				Exergame Implementation			
								Lynxight Pool Installment & Staff Training				
A	*			*			*			*		
										School Collaboration		
D				SocialBee Implementation								
								Social Media Campaign				

*   Modernization Committee Quarterly Meetings

Q1
- Form Modernization Committee
- Review existing systems
- Attend Fitness Tech Summit
- Draft AI internship program

Q2
- Launch AI internship program
- Partner with Exergame
- Install SocialBee & train staff

Q3
- Implement Exergame in youth programs
- Install Lynxight pool system
- Start social media campaign

Q4
- Evaluate new initiatives
- Gather feedback and refine programs
- Plan for year two and set goals

C. Proposed metrics or key performance indicators to measure plan effectiveness

Welsh Consulting developed Key Performance Indicators (KPIs) to evaluate the St. Cloud YMCA's progress in executing the LEAD plan, with detailed information provided in Table 5 on the following page.

ACTIVITY	METRIC INDICATOR	DESCRIPTION	EXCELLENT	SATISFACTORY	POOR
Fitness Summit	Knowledge Acquisition Rate	Tracks summit attendance and actionable insights applied to operations.	90%+ insights applied	70%-89% moderate understanding	Below 70% minimal impact
Internship Program	Internship Completion Rate	Measures internship completion and project contributions.	90%+ completion, major contribution	70%-89% completion, moderate contribution	Below 70%, minimal input
Exergame	Youth Engagement Rate	Tracks youth participation and frequency of Exergame Activity.	75%+ engagement	50%-74% engagement	Below 50% engagement
Lynxight	Pool Safety Compliance Rate	Measures real-time incident detection and lifeguard responses.	95%+ incidents detected/mitigated	75%-94% incidents detected/mitigated	Below 75% incidents detected
Modernization Committee	Committee Meeting Attendance Rate	Tracks attendance rate at quarterly committee meetings.	90%+ attendance	70%-89% attendance	Below 70% attendance
School Program	School Program Participation Rate	Measures expanded school adoption program with Exergame integration.	75%+ school participation	50%-74% school participation	Below 50% school participation
Campaign	Social Media Engagement Rate	Measures engagement on social media platforms (likes, shares, comments).	20%+ engagement	10%-19% engagement	Below 10% engagement
SocialBee	Social Media Productivity Rate	Tracks content scheduling efficiency with SocialBee automation.	90% on-time content scheduling	70%-89% on-time, minor issues	Below 70% scheduling issues

The evaluation of Activity KPIs will follow a structured timeline to ensure each metric receives the necessary attention for success. Monthly reviews will facilitate real-time adjustments to optimize impact. Quarterly reviews will track the adoption of new technologies and their effect on YMCA revenue, enabling timely adjustments. Annual reviews will focus on long-term trends, allowing for informed adjustments. The following diagram visualizes the KPI evaluation process, highlighting key review periods.
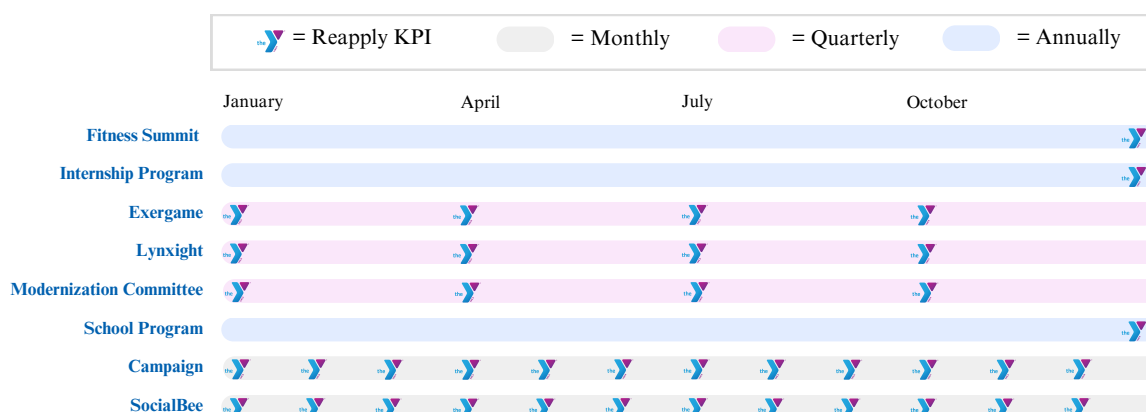
Additional KPIs were developed to evaluate general metrics such as membership growth and the financial impact of the strategic plan. These metrics will be assessed annually, with further details provided in Table 6.

METRIC INDICATOR	DESCRIPTION	YEAR 1	YEAR 2	YEAR 3
Year-Over-Year Membership Growth Rate	Tracks the percentage change in membership annually to assess growth.	4%	6%	8%
Program Development Rate	Measures the annual revenue increase from Exergame program initiative.	1%	3%	5%
Return on Investment (ROI)	Assesses the return on investment from LEAD initiatives.	7%	51%	65%

VI. Proposed Budget

The proposed budget outlines a strategic growth plan for the YMCA over the next three years. In Year 1, the expense portion of the budget reflects the initiation of key activities, including educational programs, technology integration, and a social media campaign. In Year 2, the budget accounts for a reduction in start-up costs while supporting the expansion of school partnerships and the acquisition of additional technology equipment. Year 3 focuses on funding upgrades and ongoing maintenance. Detailed expense breakdowns are provided below.

L - LEVERAGE EDUCATIONAL OPPORTUNITIES = $31,060

Fitness Technology Annual Summit Attendance
- Registration fees: $1,500 x 3 attendees = $4,500
- Travel and accommodation: $2,000 x 3 attendees = $6,000

Total Cost: $10,500

AI Internship Program
- Summer intern: $22/hr x 40 hours per week x 12 weeks= $10,560
- Software and equipment: $10,000

Total Cost: $20,560

E - ENHANCE TECHNOLOGY ADOPTION = $103,000

Exergame Partnership
- Initial software licensing: $10,000
- Equipment (screens, sensors, etc.) $50,000
- Staff training: $5,000

Total Cost: $65,000

Lynxight Pool Safety System
- System Installation $25,000
- Annual subscription: $10,000
- Staff training: $3,000

Total Cost: $38,000

A - ADVANCE COLLABORATIVE IMPACT = $27,000

Modernization Committee
- Meeting expenses: $500 x 4 quarterly meetings = $2,000
- Technology assessment tools: $3,000

Total Cost: $5,000

Middle School Program Development
- Curriculum development: $8,000
- Equipment for schools: $10,000
- Staff training: $4,000

Total Cost: $22,000

D- DRIVE ENGAGEMENT & AWARENESS = $35,448

SocialBee Integration
- Subscription Fees: $948
- Setup & Integration: $3,000
- Training: $1,500

Total Cost: $5,448

Social Media Campaign
- Content creation: $12,000
- Paid advertising: $10,000
- Gaming Prizes: $8,000

Total Cost: $30,000

Year 2 (2027)

1. Leverage Educational Opportunities: **$40,000**
   -Continued summit attendance and expanded internship program
2. Enhance Technology Adoption: **$85,000**
   -Exergame equipment expansion
3. Advance Collaborative Impact: **$50,000**
   -Expanded school partnerships
   -Modernization Committee initiatives
4. Drive Engagement and Awareness: **$31,000**
   -Continued social media campaign & subscription fee

Total Year 2: $206,000

Year 3 (2028)

1. Leverage Educational Opportunities: **$40,000**
   -Continued summit attendance and expanded internship applications
2. Enhance Technology Adoption: **$110,000**
   -Exergame expansion and software updates
   -Lynxigt system maintenance and upgrades
3. Advance Collaborative Impact: **$75,000**
   -Expanded school partnerships
   -Modernization Committee initiatives
4. Drive Engagement and Awareness: **$31,00**
   -Continued campaign & subscription fee

Total Year 3: $256,000

Total First Year Cost (including one-time inherent costs): **$196,508**   **Total Three-Year Expenses: $658,508**

The following section outlines the revenue sources for the proposed strategic plan. A detailed breakdown of the projected revenue increases, along with supporting calculations, is provided below.

NEW MEMBER REVENUE = $138,552 - $305,808

New memberships will be the primary source of revenue. Annual growth projections are based on research into the integration of new technology, which is expected to drive membership acquisition and generate a 4-8% increase in revenue. While membership fees will remain unchanged, the emphasis will be on leveraging technology to attract new, revenue-generating members.

Year	Members at Start of Year	Growth Rate	New Members	Average Annual Revenue per New Member	Total Revenue Increase
Year 1 (2026)	12,562	4%	12,562 x .04 = 502	$23 × 12 = $276	502 × $276 = $138,552
Year 2 (2027)	13,064	6%	13,064 x .06 = 784	$23 × 12 = $276	784 × $276 = $216,384
Year 3 (2028)	13,848	8%	13,848 x .08 = 1,108	$23 × 12 = $276	1,108 × $276 = $305,808

FUNDRAISING & LARGE DONOR REVENUE = $62,434 - $62,936

With strong historical community support and giving, the budget projects a 2% annual increase in fundraising revenue over the next three years. A modest increase is anticipated from ongoing fundraising efforts tied to the addition of the new water park, with funds allocated separately to ensure they are exclusively dedicated to this initiative. Additionally, the team plans to secure a new annual donor of $50,000 to support AI-powered personalized fitness programs for children and initiatives in local schools.

Year	Fundraising Revenue at Start of Year	Growth Rate	Revenue Increase	Large Donor	Total Revenue Increase
Year 1 (2026)	$621,684	2%	$621,684 × .02 = $12,434	$50,000	$12,434 + $50,000 = $62,434
Year 2 (2027)	$634,118	2%	$634,118 × .02 = $12,682	$50,000	$12,682 + 50,000 = $62,682
Year 3 (2028)	$646,800	2%	$646,800 x .02 = $12,936	$50,000	$12,936 + $50,000 = $62,936

PROGRAM REVENUE = $11,052 - $57,488

Finally, revenue is expected to rise with the addition of a dedicated Exergame program. A 1% increase in total revenue is projected for Year 1, following the program's launch in Q4 of 2026. Annual increases of 3-5% are anticipated as new equipment is introduced and awareness efforts are expanded.

Year	Program Revenue at Start of Year	Growth Rate	Annual Program Revenue Increase
Year 1 (2026)	$1,105,217	1%	$1,105,217 x .01 = $11,052
Year 2 (2027)	$1,116,269	3%	$1,116,269 x .03 = $33,488
Year 3 (2028)	$1,149,757	5%	1,149,757 x .05 = $57,488

Total First Year Revenue: $212,038   **Total Three-Year Revenue**: $950,824

The table below depicts the financial performance of the YMCA over a three-year period, providing a detailed breakdown of annual expenses, revenue, cumulative figures, net profit, and ROI. It demonstrates how revenue increases year-over-year, consistently outpacing expenses and resulting in **growing profitability**.

TABLE 7: LEAD 3 YEAR BUDGET SUMMARY						
Year	**Annual Expenses**	**Cumulative Expenses**	**Annual Revenue**	**Cumulative Revenue**	**Net Profit**	**ROI (%)**
Year 1 (2026)	$196,508	$196,508	$212,038	$212,038	$15,530	7.9%
Year 2 (2027)	$206,000	$402,508	$312,554	$524,592	$106,554	51.7%
Year 3 (2028)	$256,000	$658,508	$426,232	$950,824	$170,232	66.4%

> To assess the financial impact of the proposed budget, the Return on Investment (ROI) was calculated using the formula: ROI = [(Gain from Investment - Cost of Investment) / Cost of Investment]. The chart reflects a consistent upward trend in ROI, starting with 7.9% in Year 1, driven by a modest increase in revenue. In Year 2, the ROI rises to 51.7%, as revenue growth accelerates, surpassing expenses. By Year 3, ROI reaches 66.4%, demonstrating continued revenue growth and effective cost management, ensuring the YMCA's financial stability and long-term success.

In conclusion, this budget proposal provides the St. Cloud YMCA with a strategic pathway to introduce AI technology through educational and innovative initiatives. By making a low-cost investment in AI-driven solutions, the YMCA will gain a competitive advantage while fostering growth. This proposal sets the foundation for a future-ready YMCA that is both technology-driven and community-focused, ensuring long-term sustainability and continued service to the St. Cloud area.

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