



OPENING
SOON

WHAT'S NEXT AFTER THE TRAUMA ENDS?

IT IS GOING TO BE ALL ABOUT TRUST.

There is hope in this industry and there is always opportunity in chaos. Gyms moving beyond the shutdowns will be positioned to attack and those survivors will probably have the best September-May run in recent fitness industry history. *Thomas Plummer* explains.

30%

of the gyms now closed will not reopen

First the bad news. If we were to stay closed until the end of June, we would lose at least 30% of the gyms currently operating here in the US. It costs at least 60% of your operating costs to sit dark and there will be a large number of operators unable to come up with the cash needed to keep going forward. There will be some bailout money for the chains, but the amount needed to save them will be staggering and slow to come. When they do reopen, or better said if they do reopen, most will come out of the relaunch slowly, requiring months of time to re-staff and regroup.

If we do stay closed for at least three months, we will also have a destroyed membership base to contend with and it will be as if we're starting over again from our first days, although now you're reopening with older physical plants and clients who will not necessarily be standing in line to get back in.

Most owners do not understand the non-usage damage that will be done. For example, if you have 60% of your clients who did not use your gym eight times or more per month prior to your closure, and their contracts are cancelled by your billing company, you should not expect these clients to automatically reappear when you reopen. They were not using the gym prior to closing and now have a pass out of their membership so it is doubtful they will return.

Gym owners with single units or small groups will recover the fastest

Multiple gym owners will especially be hard hit. They will be using managers



About Thomas Plummer

If you're looking for sugar-coated sweet talk, you've come to the wrong place. Thousands of fitness professionals turn to Thomas Plummer for advice and insights about fitness trends, creating outstanding member experiences and mastering business fundamentals in sales, marketing, staffing and programming. Nearly every fitness industry leader and innovator, past and present, has met with Thomas. But not one to be content with past successes, Thomas continues to attract and develop club operators through Australia, the United States, Eastern Europe, Latin America, the United Kingdom, Brazil and China. Find out more and connect with Thomas at www.thomasplummer.com

to rebuild a business where trust is low and the competition is keen to keep you closed, although if we do lose 30%, there will be new clients drifting in the market again with no home.

Franchises will also stumble out of the reopening. It will be the rare franchise that can take a model based upon a supposed consistency and be strong enough to modify it to fit what is next in the industry. The old rule of what made you successful years ago is the very thing that could kill your business now especially applies to franchise groups who do not move fast enough to take advantage of the new market conditions.

Two types of members will emerge

The membership will split into two distinct components: the under 36 aged consumer (the ones who stood on the beaches in Florida during the virus

rebelieving they are bullet-proof), and the over 35 aged consumers who wants a gym, but whose concept of what a gym has to be to get his business has changed.

Here is what these members will want in their new normal:

Trust



It's not going to be about the best workout, the most equipment or the most classes, it will be about whether or not I trust my health to you and your team.

One-on-one and small groups (meaning up to four) will be hot again



The gym will have to feel individualised for these people. For example, I have been teaching a pod system for a number of years where we have gyms within gyms, meaning we set up 90m (300ft) spaces where up to four people can train together without having to be

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manipulated around a full gym. In other words, they do not need to share equipment with anyone, something which will be a strong selling point in the future. I come in, go to my designated space, and the equipment there has been cleaned and is ready to go. As a client I am no longer prepared to have to pick up a piece of equipment that someone has immediately used before me. Instead, I'll do my thing, using equipment that only I, or a small group, have touched.

The team/boot camp approach is not dead, but it will be damaged



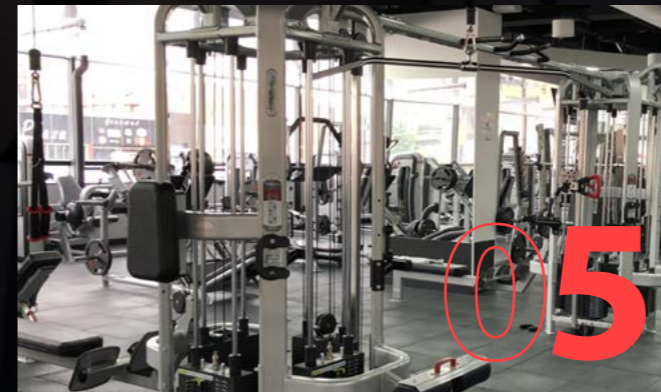
You would have to be a fairly out of touch human to want to work out with 30 people in an 500 square metre gym, sweating for an hour and sharing equipment. Yes, there will be those who don't care, but there will also be an entire generation of clients that doubt this is what they want from their gym today. The team players will have to find a way to create space amongst the clients, individualise tools and keep the equipment clean between sessions. For example, you may need to invest in three months' worth of non-latex gloves to give to every client for every workout. This can work by having clients grab a pair of gloves from any of the several stations around the gym before doing their workout. This enables them to know they'll never have to directly touch a piece of equipment. They can then peel off the gloves at dedicated disposal stations that offer safe waste bins and additional hand sanitiser. This system can work well in the smaller gyms too, where sharing equipment is a must, as it provides an additional layer of safety and trust for your members.

The old cluttered gym from the 1980s that's packed full of equipment in every corner is dead



Clean, sparse, sterile, almost antiseptic will sell the client. I walked into a restaurant I frequently visit, to pick up takeaway, and while I was standing there I noticed how cluttered their front counter/workspace was, with everything from takeout menus to gifts the clients have left, to a bowl of candy for the patrons to take from as they leave... and it was disgusting. I stood wondering how you could ever clean that space with all that accumulated junk from all the years they had been opened, until I realised you could never clean that space adequately. This problem is what most gyms suffer from – too much accumulated stuff. And we stop seeing it, but your clients will hate this clutter because they'll associate it with a space that can never be properly cleaned, sanitised or kept safe due to the layers of accumulation.

Too much equipment is too much



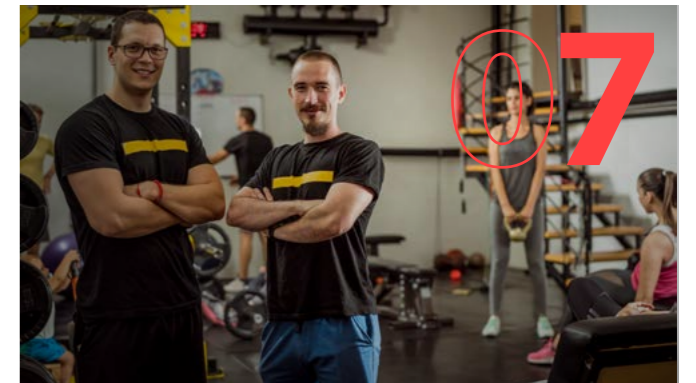
Your clients will need spacing to feel safe. If you look at a typical chain, where treadmills touch each other, can you imagine any client is going to want to stand less than 1.5m away from the next sweating human breathing hard in his space? You'll need to start accommodating a 2.5m rule. Take a tape measure and place the end in the centre of a seat if you have fixed equipment, then measure 2.5m out in a circle. The nearest seat centre needs to be at least that far away for your clients to feel comfortable.

Even your front door is an issue



I walk up to enter and stand staring at a door handle that's been touched by a hundred other people that day. I walk in and there should be a hand sanitiser unit on a pole right inside the door, and one by each pod or workout area, as well as one in the bathroom, along with the soap. People will be wary, and you need to anticipate all contact areas where a client may cringe.

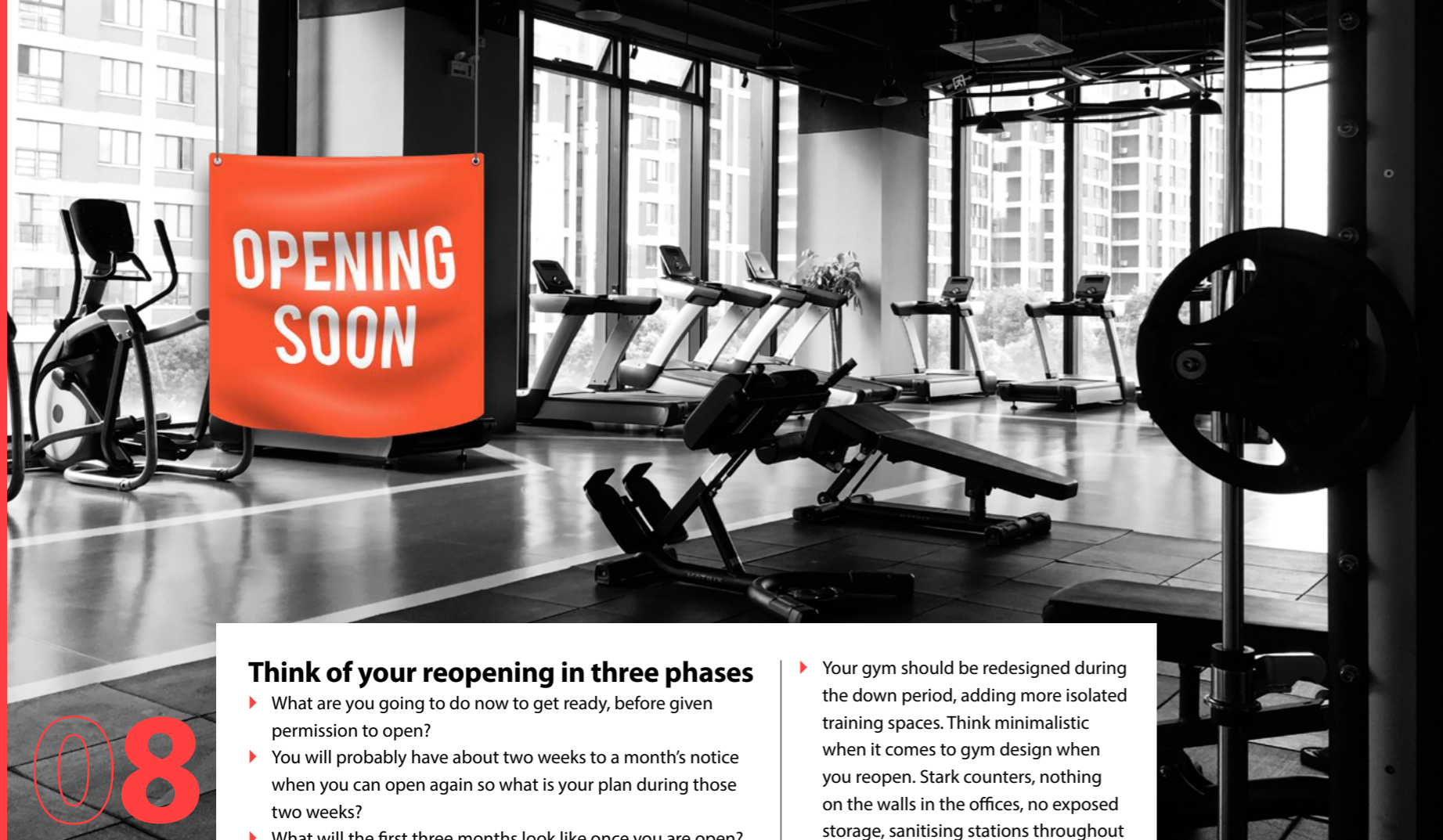
Owner operators, not investors, will win



The next years in the gym business will belong to the training gym that can individualise the workout process. I'll go to your gym to get my workout in an exceptionally clean environment, because I can control my contact with the other members. If I feel good about group exercise or boxing I can do it, but if I am uncomfortable then I have options too – this may be something the chains and franchises may need to work harder to adapt to.

The economy is also a fear, but there is hope there too. This recession is self-induced, meaning the government put the brakes on the growth as it has been for the last 12 years. This is not the same situation as the Great Recession in the earlier part of this century that was market-induced.

Gym operators will come out the other side of this with less competition, a different consumer, and a model that fits with what people want, going forward. The economy will stagger a little, but we should be raging in the fitness industry this winter, with the January to May window potentially being a time of records for us.



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Think of your reopening in three phases

- ▶ What are you going to do now to get ready, before given permission to open?
- ▶ You will probably have about two weeks to a month's notice when you can open again so what is your plan during those two weeks?
- ▶ What will the first three months look like once you are open?

The consumer will be different and expect your gym to change to meet their new needs.

- ▶ You will have to offer a controlled environment where the consumer is part of the socialisation but can be more isolated during their workouts.
- ▶ One-on-one will rise again, but most gyms no longer have the ability to offer this service. These clients will not want to share equipment or be dragged through a gym waiting to share equipment.
- ▶ Group exercise may suffer in many markets. You will have to learn to offer alternatives that isolate the client or divide them into smaller groups. Yes, those in the 24 to 36-year age group that believe they will live forever will not be affected much, but many of the traditional group clients will want different options.
- ▶ Small group training, limited to four and done in pods, or smaller individual gyms within a gym, will be a strong offering for most gyms.

- ▶ Your gym should be redesigned during the down period, adding more isolated training spaces. Think minimalistic when it comes to gym design when you reopen. Stark counters, nothing on the walls in the offices, no exposed storage, sanitising stations throughout the gym, and clutter-free spaces are a must. How does the client even get into the front door without touching the handle? Think it through. You cannot open the same gym you had when you shutdown.
- ▶ Programming will be secondary to the trust factor. If the client believes you are clean, he or she will come back. If you had cleanliness issues prior to closing, you will hurt reopening. Paint the entire gym, get rid of anything that can be tossed, replace worn equipment if you can, and let the clients see a modern, lean and clean gym when they step back through your doors.

At the time of writing this, the Australian industry looks like it may start to reopen in three to four weeks' time. This period is your marketing phase. You need to reopen with a fully launched marketing plan that will reach out to all clients during this last few weeks, and a plan to reach out to all old clients who may now be without a gym.

This is the time to do everything that's needed for the second phase. Snail mail letters should be ready to go to current members, former members going back

to 2018, and missed memberships going back to the start of 2019. People will be shopping for a new gym and you need to be top of mind.

If you are cleaning and remodelling in this last week then you are too late. This should be about last minute staff training, marketing and getting stocked again to open.

The first 90 days will be about the basics. This is where you will also see the second wave of club failures. Gym owners expecting their entire membership to walk back in will be disappointed. If you did not do the work while you were closed, there is not much you can do once you have opened. You are basically starting all over again minus your non-usage clients. Your rent will reappear, payroll starts again, and you will need a fresh 3 months of operating capital to get back on your feet.

Many of those who stumbled during the closure probably now know the need for

reserve capital, membership contracts and why team training alone will not be as effective going forward. When you reopen, go back to the basics of the business.

Online training saved us while we were closed, but it will not save you while you are open. Most of you found online training takes as much, if not more, work than being closed. The client needs and want socialisation, which is why they still connected with you and why online parties and training works. The client is not with you for the training, but for the contact and guidance, preferably done in person in your gym.

The gym as a social centre in the community will never be more important than it will be in the next year or so. Clients want more than a session and to go home. They want to belong to a community, something most owners only discovered once they were shut down.

Getting together with healthy people in a safe environment is what will sell to the client. Socialisation in a controlled, immaculately cleaned environment three or four times a week is what we are really selling the client, not results – and certainly not programming.

Do not just sit and wait for this to pass through. This is your chance to reset now and open stronger than when you closed; but you, and your gym, have to be different to capitalise on the client who will be standing at your door when it finally reopens. ♦

THE TRIBE VIBE

Got a photo from a FITREC event? Share it with us via editor@fitrec.org



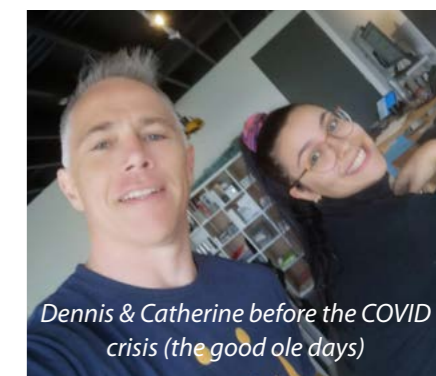
Catherine Santoro



Homeschooling at the office



Dennis & Catherine mastering virtual meetings



Dennis & Catherine before the COVID crisis (the good ole days)

“ Gym owners expecting their entire membership to walk back in will be disappointed. If you did not do the work while you were closed, there is not much you can do once you have opened. ”