



DAMIEN BAIN

Damien is the Co-Founder and Director of Fitness Business Sales and Leading Edge Business Consulting. For personalised advice before buying your first fitness franchise get in touch with Fitness Business Sales by emailing info@fitness-business-sales.com.au or visiting www.fitness-business-sales.com.au


TOP TIPS

FOR CHOOSING A FITNESS FRANCHISE


If you're considering purchasing a fitness franchise, the most important tip is to choose one that has a proven product and support structure. Doing so will provide you with more comfort and likelihood for success and profitability. With the RIGHT proven model, you should be able to expect your return on investment within 12 to 18 months, at maximum.


HERE ARE SOME KEY TIPS TO HELP YOU CHOOSE A FITNESS FRANCHISE.

 **TIP 1.** Choose a franchisor who provides in-depth and consistent training.


 **TIP 2.** Does the franchisor have a proven and strong pre-sales strategy to get it off to a good start? Pre-sales is key to your success; most franchise models provide a cash flow positive opening, and these are the ones to focus on.


 **TIP 3.** Do your values and that of the franchisor align? The mission statement should resonate with you.

 **TIP 4.** Franchisors are your support to success, so make sure they have industry professionals on their executive team as this will provide you with guidance when you need it.


 **TIP 5.** Do you enjoy the style of training on offer? It's important that you believe in the product.


 **TIP 6.** Does the investment level match your capacity?

 **TIP 7.** What is the break-even? Boutique studios around the \$150K break-even mark tend to be less risk, so more attractive, which is why they can be ideal entry options.


 **TIP 8.** How much head office support is given during the franchisee recruitment process?

 **TIP 9.** How satisfied are other existing franchisees?


 **TIP 10.** What ongoing fees are involved (i.e., percentage versus fixed weekly costs, marketing costs, etc)? As the franchisee partner, marketing levies can be audited by you. Ideally look for a fixed fee rather than a percentage for your marketing costs.

 **TIP 11.** What is the size of the population in your territory? Average territory size should exceed 30,000 to 35,000 people.


 **TIP 12.** What workout programs are provided by the franchisor?

 **TIP 13.** What are the equipment and set-up costs (as these can be financed)?

 **TIP 14.** What is the digital experience and level of support for digital delivery?

 **TIP 15.** Ensure you look at the net profit percentage; ideally it should be greater than 35 per cent.

 **TIP 16.** Wages should be no higher than 40 per cent of your net turnover/income.

 **TIP 17.** Is there a re-entry clause by the franchisor, which enables the franchisor to step into the property/business in certain circumstances?

 **TIP 18.** What are the KPIs built into the franchise agreement? Make sure you see them, to ensure it's a proven model.

By considering these points while searching or selecting a fitness franchise, you'll be positioning yourself for future franchise success. Good luck! ♦