Running a Successful

Gym

GYMMASTER

Powering your Business

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Running a Successful Gym

Running a gym can often be a stressful venture and it's hard to know where to start when it comes to making your gym a successful one.

We've put together some key considerations and best practices that help contribute to a successful gym, no matter how you define success.

What's Your Point of Difference?

The Health and Fitness Industry is becoming an increasingly competitive market. This makes knowing your key point of difference and communicating it to your target market vital for survival. At it's essence, your point of difference defines not only what your offering is, but who you offer it to and how you present it.

So what is your point of difference? What makes you unique? Why would one client choose your facility over another?

Location

While the easiest to define, it is by far the hardest to achieve in an absolute sense. Locating yourself where there is no or limited competition can have tremendous benefits as long as there is a client base to support it. If you're the only facility within a one - three hour driving range, simple proximity can be enough of a point of difference to give you a sizeable advantage.

Community

Difficult to attain, but of great value, is the creation of a community spirit within your facility. There are many strategies to accomplish this and a successful result means the members aren't just attending for health benefits, but for social reasons too. They are engaged and feel part of the whole, rather than simply a consumer.

Exclusivity

Exclusivity involves creating scarcity. Either through price or membership limits, you restrict the number of people that can use the facility. This is commonly used for up-market offerings.

Customer Focus

Being 'customer-focussed' is a claim that many businesses make, but few actually deliver on. Not to say that most businesses have poor customer service, although this can be the case, but that every business provides some level of customer service. To qualify as a point of difference, it has to go beyond the ordinary. Not simply solving issues as they arise, but pre-empting them and being actively involved with clients. Executed correctly, it can create an incredibly loyal customer base.

Specialize

Also known as an inch wide and a mile deep, being a specialist means developing an expertise. While you will limit your overall market appeal, you will have a specific target demographic. This gives you the opportunity to tailor your approach to meet the needs of that particular group.

Price

The rise of 24/7 Gym chains has proven a demand for low cost facilities and that a focus on price can be a viable strategy. While simple to measure, as competition increases in this area, low-cost gyms will need to highlight another point of difference, or risk entering into a potentially damaging price war with other low-cost operators.

What You Need to Know: 24/7

24/7 access is getting increasingly popular. Bringing many benefits, there are also a few things you should consider.

Costs

Local Government Compliance

Usually safety focused, this includes items such as regular maintenance checks, manual and emergency exit options and panic/emergency devices. The majority of the costs consist of upfront hardware and installation costs but it is important to budget for ongoing compliance as well.

Ongoing Costs

Insurance may have similar compliance requirements to local government and you may also face higher rates. Other expenses that can increase are power, cleaning and maintenance due to additional use. This additional use should represent additional revenue in most cases.

Hardware Costs

The cost of the electronic barrier itself and the access control system, along with the previously mentioned safety features, need to be accounted for. You will also need to cover the cost of installation and cabling. Another important addition is a security camera system, which provides both you and your membership base with peace of mind, while also providing the most cost effective way of ensuring members don't abuse the use of their cards.

Method

Biometrics, Barcode and RFID (radio-frequency identification) represent the three main methods of controlling access to your facility. All have their pros and cons, and it's worth considering the best option for your facility.

Biometrics

Offers low ongoing costs to the system as you do not need to purchase key tags/cards etc. However, they do tend to have a hard limit on the number of files that can be stored on them and by the same token you're not able to on-sell key tags/cards as an additional revenue stream. Additionally these systems are prone to false positives or negatives.

Barcodes

Barcodes can be sourced for less than a dollar per unit in most cases and offer a relatively low cost entry system. However, they are less secure and durable than RFID and also tend to offer a less streamlined check-in alternative. You can also on- sell the tags/cards to members either to cover costs or as an additional revenue stream. One concern with barcodes is how readily they canbe duplicated with a photocopier. For this reason barcodes are suitable for automated check-in but not for unattended 24/7 access.

RFID

Offers a more secure and durable alternative option to barcodes but at a higher cost per unit. They can cost anywhere from $1.80 to $20.00 per unit depending on the supplier and medium. RFID tends to offer a smoother check-in process than barcodes as well as offering a wider range of mediums including cards, key tags, silicon wristbands, stickers, etc. As with Barcodes you can on sell the tags/ cards to members.

Integrated vs Independent Systems

Typically an access control system can either be integrated or independent of your facility management software.

Integrated systems offer a variety of benefits including not having to maintain multiple databases, eliminating the need for double entry and the ability to easily leverage visitor information. For example, with a non-integrated system a simple issue like a bad debtor can involve numerous steps e.g. having to run a debtors report in your membership management software then log into your access control system and lockout a member. With an integrated system you could have configured it to lock out a member as soon as they miss a payment, or after they go over a certain debt level. Not only does an integrated system reduce the admin time required, but also improves the responsiveness of your facility to potential issues such as bad debtors.

Non-integrated systems are separate, meaning that you can use them without needing any membership management software to run them. This also means it can be easier to change software providers. However, the upfront and ongoing hardware costs can be considerably higher. It can also mean a greater amount of administration time and more manual processes to keep the databases up to date and compare information, e.g. double entry not correctly maintained resulting in inconsistent member and payment information.

Which option you choose will depend on your own situation but it's well worth exploring all your options.
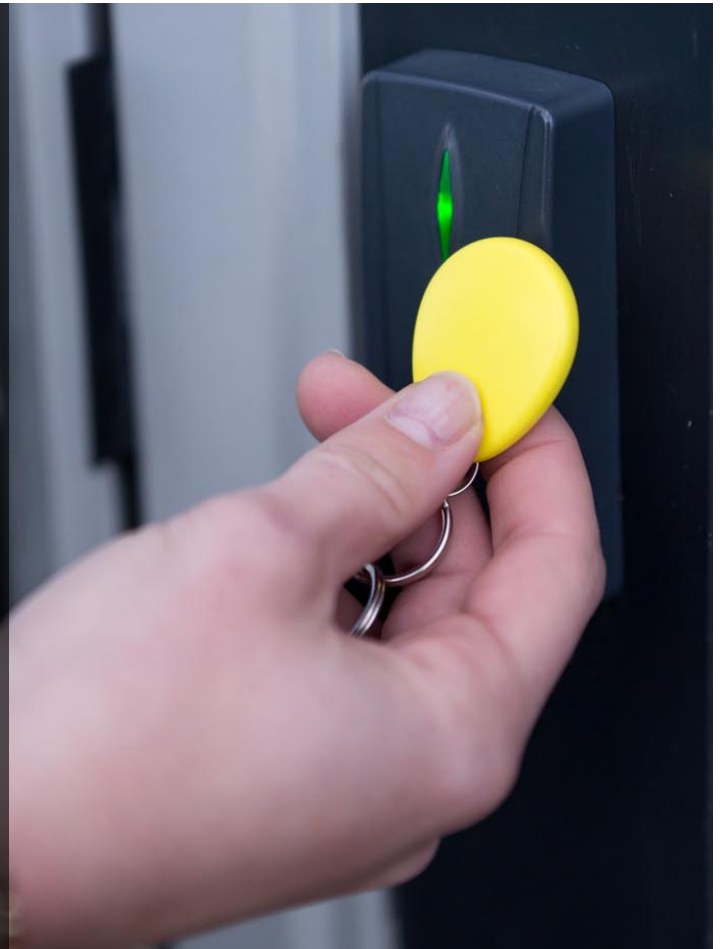
Membership Cycle and Retention

Signing up a new member can be a great feeling. Apart from the obvious financial importance, someone has decided to utilize your facility to help achieve their goals (whether they are looking to lose a few pounds, get fit or add some muscle). They may join up happy and excited, ready to make a positive change, but all too often the fire burns out and they stop coming. From there it's pretty much inevitable (whether it be weeks or months) that they will cancel.

Stages of the membership cycle

There are a multitude of ways of interacting with your membership base but these communication tips cover a couple of important times to contact them. Some you may already be doing, and some may not be the right fit for your business, but hopefully a few might be worth a second look.

Joining

They've joined, they're raring to go. Just leave them to it, right? No, it's a great opportunity to reach out. Send an email welcoming them to the gym and give them helpful information. It can be as simple as a link to your class timetable or the contact details of staff if they have any questions. The joining date also acts as a great reference point for further follow-ups such as an email a couple of weeks later to check how they're doing and a 3 month tip and tricks newsletter for getting the most out of their workout.

Booking Reminders

If you offer personal training or classes, sending a quick email reminder a day or two before, or a SMS a few hours before, can be an easy way of improving attendance rates.

Failed Payments

Debt collection can be a stressful and unpleasant task but you can help alleviate this by getting in touch with members quickly to alert them that their payment has failed. They may prefer to come in to the facility to pay off the balance or simply have the amount rollover into their next billing period. Maybe they've had an unexpected expense and need to arrange a repayment plan to catch up. A simple email or text can alert them to any potential issues with their accounts and also speed up the resolution process before it becomes an issue. For those with club management software this can be a relatively simple and often automated process while those using spreadsheets will have to take a few additional steps but it is certainly possible.

Birthdays

Birthdays provide a great reason to touch base with your members. Whether it's simply to wish them a great day or if you want to gift something extra like a free drink or discounted training session, a little acknowledgement goes a long way.

Expiring Members

When term based memberships come to an end, action needs to be taken. While your clients may come in and renew their membership, you can take a more proactive approach by reaching out to them a few days or weeks before it expires. You could warn them that the expiry date is approaching (which can be very important with 24/7 facilities), or take the opportunity to offer a promotional discount or deal to secure their business. You could schedule multiple follow-up emails 2-3 weeks before the membership expiration and a call by their client manager if there is no response to the emails.

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Non-Visitation

Non-visitation has different touch points and messages to general stages of a membership cycle mentioned above. Here are a few instances where it can be important to make contact.

Stopped Visiting

Maybe, despite your best efforts, a member hasn't visited for a few weeks. While contacting members who are on an ongoing plan can lead to an immediate cancellation, it can also be an opportunity to prove that you're looking out for them. They may just need a pep talk to get them going again or perhaps something has come up in their life that has prevented them from coming. If it's the latter, letting them know about whatever membership suspension policy you offer can be a great way to generate good will and show you are looking out for their interests.

Returning Members

If a client hasn't visited in over a month and didn't choose to suspend or hold their membership then for whatever reason they may have lost motivation. If they do return to the facility take the opportunity to make a good second impression. Flag members in your system so when they come in staff are alerted to pay them extra attention. This will improve your chances of getting them to continue coming to the facility.

Suspensions

If a membership has been put on hold, a quick reminder that their hold is about to expire can not only ensure that there are no surprising fees but also get them back to the facility quicker and hopefully before the habit fades completely.

Expiring Members who haven't been visiting

While we covered some simple guidelines for normal expiries, those strategies are likely to be ineffective with those members who have stopped attending. In these cases your best bet for retaining them is organizing another push to get them back into the gym. This should ideally happen several months before their membership expiry date so they are prompted to renew it.

Why Community Matters

Retention is a core goal of most service businesses including the health and fitness industry. Yet many businesses only focus on actions to acquire new clients and often overlook providing value to their existing customer base.

While sales are an important part of growing any business, the general consensus is that it costs 4-10 times more to obtain a new client than to keep an existing one. This section focuses on an effective strategy health club facilities can pursue to improve retention – community.

Community can be hard to define and even harder to measure, but at its core a community makes members engage with one another and feel more invested. Visiting the gym stops being solely about health and fitness and becomes more about the people and the experience.

There is no pre-packaged solution for creating community and it will be dependent on both your facility and the members you have. However, there are a range of strategies you can use to encourage it.

Friends and Family

Working out by yourself can be a fairly uninspiring experience and self-motivation doesn't work for a lot of people. Working out with friends and family makes exercising an enjoyable habit and can create a support network, and some friendly competition. While this will happen naturally, you can also encourage this by offering special deals or discounted rates to bring an extra person along.

Social Media

While some may see the internet's reach into all aspects of our lives as invasive, it can also be greatly beneficial for gyms to create a sense of community. Potential and existing clients expect to find a Facebook page with your details. A Facebook company page is simple to set-up, provides an easy way to disseminate information to your membership base, and is a great way for everyone interested in your gym to interact. Whether discussing a particularly gruelling workout or swapping nutrition tips, knowing others are going through a similar experience as them can make finding the motivation to show up next week a little easier.

Classes

Classes are probably the most established way of encouraging member interaction. Struggling through the same gruelling session or getting over that last hurdle provides a great bonding experience and any activities involving teamwork will only increase this.

Leader Boards

Providing a place for members to recognise each other's success as well as a goal to strive for, can add an extra source of pride and competition.

Just For Fun

Everything doesn't have to be about exercise. Having events such as movie nights, BBQ's or competitions can encourage members to view the facility as more than just a place to work out. Just remember you're the expert on your members and being the one on the ground, you're the best judge of what they want and need. So implement the ideas that speak to you or think up a few of your own.

Gym Management Software

Having a good gym management system can make all the difference for your success. They can manage memberships, bookings, payments and even 24/7 access. While the features might be great, you need to know how to make it work for your specific gym. Here are some simple suggestions.

Keep Information Accurate

- It may seem simple, but your system needs accurate and up-to-date information to be able to function correctly.

- Most errors are due to typos; a seemingly small mix-up in number entry can cause you trouble later on. It's good to encourage your staff to check the accuracy of the information they are entering.

- Membership data entered incorrectly may wrongly put members in credit or debt.

Check Direct Debits Regularly

Regularly check your new members for missing data or incomplete memberships which could prevent the system from billing members. Check with your software provider as many offer reports that will provide valuable information such as details of potential issues, which member is involved, and how to correct it.

Typical examples of errors are abnormal start dates of memberships, a member's record missing their credit card details, or perhaps a closed bank account.

Keep on Top of Debtors

Check your Debtor Reports weekly.

As with any business, there will be a number of 'current' debtors, but follow up promptly on any who stray into the 2 or 3 month categories.

Send friendly reminders to those who have failed payments to alert them to the issue. Generally, there are easy fixes for most things, like incorrect bank account numbers, or the member who forgot to give you their credit card details for billing.

If you resolve these things quickly and promptly, these things never get out of hand. If you let them sit around, the molehills will rapidly become mountains, and the cost in time and energy to fix the problems will escalate quickly!

Check your Stock Levels Regularly

Running a stocktake will let you know which products are best sellers, and will also tell you if any inventory has gone missing or not sold.

It will also allow you to more accurately account for damaged and lost stock as well as alert you to potential theft.

## Address 'Denied Entry' Instances on a Daily Basis

Members are usually only denied entry for a small number of reasons. Checking your reports that relate to recent visits and specifically denied ones can allow you to stay on top of them.

Those members who have defaulted on payments should be contacted promptly. Have a conversation with those who can't pay their membership fees, and those who owe you money. This will help to limit your exposure to debt.

Expired memberships will also trigger a denied entry event. Even though there are other ways to track memberships which are about to expire, some may still fall through the cracks. This will provide opportunities to re-sign up members, and to impress them with personal contact.

In the case where some other issues have denied the member entry, the faster that these are resolved, the happier your members will be!

Mistakes can, and will, happen, but it's the putting right that counts. Handled properly, this will do much to grow your business reputation and increase member loyalty.
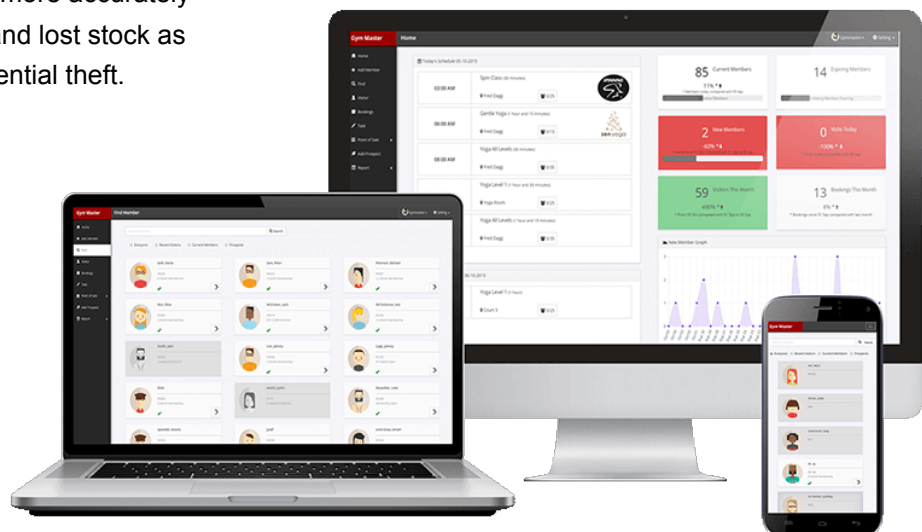
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We're committed to providing a state of the art, multi-faceted software solution that adapts to your business needs, whatever the size, both now and into the future.

Intuitive and easy to use, GymMaster's comprehensive system includes full hardware integration and partnerships with leading billing providers. This cloud-based software is designed to maximize business productivity in clubs of all sizes, from any device. With 24/7 access control, integrated billing, prospect management, an online member portal, point of sale, booking management, and so much more, GymMaster offers a complete membership software solution.

For more information and a free trial of GymMaster, visit our website.

www.gymmastersoftware.com

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