



A Step-by-Step Guide on How to Build a Successful Private Club Fitness Operation

Did you workout this morning? If you said “no”, don’t worry. You’re not alone. According to [research](#) by the U.S. Department of Health & Human Services more than 80% of adults do not workout enough.

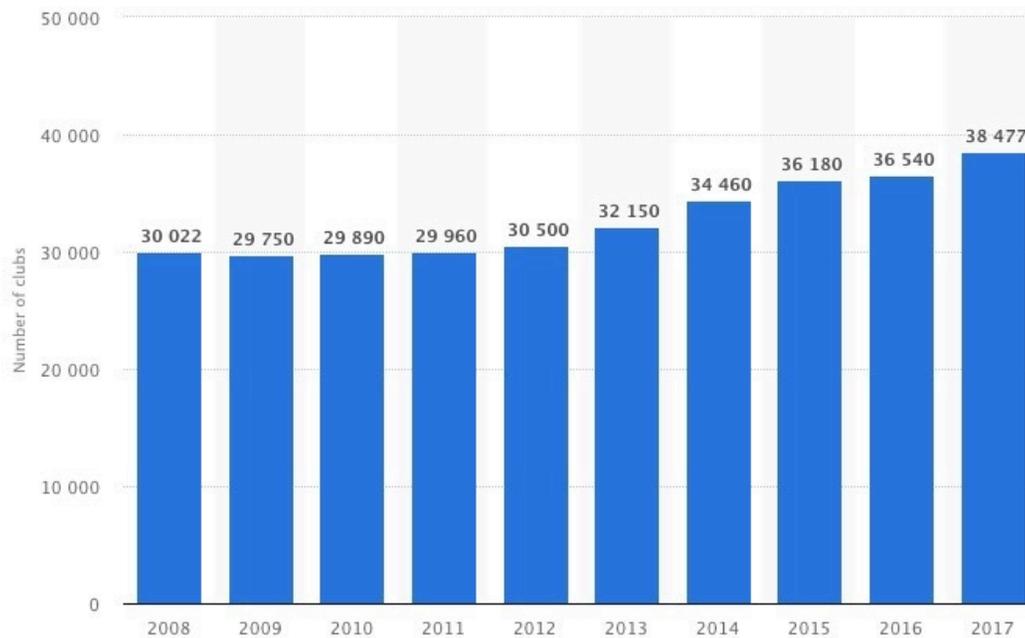
So what does that have to do with your private club fitness operation? For starters, your members (more than 80% let’s say) didn’t workout much this week.

In order to build the right foundation for success we have to first consider *why* your members aren’t working out much, and why those members who are working out aren’t working out at your facility. Solve for those questions and, well, you too can write an article about it.



“The United States has more fitness centers than any other country **in the world.”**

Why members aren't working out more



There were a total of 38,477 health and fitness clubs in the United States in 2017, according to [an article published by Statista](#). So unless your club is at the top of a mountain or isolated on an island (and some of you are), then you have probably seen these health and fitness clubs on your way to your club.

Your members have access to fitness. That is not a problem whatsoever. If you think that building a fitness center at your club will magically compel your members to use it then you may be in for a rude awakening. Fitness is already widely accessible.

Competitive analysis realizations

At clubs where 1000 Hills Fitness manages or consults (nationwide) a competitive analysis is always performed. We have found that, on average, there are more than 55 places to workout within a 5-mile radius to these country clubs. It is usually a mix of municipal recreation centers, YMCAs, athletic clubs, boutique fitness studios, etc.

If access were the tipping point, then there wouldn't be 55+ places to exercise so close together. People would simply travel to a facility and workout. There would be just a few places, not 55.

But we crave (nay, demand) variety.





Other possible explanations why people aren't exercising

According to an article at [Livestrong](#), there are ten reasons why people aren't exercising more:

1. No time
2. No energy
3. Competing interests
4. Haven't developed the habit
5. No motivation
6. Too overwhelming
7. Poor diet
8. Current physical condition
9. No access
10. Lack of results

(You need a proven strategy to overcome these very staggering road blocks to success.)

Our best guess why people don't exercise/exercise at your club

All of the above reasons are perfectly valid. And there are plenty of other reasons that could be added (e.g., injury, inexperience, previous bad experience, intimidation, risk of embarrassment, and so on). There's one word that, in our experience, sums it up best: Uncompelled.

We are uncompelled to overcome our excuse(s). Most reasons to not workout can be overcome when one is compelled to do so. To be compelled comes both from within (motivation) and outside (that's where you come in).

It is your job to compel your members to exercise/exercise at your club.



Compelling your members

Compelling your members comes in many sizes and shapes. You might be imagining right now a Jillian Michaels-type personal trainer yelling/encouraging clients on the verge of breakdown to keep going—That is not what I am talking about.

To compel your members to utilize your fitness center you need to entice them with every benefit and feature of the equipment, the operation, the services, and anything else you can think of to nudge them into fitness (at your club). But that means you need the right equipment, the right operation, and the right services that are capable of such great feats.

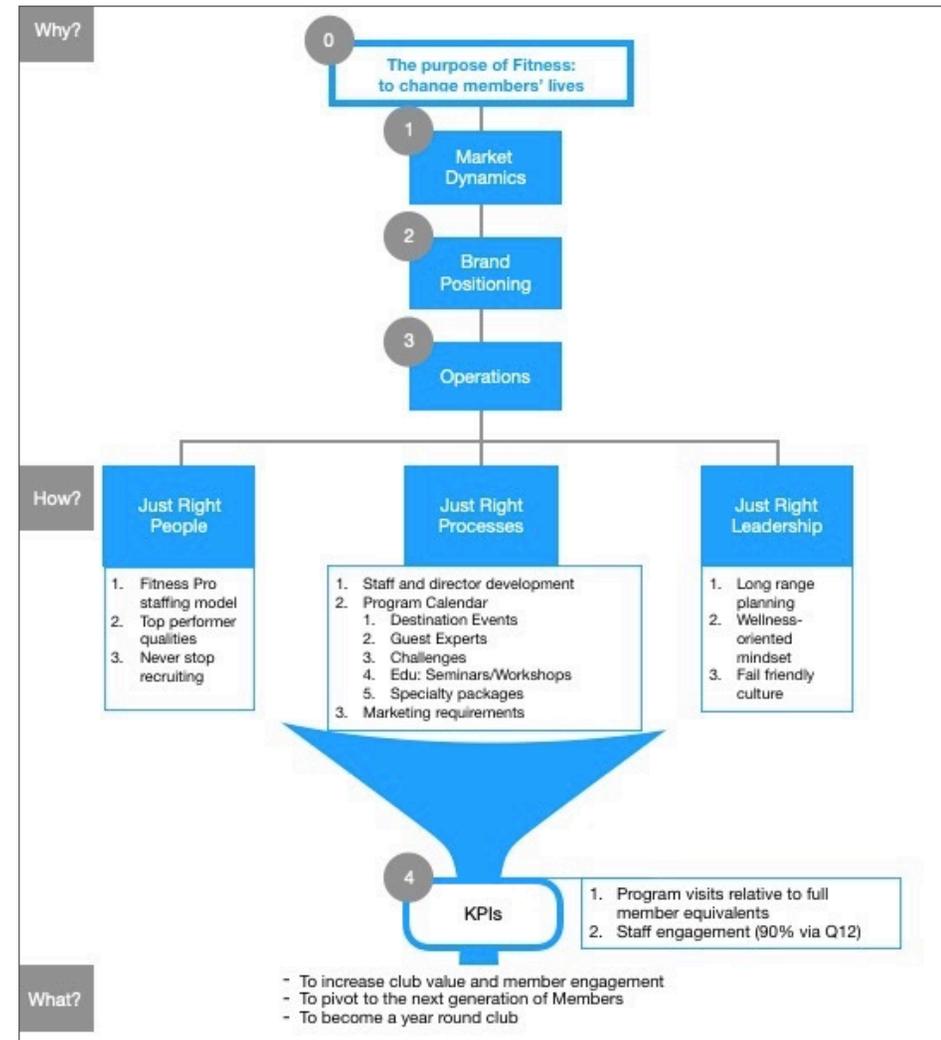
Here is a page out of the 1000 Hills Fitness playbook (see diagram to the right). Compelling your members to overcome their obstacles requires careful planning of the entire foundation of your operation, including:

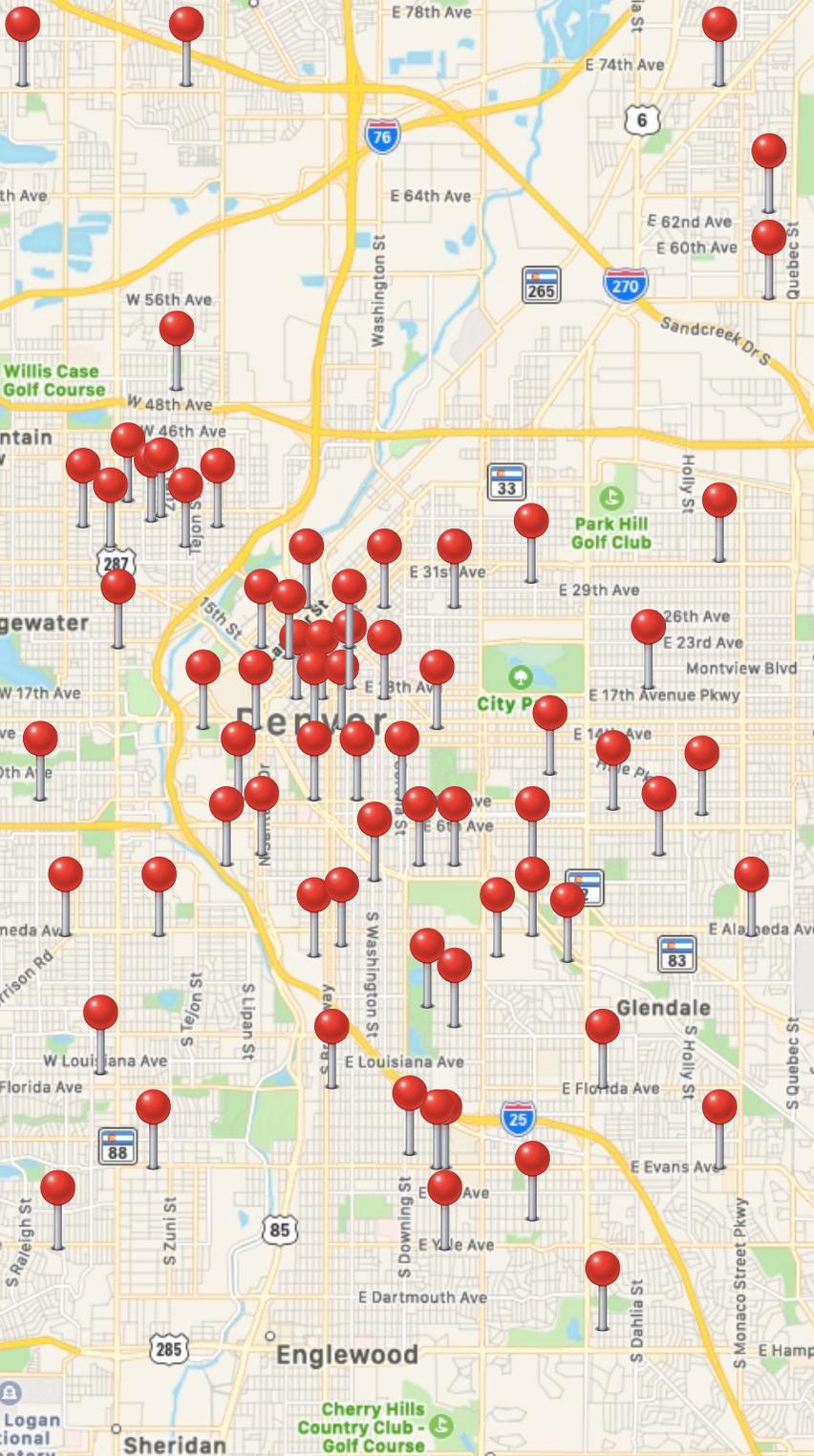
1. Understanding market dynamics in general, and in your neighborhood
2. Brand positioning
3. An operating plan that is private club tested and focused upon:
 - Just right people
 - Just right processes
 - Just right leadership
4. Managing to the appropriate KPIs

Developing your foundation with a functional strategic plan

Arguably, a leading cause of business failure is not having any type of strategic plan. If a business has little idea where it is headed, it will wander aimlessly without priorities, changing constantly, and with employees confused about the purpose of their jobs. This is why strategic planning is critical to business success, even if the planning process takes time and resources.

Having a clearly articulated plan enables the club to focus on a literal roadmap for success. Confusion and day to day business fires are often reasons why intentions and initiatives yield little results, but these risks can be mitigated by having a plan that is written down, with clear deliverables, definitions, and expectations so that all of the invested parties know what must be executed (and why).





Market dynamics

A membership survey is, of course, a great data point to collect during this process, but surveyor be warned. In the famous words of Henry Ford, “If I had asked the people what they wanted, they would have said faster horses.”

Another data point to collect to help understand your members’ interest can be acquired by conducting a competitive analysis. It’s a \$100 word, yes, but once you learn the basic framework then you can run one on your own.

Step 1—Pull up your favorite map app (I’d suggest Apple Maps or Google Maps). Center your club in the middle of the window, and search for these terms: fitness, yoga, athletic club, Pilates, CrossFit, and personal training. Write down the name and website of every business within 5 miles of your club into an Excel doc.

Step 2—Google those same terms. Write down any additional businesses (within a 5-mile radius) that didn’t show up in the previous maps search.

Step 3—Visit each website in your Excel file. Make a note of all of the services offered by each business. Track personal training, small group personal training, spinning, group exercise, yoga, Pilates, HIIT, spinning, nutrition services, weight loss, youth fitness, barre, and active aging.

Step 4—Now you know what’s trending in your neighborhood!

Step 5—For extra credit, compare your neighborhood to what’s trending nationally in private club fitness ([CSFA](#)), boutique commercial fitness ([AFS](#)), and commercial fitness in general ([ACSM’s world fitness trends report](#)). You may discover, for example, that 40% of all fitness facilities in your neighborhood offer yoga. Compare that to the fact that only 17% of all fitness studios nationwide offer yoga—sounds like a good reason to invest heavier in yoga programming.



Brand positioning

Effectively identifying where your fitness and wellness brand should be positioned in the marketplace is the “tip of the spear” in order to attract and retain Members’ attention. A robust program offering guided by a strong sense of purpose is critical.

The brand position is intended to be internal facing (i.e., known by club leaders, but not published for the entire membership). The brand position helps guide the marketing, production, and operational decisions for the fitness department.

Answer these brand questions and you’ll be on the path to success:

1. Our fitness center is ____.
2. The staff are ____.
3. Our programs are ____.
4. Our services are for members who believe ____.

To help get your brand manager hat on, consider these possible fill-in-the-blanks:

1. Our fitness center is welcoming and of use to all members with the best fitness equipment available.
2. The staff are of the highest quality, very experienced, but still approachable and friendly.
3. Our programs are innovative and dynamic.
4. Our services are for members who believe fitness should wow!





Operations

Every industry veteran probably has a management manifesto upon which s/he manages. 1000 Hills Fitness enjoys an economy of scale in this category. Of all the aspects of fitness management to focus upon, we consider these three the most important: people, processes, and leadership.

But not just people, processes, and leadership... *just right* people, processes, and leadership. Every private club is so very different due to its membership demographics, its geographic location, its pain points, its leadership, etc. Those (sometimes competing) variables must be considered when building a best-in-class operation (which is why “just right” is so important).

Just right people. Have your brand positioning statements readily available when hiring. Your staff decisions need to reflect your values, and your director needs to champion them. If your brand position defines staff as “approachable and friendly” then the first 2 minutes of the interview will be crucial.

Just right processes. You just spent all that effort developing a brand, and finding staff who match it. Now you have to give them permission (i.e., processes) to succeed. First, your director should be leading staff development seminars and workshops for your staff regularly. Plus, your director needs developing too. S/he should be getting regular doses of fitness management education/inspiration. In addition to staff development, your program calendar needs to be well supported. For starters, each of your fitness pros should be generating a new flyer-worthy program every month. You may get push-back at first, but hold your ground—they’ll appreciate the push later when they are busy.

Just right leadership. Your fitness director has strengths and weaknesses based upon his/her experiences, personality traits, and other hard to reach areas (don’t we all?). It is your job to know them... to know when to push, when to idle, which battles to fight, and where to set the bar. If you do not do this, then your director may drift into cruise control, and fitness center usage could wane. The next subject, KPIs, will help form your fitness management guide rails.

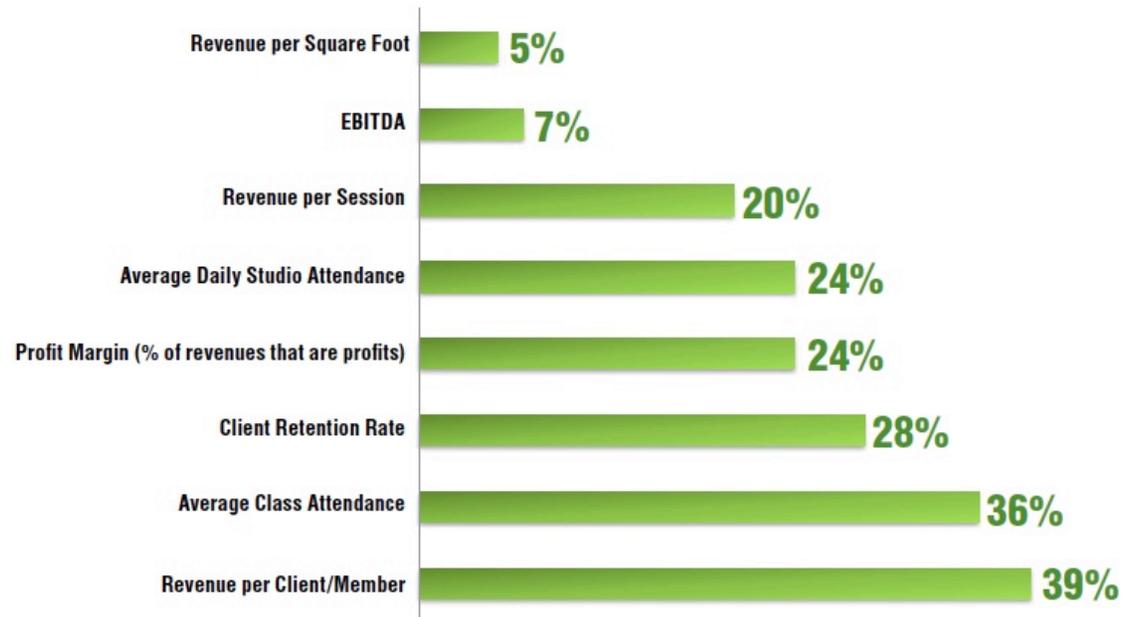


KPIs

KPIs are critical to success, but with data coming at you from every corner of the business, it is tough to know which metrics to track. With a wide variety of KPIs to choose from (see chart from the [AFS 2015 Operations & Financial Benchmarking Research Report](#) below), which should you choose?

1000 Hills Fitness tracks many of the metrics listed in the AFS report, but considers none of them “key”. Private clubs are different, let’s not forget (6 major differences were identified in this article: [Can Private Club Learn from Commercial Fitness?](#)).

Most Frequently Used KPI Metrics by Percentage Reporting



Key metric #1—Program Visits. A program visit occurs when a member attends a session led by staff (could be a personal training session, group fitness class, seminar, etc.; can be for a fee or for free). This metric is key because it shows engagement. A member cannot engage with a dumbbell or a stretch mat. Plus, all those other fitness centers near your club have dumbbells and stretch mats too (maybe the same ones). The only thing unique about your operation is your staff. Track program visits to build your operation.

Key metric #2—Staff Engagement. The world’s top-performing organizations understand that employee engagement is a force that drives business outcomes. Research shows that engaged employees are more productive employees. They are more profitable, more customer-focused, safer, and more likely to withstand temptations to leave the organization.

At the very core of every great personal trainer, you will find a person with a desire to live the very best life possible. These professionals aren’t in it to get rich—they care about quality of life, and work culture matters. Ensuring that your fitness pros are engaged is a critical metric to track.

At 1000 Hills Fitness we use the [Gallup Q12 Employee Engagement Survey](#). It’s simple, and it has a 40-year track record. Our goal is to get fitness department engagement to 90% or better. Club Benchmarking has a new employee engagement analysis available now as well. We have first hand experience with it, and give it an A-rating! You can find it here: <https://www.clubbenchmarking.com/employee-surveys>

The purpose of private club fitness

- To increase club value and member engagement
- To pivot to the next generation of members
- To become a year round club

These are some of the good reasons why private clubs invest in fitness. It is not a build-it-and-they-will-come world anymore though. Clubs need to compete for members’ attention.

With this guide, you are ready to start building your foundation for a successful fitness operation—one step at a time.





1000 Hills Fitness

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To learn first-hand how 1000 Hills Fitness can position your private club fitness operation for success, schedule a call today at <https://www.1000hillsfitness.com/contact>, or give us a call at 303-325-2640.

