

# Winning Strategies

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## *Strategic Fitness*

### ‘Viewing from the Right Perspective’

It is important that management and club leaders always think in strategic terms. However, we also need to understand the varying perspectives so we can generate a logical argument to the decision making process. In a recent bridge column one partner was criticizing the other, a little old lady, for misreading the cards. He told her she needed new glasses. She stated “I don’t need any new glasses. I drink right out of the carton.” Obviously different perspectives!

Over the years fitness services at club have grown exponentially. But sometimes it is like pulling teeth to get members in clubs that don’t have fitness to recognize the benefits of offering those services. We hear a variety of arguments including;

1. We can’t compete with the major fitness facilities like LA Fitness.
2. Members get attached to present group exercise leaders and won’t change to club offered programs
3. Why do we need to start a fitness program? None of our competition has fitness.
4. Most of our members already belong to fitness clubs.

The comments keep going on and on. It is amazing how many clubs in the country have either started or expanded their fitness facilities in the past decade or so.

A number of years ago I had a client in the northeast. The Board was very progressive and understood how fitness services might benefit the membership. We completed the master plan that included a new fitness center and presented the program to focus groups. Believe it or not one group of mostly young and middle-aged members shouted down the fitness program saying “We don’t need it.” At that time none of the other major clubs that were their competition had fitness. We tried to explain that they were the leader in the market and could generate an even greater advantage over their competition moving forward. We stated “Someone has to be first. You need to lead the way.” They didn’t buy it.

Right now I have a client in a similar part of the country on the opposite spectrum. They have many advantages over their competition. However, of the four competing clubs they are the only ones that don’t provide fitness services. It is funny that we are getting some of the same arguments from certain member groups as we listed above.

When looking at any new service, it needs to be evaluated from the following perspectives:

Does the change or addition increase membership satisfaction? Remember, that is the business you are in.

1. It this change an additional real value? How many members can drop their present gym memberships to take advantage of the club, usually saving monthly fees?
2. Is it competition driven? Without the change or addition will the completion have an advantage?
3. Does it provide potential for membership growth? Will the change or addition, draw new members?
4. Is there an impact on member retention? Without the change will you eventually loss members?
5. What are the infrastructure requirements? Is the change affordable? Or another way of thinking is it something you cannot afford not to do?

Fitness needs to be evaluated in the same way. The reason clubs have so dramatically expanded into fitness is that it provides satisfaction and value, draws potential members and makes the club competitive.

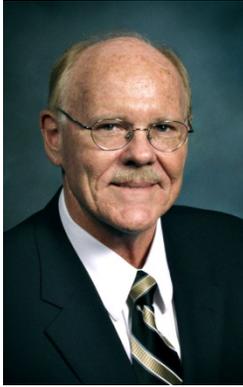
Recently Highlands Country Club in Highlands, North Carolina had been struggling as to how to expand their fitness facilities (they call it the Life Enhancement Center). They did a thorough job of analysis in that they are very exclusive so they have virtually no competition. Therefore the improvements were about value and satisfaction. They also keyed in on the aspects of the facility that were important and were able to not get wrapped up in a lot of bells and whistles that other clubs provide but were not important to them.

We know clubs that have built small 2,000 foot facilities and those who have 30,000+ fitness / spas. Highlands has very high-end spas located close by so all they needed was quality massage capabilities. The hair, nails and other services could be left to someone else. When the project was compete, they provided expanded cardio and resistance space, a new group exercise studio, improved locker changing areas, and a wood paneled library, with exterior architecture blended to the community. Exactly what they needed for under \$1,000,000.

A key was to include designers Ferry, Hayes and Allen who did the work on the main clubhouse. They were able to provide the special touches necessary to make the facility stand out. This included the rubberized designer floor you see in the picture.

Remember, in any evaluation process (think strategic planning) be careful of analysis paralysis. It is a common problem and can be quite debilitating. There is a group called the Strategic Planning Society that has ongoing discussions regarding the different problems that impact SP. One person stated, "When you have analysis paralysis, opportunities are missed while you continue to deepen the study. Any strategic planning session, like any other project, needs a deadline. Perfection is unattainable. Nevertheless, the pursuit within the deadline normally results in excellence, which is all we can ever ask for.

Too many times expansion into fitness is talked to death. When it comes to fitness analysis in some cases, and unfortunately, the only exercise certain member may get is jumping to conclusions while arguing against. Remember the number one thing managers say when asked about their experience expanding into fitness. : WE DIDN'T BUILD IT BIG ENOUGH!



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