

CLUB MARKETING &
MANAGEMENT SERVICES



INTERNATIONAL

Hoffman Estates Park District
Recreation Center Profile and Evaluation
July 2019

Prepared by

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II. Executive Summary

- Our opinions are based upon information provided by management, personal knowledge of the industry, online research of the area, census records, industry norms and interviews with management, personnel, and industry experts with local knowledge of the market. We have reviewed summary financial information and various operating reports provided by management. We did not review any detailed general ledger records that make up the financial information presented.
- This is a large operation with many moving parts. The Club at Prairie Stone policies, procedures and processes are good. It is well run, well-funded and well cared for. However, we do believe there is room for improvement.
- You are not taking advantage of your strategic advantage of multiple locations. All three locations should be run using the same policies, procedures and processes and should be marketed as a single brand.
- Your facility and fitness options are good, but your fitness program offerings are limited. This can be further enhanced by better utilizing your tennis center space with a court conversion to an expanded fitness center including a new functional fitness center. Much of your original strength and cardio fitness equipment has exceeded its expected life and needs to be updated with the new technology available today.
- We believe the organization needs to be more sales and marketing oriented. There is an opportunity to improve your membership revenues by putting in place some tried and true fitness center marketing and management systems and processes.
- Your marketing needs to be more targeted to attract fitness memberships. For younger buyers, social media advertising and internet search ads are a must. A well-orchestrated marketing effort consistently applied during your seasonal buying cycles will be mandatory. Website and social media sites are being used to deliver information as opposed to marketing revenue generating activities such as fitness membership. Membership dues are the lifeblood of your fitness centers and need to be nurtured.
- Your team needs training and support to compete in the fitness marketplace. We believe there is room for membership growth if properly marketed with a focused membership sales and retention strategy. In today's fitness market, your team needs to be able to prospect for new members using proven sales systems, sales techniques and sales tools.
- The key to member retention in the fitness business is meeting member's expectations and their number one objective is to get fit. Retention starts at the point of sale, properly assimilating them into the fitness culture and setting them up to succeed. Getting new members with a fitness coach is imperative. Qualified personal trainers are the key to getting people results.

III. Strengths, Weaknesses, Threats and Opportunities

Strengths	Weaknesses
Located in growing market, with above average household income. Strong local economy, high household income, low unemployment rate	Prairie Stone, Triphahn, and Willow are not names recognized as a fitness brand. Not taking advantage of branding opportunity. The current names don't tell the public what you are.
Three separate sport and fitness facilities with multiple fitness offerings. Park District affiliation and support.	Substantial competition for fitness members, many competitors within the same primary market.
PD affiliation improves administration, human resources, marketing and financial support.	Lack of sales and marketing structure. Sales and marketing of fitness are not strengths of the PD. Not enough focus or spending in marketing of fitness offerings.
Facilities are clean and well maintained. Self-Funded through user fees with administrative assistance from the Park District.	Websites and social media are underutilized in marketing the Club.
Financial structure with no rent/mortgage is a huge advantage over other competitors, allowing allocation to other expenses.	Aging fitness equipment, especially your cardio equipment. Lack of strategic fitness equipment replacement plan.
Strong management team, well-staffed, well trained.	Facilities lack a feeling of energy, absolutely necessary in attracting the younger fitness buyer.
The fitness and recreation industry is growing and expected to continue growing.	Not attracting younger people to fitness activities.

Opportunities	Threats
Professional sales system and team should help improve membership growth and retention	Quasi government structure limits mobility and ability to compete with commercial fitness centers.
Upgraded fitness center and fitness equipment would allow the center to market “New and Improved”, keep pace with competitors. New “Grand Opening” opportunity.	Low cost, small fitness competitors can be expected to continue entering the market. Boutique fitness centers targeting very specific fitness market segments are the fastest growing segment of the fitness industry.
Possible growth opportunity with community businesses and employee groups with improved employee wellness programs/pricing. Fringe non-resident housing minutes from the centers could be potential new income stream.	Nationally, only 17-20% of the population will join a fitness facility. With 97,000 people living within 12-minute drive-time, your actual target market is only 20,000 people, shared by all competitors
The fitness industry has seen phenomenal growth in recent years and projects continued growth in foreseeable future. Medical advances are improving health, building opportunities with the 55+ market.	Recreational expenditures are generally considered discretionary and could be negatively impacted in a recession or depression.
Digital Marketing opportunities are abundant, enhancing brand recognition and improve marketing performance.	Local employment can be negatively impacted quite quickly with business moving or closing facilities.
Re-branding of fitness facilities to take advantage of your market position, multiple locations and low price (3 Great Clubs 1 Low Price)	There has been a shift in buying behavior with the Gen-X and Millennial generations. “The Millennial Generation has had a profound influence on how the industry packages its offerings. Boutique fitness studios are supported primarily by the Millennial Generation, where the average age of a member is nearly a decade younger than the overall industry average.” (IHRSA Health Club Consumer Report)

IV. General Business Overview

Business Description: Hoffman Estates Park District Fitness Centers are part of an multipurpose recreation center with a wide variety of strength training and cardio equipment, free-weight training area, multi-functional gymnasium, and a large selection of group classes. As part of Hoffman Estates Park District, the centers serve as an extension of other services to the community. Tennis and swimming pools are not part of the fitness offering and require an upgraded membership.

Here are the park district guiding principles:

Our Community Commitment

The Hoffman Estates Park District remains committed to providing the best recreation and leisure services to our community. With our Satisfaction Guaranteed pledge, residents and their guests can be assured that the Hoffman Estates Park District staff will work to not only meet expectations, but to exceed them.

Our Mission

Offer healthy and enjoyable experiences to residents and guests by providing first class parks, facilities, programs and services in an environmentally and fiscally responsible manner.

Our Vision

By adhering to our values and achieving our goals, enrich the quality of life of all residents and our guests by providing healthy and enjoyable experiences in an environmentally and fiscally responsible manner.

Location- The Recreation Centers are in Hoffman Estates, IL. Hoffman Estates Park District is a major player in the community with multiple recreation facilities including many parks, playgrounds, tennis and basketball courts, 3 community centers, 2 aquatic parks, 1 golf course, a nature center and museum, multiple sports programs and recreation programs in addition to various fitness offerings. The Recreation Centers are in a well-developed area on the main roadways.

Facility – The Recreation Center buildings, improvements and infrastructure are in good repair and should have a substantial remaining life. Facilities cleanliness was excellent. Fitness centers are part of the recreation centers and as such are not identified as “Fitness Centers”.

Customers- Club membership is in a steady decline. The average age of the typical member has increased, and the younger market has gone to other fitness offerings and facilities. To further compound the problem as the membership has aged the club is offering programming for the older market pushing the young potential members to other gyms and programs.

We normally expect 70-80% of your fitness members to come from within an 8-minute drive time of the Club. This area population is only 9000 which means that most of your members live outside the normal drive time. People will drive further for recreational activities such as golf, tennis, swimming or basketball. The good news is the total population living within a 12 minute drive of the Club is approximately 97,000, a medium sized market with a cost of living index of 121 (100% of the US average), but also with a high median household income of \$80,000, well above

the US average of \$53,000. Only 17 to 20% of the US population buy fitness memberships. We can interpolate then that the combined market for all fitness centers in your market area will be around 20,000 potential members. With approximately 2100 existing members, your market penetration is estimated at 10% of total fitness members in the district.

Your median household income is \$80,000, 50% of US fitness members typically have a household income of \$75,000 or more in the U.S. market, 70% of US fitness members are typically between the ages of 19 and 54, 50% of your residents are in this age group.

Industry Profile:

The US Fitness industry is very healthy and includes about 34,000 health clubs with health club membership growing from 42.7 million to 54.2 million from 2006 to 2014. (IHRSA). It is a very competitive industry with many market segments. Large companies have competitive advantages including access to capital and economies of scale while small independent companies depend on favorable location, pricing and service. Non-profit organizations, city, county and recreation districts tend to have fewer fitness offerings but very competitive pricing.

Traditional health clubs are very similar in their demographic profile. (IHRSA Health Club Handbook 2016)

- 17% of Americans belong to a private or public health club, rate of membership growth is highest in the under 18 and over 55 age categories. Over the past three years, the industry's average membership growth has been 3.3%.
- Women outnumber men, 51% to 49%
- 7 out of 10 members are age 19-54. Over half are under 30.
- In 2015, 35% of consumers indicated they were members of boutique fitness studios or use them on a regular basis. Additionally, boutique fitness studios now garner nearly four billion dollars more annually in consumer spend than commercial fitness facilities.
- 80% of all those attending a gym are Gen Z or Millennial. 46% of regular exercisers are doing fitness class activities
- Higher education levels equal higher participation levels
- 54% of club members nationwide have household income above \$75,000 per year
- 80% of members will live or work within 8-10-minute drive time of the facility
- The most popular activities in order are; strength training, treadmills, resistance machines, free weights, elliptical trainers, abdominal machines, stationary bikes.
- Average monthly dues for a single adult are approximately \$55 month with an average enrollment fee of \$100 (sometimes discounted), however nearly 70% of consumers pay under \$50 a month.
- Average revenue per member is \$700+ per year
- Revenue per square foot for fitness only facilities, \$79.07
- Indoor square foot per member, 8.9
- Total occupancy cost per indoor square foot, \$19.20
- EBITDA as % of Revenue- 20.8%

Other Industry Data Points

- The fitness industry continues to grow and showed some strength during the last recession. Multi-facility groups and small franchise offerings have led the growth. We would expect this to continue.
- Average monthly dues for the U.S. are \$50 per month. This of course is an average for big-box, full-service fitness centers in metropolitan areas at \$150 per month, 20,000-30,000 sq. ft. fitness centers at \$30 to \$60 per month and the new low cost, low service offerings at \$10-\$15 per month. We have seen, across the nation that the emergence of multiple low-cost competitors has caused a decrease in membership and profitability, particularly in lower income and/or lower age demographics.
- The industry is both capital and labor intensive. Payroll will be your largest expense, with your occupancy costs varying depending on age. Members need and expect continual renewal of your equipment offerings as technology changes and wear and tear reduce the visual appeal and functionality. You can expect to replace cardio equipment every 5 to 7 years and strength equipment every 10 years to keep up with your competitors.

V. KEY OBSERVATIONS

The following are compiled from our onsite visit, key employee interviews, review of Recreation Center documents and financial information provided us.

Management

Overall, the club is well managed. The facility manager is very capable and has a good grasp on the operation's strengths, weaknesses and areas of concern. Administration of the center is your key strength, mostly due to strong leadership, staff and the affiliation with the park district and their infrastructure. However, it appears that the "park district" culture which focuses on delivery of services rather than marketing and sales may limit your ability to attract and retain fitness members.

Marketing and Sales-

- **SALES PROCESS-** At this point, you are mostly taking orders. Sales staff is handling incoming calls and visits but there are no direct fitness marketing efforts or follow-up with those that don't join. The club has no sales management program in place and sales staff that have not been trained in a professional sales presentation technique. They are anxious to learn. This alone could have a major impact on sales volume. The club has no CRM program or any form of prospect tracking. Dollars spent on marketing will be wasted if the sales staff has no process to track and follow-up on the leads that come in.
- **SALES/RETENTION CULTURE-** A major obstacle to the growth of any facility is the commitment to professional sales, marketing and retention systems. It is extremely difficult to compete with facilities that have made the commitment when you have not. Whether you accept it or not, you are in the business of competing for the fitness and recreation buyers in your market. Members and their associated dues are the lifeblood of your club. A culture of focusing your employees and your systems on selling and retaining members is a must. Most of your leads should come from referrals from happy members. This requires happy members! This requires a team of employees ready and able to help these people share their fitness center with family and friends.
- **BUDGET-** Fitness centers traditionally spend \$100 per new membership, including sales wages and commissions, advertising and promotional programs. If we expect to sell 1000 primary members per year, this would yield a budget of \$100,000 including staffing. Most of your advertising is indirect, through park district materials, sometimes getting lost in the deluge of information.
- **BRAND AWARENESS-** The club has recently gone through a name change but was not accompanied by an extensive re-branding marketing campaign. There is little name recognition and there seems to be mixed opinions about the new name. You are not taking advantage of your potentially dominant position. "3 Great Clubs, One Low Price" helps you

market low price without being low price. Ongoing, consistent marketing campaigns along with cross promotion within the other recreation programs will build your visibility as The Club for family, fitness and fun.

- **MARKETING CAMPAIGNS-** No coordinated marketing sequencing effort is in place. The marketing department is gearing up to begin marketing the club on social media. They need guidance in getting to the right platforms. There is no targeted fitness membership advertising currently being done. Your “Fitness” marketing is done as a part of your overall recreation center program marketing and is not targeting fitness members as such. The fitness business is a seasonal business and as such your fitness marketing efforts should revolve around the fitness buying seasons.
- **WEBSITE-** We found your Park District fitness website as a page in the Hoffman Estates Park District website while The Club at Prairie Stone has its own website. Your fitness pages are informative but make no effort to “sell” your memberships, no call to action to invite them to make an appointment or receive a discount coupon when they come in. Membership is not highlighted on your webpage and you have no lead capture system to get the prospect's name.
- **SEARCH ENGINE OPIMIZATION-** Your website is crucial to the success of the facilities. Virtually all buyers under the age of 60 now check the website and reviews before buying a product. Hoffman Estates Park District Fitness Centers was listed 2rd in the organic search, linking to the park district website. The Club at Prairie Stone came up 3rd in the local search, with Willow listed 5th and Triphahn at 7th. Lifetime Fitness, Infinite Fitness and X-Sport are rotating as paid ads. The links for Willow and Triphahn did not go to the appropriate landing pages.
- **SIGNAGE-** Your electronic sign at Triphahn is primarily used to promote recreation activities other than fitness. We saw no signs adjacent to Prairie Stone. The outside fitness graphic panels on the front wall facing the road needs an update. The name doesn’t necessarily let the general public know what you are all about.

Fitness Programs

- The Club was clean and neat, well organized. Equipment appeared in good operating order. A review of your equipment inventory showed many equipment options, but many cardio pieces are nearing 18 years in age, well past their useful life. Some cardio machines include personal viewing stations (PVS).
- You currently have 45 Group fitness classes per week. The average gym will offer between 50 and 80 classes per week, usually on the high end when water classes are offered.
- Most fitness centers now have about 30% of revenues coming from ancillary fitness program revenue such as personal training, small group training, sports and agility training. Your club is spot on at 30% in ancillary income.

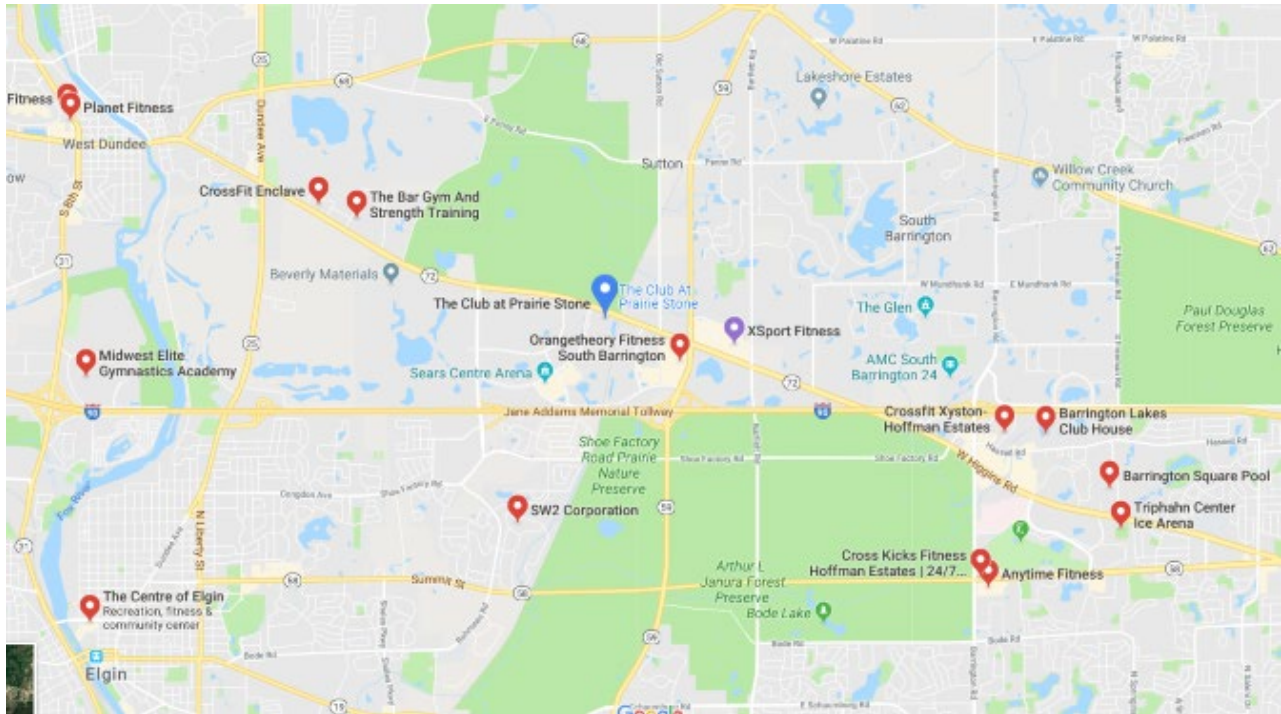
Payroll- These are high service facilities, meaning extra operating expenses. This is a feature of most high-end health clubs or recreation centers. Your payroll rates for both full and part-time employees are comparable to other park districts and meet regional pay rates. It appears that some administrative and maintenance wages are provided through the district and are reimbursed through interfund transfers. Generally, we like to see total payroll to revenue ratio at between 30% and 40%. Most health clubs do not offer much in the way of insurance and benefits which increases payroll cost. However, this does give you an advantage over your commercial competitors in recruiting full-time employees. Sales wages are relatively low. No one is assigned sales responsibilities in the two smaller centers.

Towels- On my 2-day visit I observed employees (as many as 4 at a time) folding towels at the front desk all day long. Some of these employees are your higher hourly rate people. In the locker room I observed several members using 6 or more towels. Every employee I interviewed told me they struggle to get their assigned work done because they spend so much time helping to keep up with the towels.

Family Programming- In your current format you have nothing for the 7 to 12-year olds to do if the parents are in classes or working out. A 12-year-old is not going to be excited to go to the Kids Corner with the 6-year olds. You have framed the club as a place for the residents to come with their families, but you don't really address this need, other than the pool. This could be an opportunity for you as the competition in the market do not have the facilities to offer this kind of service.

Competition- There is a large contingent of competitors in your target market area. However, most are smaller studio type facilities, focusing on specific programming such as group fitness classes, personal training, martial arts, yoga, etc. but a few offer full fitness programs and a couple offer complete fitness/swimming/recreation programs to their members. As you know, several are within 1 or 2 miles of the center. Unfortunately, this reduces your share of the pie. We should note that the low-cost fitness centers are not major competitors in the sense that they are serving a different niche. But they will erode market share and result in lowering pricing expectations.

The competition profile of your target market indicates that you are priced below those competitors that have similar offerings and well above those that offer only fitness. The average age of your typical member has increased with the younger market going to more suitable fitness offerings. This mirrors what has been happening nationwide with the Millennial generation's purchasing habits. To further compound the problem as the membership has aged the club's programming has catered to the older market pushing the young potential members to other programs.



The market has over 100 different fitness offerings. Based on feedback from the staff the following competitors were visited.

- XSport \$1 down \$10 per month
 - Typical XSport, fitness only.
 - Confusing sales presentation. Employee didn't know the prices. Offered a buy one year get one free. The price was either \$279 or \$329 he wasn't sure. A manager was sitting right next to us and didn't give him any help.
 - This was an express location so no childcare. Asked, "If I joined, do you have a program for my grandkids to use while I work out?" Told me they have no program and it is the question they get asked more than anything else.
- Lifetime- \$99 down \$79 month
 - Premium club. Full facilities and programs but was a pretty good drive, most will not make the drive unless they work nearby.
- LA Fitness - \$0 down \$29 to \$39 per month
 - Again, a very confusing price presentation. High pressure sales presentation I almost had the feeling that if I didn't join the guy would lose his job. Typical LA Fitness facility. Locker room dirty, I wouldn't use the showers. All good news for us.
- Planet Fitness- \$1 down \$10 to \$21.50 per month

- Typical Planet, reasonably clean but very crowded.
- Had a difficult time getting a sales presentation waited about 10 minutes. Again, good news for us.
- Orange Theory Fitness
 - \$99 a month for 2 sessions per week. \$159 a month unlimited use.
 - Boutique fitness offering, classes only. Limited capacity. Hot trend in the market. Arrived as class ended asked members about joining. 2 of the 3 people I talked to mentioned problems getting the class times they want, and childcare was an issue with all three.

Financial Analysis-

CMS has established some core financial ratios in our many years of studying and helping commercial facilities succeed. We present this information to give you an idea of what you are competing against and to demonstrate your competitive advantage. Two key ratios are Payroll/Revenues, Operating Expenses/Revenue. Financial strategy is determined by these ratios. To do this we take total revenues and subtract the direct costs of items sold and fee-based programs and services such as lessons, personal training, etc. What remains is "Net Revenue", also known as gross margin in other industries. We then divide each overhead expense category by net revenue to get an operating ratio. Our goal for a traditional fitness center would be to spend about 30% of net revenues on Payroll, 35% on Marketing and Operating Expenses, 20% for occupancy costs and 15% remaining as profit. In the park district business model, there typically are no profit or occupancy costs, leaving an additional 35% of revenues for contributions to other park district programs or bond payments, a distinct advantage over your commercial competitors.

So, looking at 2018 operations, let's see how you compare:

- It appears you are running an exceptional operation even though you are below capacity. The Club at Prairie Stone is at breakeven cash flow after contributing \$600,000 or 28% of your net revenue to the Park District debt service.
- Payroll expenses are at 31.23%, within our expected payroll expense range of 28-32%
- Operating expenses are at 40%, above our expected range of 31-34%. This is attributable to higher than normal administration costs, utilities, repairs and maintenance.
- You are spending less than we would recommend for marketing and sales at less than 2% of revenues.
- It appears that most of these variances can be attributed to the size and scope of your facility operating at less than capacity as you've seen a downward trend in membership. Additionally, the park district is in a city where the cost of living is 121% of the US average, putting upward pressures on wages and benefits.

VI. RECOMMENDATIONS

We have segregated our recommendations into functions for your convenience. Following the recommendations, we have provided you with your Profile Report, a prioritized list of tasks by department, sorted by importance. This can be used to prioritize your tasks as you work to organize and address these deficiencies.

Success Formula- We believe the following requirements must be met to attain a successful club operation:

- A fitness center must have a reasonably good location in a target rich market to prosper.
- Competent management is essential to any successful fitness club operation. We recommend managers and the key staff have previous fitness club experience or be trained and monitored by experienced fitness club operators. They should have access to management systems and resources.
- Membership sales are the lifeblood of your facilities. This requires dedicated, trained and incentivised staff, an established sales process and a sales management system. Retaining members requires staff that can help get the desired results and work to meet their needs.
- The organization must have a member first culture, seeking to find what members want and then filling that need. You should embrace member complaints and feedback as opportunities to meet and exceed member's expectations. A member's club is a home away from home. They expect to be welcomed, treated with respect and encounter happy and caring employees. Your clubs seem to be well run with dedicated staff. Maintaining this culture is done by nurturing these most valuable assets, your employees and your members. We encourage you to provide multiple avenues of communication and interaction, including surveys, focus groups, and one-on-one sit downs. And of course, a cheerful greeting when they enter and leave.
- Inspect what you expect. Employees need to know what your expectations are. Then you need to keep them appraised of how they are doing. This requires monitoring your organization's and your employee's performance through daily, weekly and monthly reporting.

FITNESS CENTER UPGRADE

Busy fitness centers help sell memberships. People want to be with other people and busy facilities indicate a measure of success, think busy restaurants. Your population base is large enough to sustain several fitness facilities. Your membership history indicates you are well below capacity and our observations showed limited use of the fitness centers. According to the IHRSA's 2016 Health Club Consumer Report, "Consumers appear willing to pay more for the personal interaction, seeing results, personal coaching, convenience and the sense of tribe that comprises many of the boutique fitness models, while demonstrating an unwillingness to pay much for access to lots of equipment and limited personal interaction." We believe you need to find a way to better meet the needs of today's fitness buyer. This would include increased and

improved Personal Training options, group fitness classes, small group training, and functional fitness space. This should be combined with improved systems, processes and training.

COURT CONVERSION- Per our discussions, we agree with your assessment that you should expand your fitness center to include expanded fitness floor space and equipment along with a functional fitness space by converting your under-utilized tennis courts. We would however be careful in how you develop the new fitness center. We think it needs to be designed to attract a general fitness audience, not just hardcore fitness buffs. You are in a unique position to cater to adults, adults with kids, and the youth. Here is how we would do it:

Step 1

Convert Court 1 to a turf Functional Fitness Center to support personal and small group training, body weight training such as TRX, as well as individual workouts. This will give you the ability to compete with programs like Orange Theory and CrossFit. The biggest objection to purchase at an Orange Theory (according to Dave Hardy Master Orange Theory Franchise Holder in Canada) is childcare and no showers, you have both. This will also give you the space to run speed and agility programs for kids, allowing you to market to the parents who can bring their kids while they workout. Also, the end wall could be opened with an overhead garage door connecting an outdoor fitness area, including workout stations, a 60-yard lane for timed sprints, tires, free weights and any other weather resistant equipment. An outdoor fitness center makes you unique.

We suggest you move the Synergy 360 equipment to this new fitness center. The old space could then be converted to a Women's Only Fitness Center. This will aid in marketing to de-conditioned women who traditionally avoid co-ed workout areas. Experience shows that simply having the women's center will attract this group to the facility. Since the old office space is adjacent to this space, it could be used for expansion of the Women's Only Center or for a spa or other women's services that would be compatible with your other offerings.

We are waiting on bids and layout recommendations from our vendors. Costs for functional fitness equipment and turf flooring is estimated at less than \$100,000.

Step 2

Convert Court 2 to a fitness center. The current trend is to turf this area rather than traditional rubber flooring (maybe a different color from court 1). We are estimating a cost of \$40,000 to \$50,000. We would move your existing strength equipment, free weights and stretching area into this area. You will also want to add a few pieces of equipment to give you the WOW factor. Cardio equipment usually requires electrical service plus cabling for TV service which increases your costs so we would leave the cardio equipment in the current location. By removing the stretching area, you can create a natural walkway out to the new fitness center. Cardio equipment on the opposite end of the Cardio Theater should be equipped with personal viewing stations. We would suggest to not have background music for the new fitness center as music will be required for the small group classes in the functional fitness center.

Step 3

Convert Court 3 to Pickleball Courts. This will get the pickleball courts off the basketball courts with the only cost being the cost to repaint one tennis court, 4 pickleball courts per tennis court. Pickleball is much less formal than tennis so music from the classes in the functional fitness center should not be a problem. In fact, our pickleball expert assures us, most pickleball players will be happy to share the new space. Because this is an inexpensive conversion you will have the space to adapt to the next big thing. Another option would be to turf this area for an indoor training and sports space for soccer, football, lacrosse, disc games, etc.

FITNESS EQUIPMENT REPLACEMENT-

It appears your fitness equipment is aging and needs to be updated. There is some flexibility here and can be done over time as budgets allow. You should replace needed pieces as part of the court conversion project, planning the replacements based on your budget. We would suggest creating a list of equipment prioritized based on age and condition. Then map out a strategy to continue the process into the future. We will be glad to help you.

FITNESS PROGRAMS

The relationship between new members and the fitness department is a key component to the success of any fitness related facility. When the new member joins, the first question they are asking themselves is “What now.” How you answer that question is directly related to your success with new member referrals and long-term member retention.

- New member assimilation is key to retaining and extending the life of a membership and getting new referrals. Fitness members join with one thing in mind, to get fit. If we fail to meet this minimum expectation, chances are the member won’t last long. It is essential that new members are properly oriented, assessed and directed to those programs that will meet their wants, needs and desires. As with the sales offering this must also be managed by one person. If personal training is recommended, a planned presentation can be used to improve member acceptance.
- The Orientation- The process must be seamless, and you must have constant follow up. Because this is so critical to your success, we recommend some changes to your on-boarding process of new members.
 - After a new member has received a professional sales presentation, an appointment needs to be set with a qualified fitness staff trainer. We recommend that you call this appointment a “Jump Start, Quick Start or Kick Start” appointment. We have found that people don’t like to be “assessed” or “evaluated”.
 - The Member Coordinator (sales staff) that sold the membership MUST call the new member within 72 hours of joining to make sure they showed for the Jump Start Appointment. If they didn’t make it they will reschedule. If they did, the staff member asked how things went and do they have any questions. If they miss the

appointment the fitness staff member will also call to reset. This system of follow up gets the new member started on the right track and gives the fitness staff the opportunity to promote Personal Training.

- Members ultimately are retained at point of sale. If they start with a Jump Start, they tend to stay as members. This process requires your membership coordinator and fitness staff to be well trained and constantly working together. This system will increase retention rates and should increase personal training revenues.
- Personal Training is an opportunity to improve the member experience. It is proven to help members get better results, helping to better meet their expectations, ultimately resulting in happier, healthier members. Happy members stay longer (more revenue) and they tell their friends (more revenue). This does require qualified fitness staff, a sales process and a delivery process.
- We would recommend expanding your offering of “Small Group Training” classes for a fee, such as HIIT classes, TRX, Functional Fitness, etc. These types of classes would increase your desirability to the younger user.
- We recommend that each paid program’s revenues and direct costs be accounted for separately to monitor the financial results of each program.

GROUP FITNESS

- You currently offer 45 classes per week including aquatic classes, but most full-service health clubs will offer up to 100 per week. You must be prepared to increase your offerings as membership grows. Should you decide to do the court conversion and open up the free weight room, we would suggest that space be reserved for an additional group fitness classroom.
- You should scale back classes that have small attendance or limited appeal. Review any classes with low average attendance.
- It appears that the average age of group fitness participants is higher than we would expect. This probably means that young people are finding other facilities that better meet their needs. We would recommend a deep dive into the data to determine the cause including data analysis, interviews, surveys, etc. Look at the intensity level of your classes, the age and fitness level of instructors, members favorite classes, favorite instructors, and time of day.
- You may want to consider changing to an outsourced group-ex program such as Les Mills to help attract all ages of members. They “make it easy to deliver world-leading group fitness and help members fall in love with fitness”. Our clients have generally found that this structure better meets the needs of instructors and members. It addresses the need of regularly updated classes for members and eliminates the wide discrepancies between instructors. It also provides regular updated music and choreography, licensed from the various sources.
- We would also recommend marketing directly to and through existing class members for member referrals and new programs. This requires some training and staff materials such as guest passes, flyers, and posters.

IMPROVING THE EXPERIENCE

We recommend the clubs always be in a state of “Improving the Experience”, fresh paint and new equipment every year. This assists in not only the member experience and retention but also in marketing the club and delivering a “WOW” factor when introducing the club to new members and guests. Members always love new things. Promote and market new equipment as soon as it is ordered. Use “Try Me, I’m New!” overhead banners whenever you add a new piece. We would like to see regular annual budgets and spending to help accomplish this. Use surveying of members to help determine what members want and need most.

MARKETING

In our opinion, you need a sales and marketing system to attract and capture potential members. This will be your fastest and most efficient method of increasing revenue quickly. This will require a sales and marketing team using proven sales and service techniques to convert potential members into paying members. Your staff should then actively promote and encourage member referrals. However, member referrals require raving fans. Raving fans require an organizational level commitment to engaging members and exceeding customer expectations. So, here is where we would start.

- We believe an investment in your marketing system and team can help you meet needed revenue levels. The buying cycle for fitness memberships is the highest in January, February and March as well as September, October and November. It is recommended that a greater percentage of your marketing efforts and budget be aimed at these two major buying seasons. Health club marketing should be done seasonally with 2- 3 major campaigns and 1 to 2 short burst campaigns. Every ad should include a call to action, “Join Now and Save”.
- A three-part marketing approach will insure and maximize membership sales. It consists of 1. External marketing—advertising and promoting for new members through digital and print advertising. 2. Internal promotion—promoting through the existing members bringing in new members that are friends or relatives. And 3, the Cap - final day member appreciation/ open house party, or simply a close out. The internal and external programs start and end at the same time and work hand in hand with each other. The final day open house-type event is meant to tie the first two together and create a sense of urgent finality to the campaign. This investment will ultimately be paid back through increased dues revenue. However, we will need to initially find funds to set up the new system.
- You have developed the tag line “The Ultimate Fitness Experience”, it must be on every piece of marketing. This will also help the market better understand the new name.
- Even though Triphahn and Willow are limited you need to be marketing “3 Great Clubs, 1 low price.” We have always had great success with this concept.
- Use keywords for members that are the things they want; convenience, value, all access, easy, fun, connected, social, friends, results, trust, friendly staff, clean, fresh.
- January and February are the most important sales months of the year. 22% of your annual advertising budget should be spent in January so you need to ramp up your

campaign well in advance. A typical campaign would include a digital marketing campaign, including PPC ads, Geo-fencing mobile ads and some Site Re-targeting ads. This would be supplemented by targeted direct mail or newspaper or print ads in local publications. This may also include billboards, if we have a substantial offer to advertise. In addition, your fitness offering should be tagged and linked to any “Park District” promotions.

- We generally do not recommend discounting regular dues. However, a strong “Offer” needs to accompany each campaign. (Discounted or free joining fees, PT sessions, PT classes, fitness assessments, open houses, Free Friends Friday, etc. should all be on the table)
- You should lead the way when it comes to recreation and fitness. As one of the major players in the city, an opportunity exists to use The Club as the centerpiece of the community’s wellness program. Sponsorships are always available and get your staff out in the community. Think fun runs, health fairs, city events, etc.
- The corporate market should be fertile ground for your sales team. Some type of special promotion should be established to reward employers and employees who help you recruit new members. We can help with design.
- Your guest fees have many implications to both your members and your operation. It is important that your members have the privilege of bringing in guests. On the other hand, your guest fees must be high enough to prevent abuse of the guest privileges and undermining of membership sales. Your guest fees should be about 1/3-1/4 of your monthly dues.
- You have a member referral program, however it is inconsistently used. It needs to be a part of every new member’s closing presentation with additional follow-up by the sales team to encourage workout buddies and consequently higher usage by new members. You should also market this program to members corresponding with each seasonal campaign.
- Today’s fitness buyers (up to 80%) start the buying decision on-line by googling “gyms near me”. We feel you need to update your Prairie Stone website to enhance your fitness offering. It should be linked to the Park District site. Your site should be optimized for mobile devices with click to call buttons. Ideally, the site should track its visitors and use retargeting ads to follow your prospective buyers. You should also consider using geofencing ads to deliver ads when prospective buyers approach yours or your competitor’s facilities. Your site should be considered primarily as a marketing tool first and providing membership information second. Your visitors should get a healthy dose of pictures and videos showing what the membership experience looks like. You must have the ability to make offers and capture leads, such as a tab for “Membership Offers” to attract attention and link inquiries to your new lead capture pages (We have already helped your marketing people to get started with this) And of course, without staff and resources to follow-up on these new leads, your investment in a new website would be wasted.

- The fitness centers need a higher profile on the Park District's website home page. We would suggest a permanent presence on a "slider", essentially a rotating banner ad for current events. Use it to announce your new seasonal marketing campaign offerings and open houses. Give The Club at Prairie Stone a prominent position on the home page.
- We would recommend large electronic sign at The Club at Prairie Stone which would provide a coordinated marketing billboard for fitness and recreation programs. We would also recommend replacing the graphics on the outside of building with much larger (16x24) banners depicting fitness and sports activities. Estimated cost for 6 large banners is around \$20,000 plus installation.
- Small banners and yard signage are an inexpensive advertising venue. Member savings and urgency should be emphasized rather than price and should be changed regularly to correspond with your seasonal campaigns.
- Our CMS Marketing Resource Guide will be provided as a supplement to your report to help you implement your new system. You may also want to consider our Client Program to assist your staff over the coming months to help implement the systems, train your staff and consult on decisions that may arise.

MEMBERSHIP SALES and SERVICE

- Sales and marketing personnel should be viewed as an investment, generating far more income than their cost. A professional sales staff operates from a mindset of high service combined with a presentation designed to set the new member on a path of goal achievement. You should use a planned presentation that leads to a price presentation that give people choices.
- In our opinion, a dedicated sales team whose job it is to prospect, sell, service and retain members is the only way to meet both your sales and retention goals. Management and senior front desk personnel should be trained as backup.
- We recommend one person be appointed sales manager, responsible for the hiring, training and monitoring the sales team. It typically cannot be done by committee.
- We recommend you implement a formal sales process with standard procedures in all three clubs. We have found in the fitness industry that front desk attendants cannot and do not handle memberships well; too busy, untrained and un-motivated. We recommend all walk-ins and telephone inquiries be referred to a trained membership coordinator for follow-up.
- In today's fitness market, your team needs to be able to prospect for new members using proven sales techniques and tools. This requires ongoing sales and customer service training, integration of the sales, service and fitness systems to support members meeting their fitness goals. Your sales staff also needs a CRM (Customer Relationship Manager) tool to record new prospective member leads, make notes and appointments. This will drive the workday for each member of the sales team. Since the prospect lead database resides within the park district, it can be reassigned to new sales team members as the sales team changes over time. They will also use this tool to make service calls to new members to assure positive assimilation and experiences. The referral program will also be tracked from here. CRMs require daily, ongoing maintenance and follow up. As a

result, this tool is not effective for employees who only occasionally help in selling memberships, think front desk staff. Multiple web-based systems are available since Rec-Trac does not support this function, we recommend using a web-based CRM such as, Sales Force, Insightly, or Zoho. These range in cost from zero to \$50 per month per user. Clients have used InTouch, a CRM designed for the fitness industry. It costs around \$400 per month for unlimited users. Should you change from Rec-Trac to a full-service club management system, most will include a basic prospect management module.

- Your member referral program needs to be better developed and emphasized immediately. This is a program designed to reward members that refer their friends that become members. This program is run and monitored by the sales staff.
- Member retention starts at point of sale and hinges on a great on-boarding experience, especially for fitness members. Your sales process should integrate with the fitness staff's orientation process by setting appointments and following up to assure member satisfaction.
- With the increase in membership you can expect an increase in program revenue. Knowledgeable employees trained in selling the programs will be required. We have found greater success in selling personal training and small group training when a dedicated trainer, trained in the art of selling handles the orientation process.
- Our CMS Sales Resource Guide will be provided as a supplement to your report to help you implement your new system. CMS also has a training program to set your staff on a path to success.

MEMBERSHIP PRICING

- Park district residents are already contributing to the fitness facilities through their taxes and fees, so you must have value pricing, but you do not have to be the lowest price.
- You should review pricing for possible increases every 12 to 18 months. As you plan for the coming year in your budgeting process, pricing changes should be considered. Small, incremental increases are much easier for members to tolerate than large jumps every 5 years. Any new pricing can be applied to new membership sales only, leaving existing members on their original price if your billing system will accommodate. This will smooth the transition to new pricing.
- Short-term memberships tend to undermine long-term commitment. The fact that you need to offer daily rates and short-term memberships/programs will reduce long-term membership conversion, so you must maintain a strict membership follow-up system to convert these intermittent users to committed memberships.
- Your corporate rate structure is adequate. You should however consider a discounted monthly dues rate if the corporation is willing to pay for memberships. We would recommend you offer an enhanced benefit package for each employer such as regular open houses, company party, free orientations, etc. Member referral incentives are a must for corporate accounts. Don't think of these as group sales however, employees should go through the same sales and on-boarding process as other members.
- Many low-cost gyms include an annual "Enhancement Fee" in their pricing packages. This is used to supplement their low monthly dues and is marketed as an annual investment in new equipment and programs to "enhance" the member experience. This is difficult to explain to the new prospective member and usually only works in the low-cost setting

where the annual membership cost is far lower than the competition. We generally do not recommend this tactic for full service, moderately priced facilities such you. Use this to your advantage in developing your story and points of differentiation.

- Your guest fees are necessary for any park district, but we do encourage giving free guest passes to members on occasion to help them share the club with their friends. This is also a great tool for your sales team to introduce reluctant prospects to your facility.

NAME RECOGNITION

Due to your market niche of “Rec Center”, you are generally not recognized as offering fitness by the public. Your park district website home page and park district marketing efforts should include generous references to fitness to help alleviate this issue. Marketing your fitness offerings should also help with your website search engine optimization (SEO) and improve search results for prospective members. Three different rec/fitness center names decrease your branding awareness and cause search engine confusion for your prospective members. A common name with three locations would improve your brand awareness and marketability. Some examples:

- Hoffman Estates Sports & Fitness Complex
- Hoffman Estates Life Centers
- The Clubs at Hoffman Estates

Each club name would then follow; Prairie Stone, Willow, or Triphahn

This would allow you include all three clubs on the new Prairie Stone website. It should be noted that including Hoffman and Fitness in your name enhances search engine optimization.

DESIGN AND STYLE

Younger fitness adherents tend to gravitate to a high energy, clean and efficient design. You get high marks for cleanliness and functionality. However, your current look is somewhat passive. If we are going to compete in the current fitness market, we believe you need to upgrade your look. Fresh paint goes a long way and is relatively inexpensive. We recommend bright, bold design and colors. We can recommend several color schemes that have been effective for fitness centers.

TENNIS

A general rule of thumb is 1 indoor tennis court per 100 players. At 90 memberships, your courts are severely underutilized. Tennis requires a specialized marketing program and an active junior player development program to fill the courts. With only \$60,000 in net income from tennis operations you might consider a court conversion to more profitable activities. See our fitness center recommendations for some options.

ATHLETICO PHYSICAL FITNESS

As we see many Physical Therapy centers located in fitness facilities, we have not run across one that is paying as high a square foot rate as this tenant. With the benefits they add to members of simple diagnostics service this is a major plus for the facility. We would recommend that you do whatever you can to keep as a tenant.

SECURITY

Security should now be at the forefront of every business process. It appears that you have covered the traditional concerns; member rules and policies, equipment in good working order, power outages, wet area concerns, etc. We now must also be aware of building security, evacuation procedures, active shooter situations, blood borne pathogen issues, identity theft, HIPPA rules, PCI compliance for credit and debit cards.

- We urge you to review all safety and security protocols, procedures, communications, and employee training.
- Cash and accounting functions should not be assigned to only one person. Proper internal control procedures should split the accounting for cash and deposits from any individuals who have access to member accounting records to prevent any temptation or opportunity to divert funds for personal use.
- To protect the integrity of your “fitness membership”, access should be controlled through a central check in point or create barriers for those who might game the system. The front desk staff position needs to be re-oriented more towards the front entry. I was able to walk into the club past the Climbing Wall and into the Fitness Area with no one seeing me. (Staff was busy folding towels) You may also want to consider turnstiles at point of entry so only active members can enter. Some members see this as an inconvenience, but if presented as a security measure you will have no problems.

LOCKERROOM UPGRADES

The trend in locker-rooms is more upscale. As you compete in the commercial fitness market, you need to maintain these spaces with hourly checks, daily cleaning and ongoing updates. We applaud your recent upgrades and we think your locker rooms are clean and appealing. Locker technology has improved over the years so you might want to consider upgrading your lockers as budget allows.

OPERATIONS

- We are recommending that you immediately move towel distribution to the front desk, limiting towels to 1 per person upon request. For your information, most clubs have withdrawn towels due to cost and/or capacity reasons. Consider offering towel service as an add-on service, outsourcing your towel service and covering the cost with fees to only the users to relieve your front desk employees from this never-ending task. To ease the pain for members, you can give away or offer to sell existing inventory at a discounted price. Use a 30-day notice with a grace period to facilitate the change.

- Management and key front desk staff should be trained in the sales process as backup for sales staff.
- Rec-trac software needs to be reviewed to see if it will meet the needs of the facility moving forward. In staff interviews they stated Rec-trac is difficult to use at times. Time did not allow us a complete review of the issues, but we will gladly assist you in evaluating your alternatives.
- You are currently using the Retention Management service but have been unable to maximize the benefits of this service. This is a fine program and we generally encourage its use. However, we would suggest moving it to the back burner for now in favor of ramping up your sales and marketing process.
- Other gyms in the market do not have any youth programming or daycare. This is an opportunity to capture the market for families. By simply using one of the Kids Korner rooms for the younger kids and the other room for the 7 to 12-year old's you can deliver what people are looking for at minimal cost. For the older group, the purchase of Foosball, Air Hockey and similar equipment can give them a place to go and enjoy the club. In my meeting with the sales staff, I was told they just missed a sale because the prospect was looking for activities for their 10-year-old while they worked out. You can't miss those sales.
- Consider "Zone Cleaning" during your regular hours to help keep up with the heavy use of the facility, particularly in the evening hours. Existing employees will do a walk about to find and fix any issues that may degrade the member experience. This can be done at shift change to keep costs down and make sure regular duties are attended to.

FINANCIAL OPERATIONS

We believe that with a more focused approach to marketing and selling memberships, you will improve your financial performance considerably. Membership revenues are the lifeblood of your club. Monthly reoccurring revenue can cover a multitude of events that can knock the ordinary business down for the count, including poor sales, poor performance, economic slowdowns or shocks, natural disasters, etc. It gives you time to respond in a well thought out and measured approach to these events rather than going into crisis mode. Additionally, more members equal more revenue which equals more resources to support the operation, including employee wages.

- We are recommending a substantial increase in marketing and sales spending in order to support growing your membership in the face of growing competition. Sales staff should be incentivized to help motivate ongoing efforts in selling and servicing memberships.
- We expect that implementing these changes will require you to invest in more staffing.
- Ongoing, seasonal and special marketing campaigns need to be developed well in advance, administered and evaluated on an ongoing basis.
- If possible, we would recommend changing your financial reporting system to account for the direct cost of programs (Cost of Sales) separate from operating expenses. Also, it would be helpful to show the revenue, costs and contribution to overhead from each program as an additional monthly report.
- Facilities of this size require large investments for renewal and upkeep. If possible, we would suggest allocating 5% of your annual net revenues (Revenues less Cost of Sales) to a capital improvement fund. This will predictably set funds aside each year that are always

a part of improving the member experience. Your commercial competitors generally change out their fitness equipment as often as every 5-7 years.

- Without the court conversion, we think you can generate up to 400 additional memberships over the next 12-18 months by just upgrading your sales and marketing efforts. Revenues would increase by \$400,000 based on 400 additional members at \$1000 per year. This would fund your payroll growth and your new capital improvement fund. We think the tennis court conversion would double this increase.

The following chart shows your 2018 actual financial results and ratios, compared to our suggested targets for each category of spending based on increasing your revenues to \$3,000,000.

CLUB FINANCIAL ANALYSIS SHEET



	ACTUAL \$	TARGET \$	
I. Gross Revenue	2,630,022	3,000,000	See Sheet 2 for instructions
Less: Cost of Sales	484,154	600,000	Green Cells= Enter your data
Net Revenue	2,145,868	2,400,000	Blue Cells= Calculated Fields
			Black Cells= Industry Data (do not change)
			(Red Cells)= Over/Under Budget

II. CLUB OPERATING EXPENSES: This portion of the analysis may be used as a budgetary guide

ITEM	ACTUAL \$	% REVENUES	TARGET RANGE			My Target	My Target	VARIANCE
			F/S	Tennis	H/C*	%	\$	
A. Payroll Expenses	670,124	31.23%	28-32	22-26	26-30	32.00%	768,000	\$97,876
B. Other Operating:	860,802	40.11%	27-31	31-34	27-31	38.00%	912,000	\$51,198
- Telephone		0.00%	.5-1	.5-1	.5-1		0	\$0
- Janitorial/Repair	238,933	11.13%	5-7	6-9	5-6	9.00%	216,000	(\$22,933)
- Utilities	274,640	12.80%	6-9	10-12	4-7	12.00%	288,000	\$13,360
- Insurance		0.00%	1-2	1-2	1-2		0	\$0
- Admin/Supplies	205,087	9.56%	4-7	4-7	4-7	7.00%	168,000	(\$37,087)
- Computer Costs		0.00%	.5-1.5	.5-1	.5-1.5		0	\$0
- Marketing/Sales	40,397	1.88%	3-10	2-5	8-15	5.00%	120,000	\$79,603
- Professional Fees		0.00%	.5-1	.5-1	.5-1		0	\$0
- Other	101,745	4.74%	4-7	4-7	4-7	5.00%	120,000	\$18,255
Total Operating Expense	1,530,926	71.34%	60%	60%	60%	70.00%	1,680,000	\$149,074

III. EBITDAR: Earnings before Interest, Taxes, Depreciation, Amortization and Rent

EBITDAR	614,942	28.66%	40%	40%	40%	30.00%	720,000	(\$105,058)
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IV. FIXED NON-OPERATING PAYMENTS: This portion of the analysis is highly individualized depending on the means by which the club was financed. How will you spend the income generated from operations?

ITEM	ACTUAL \$	% REVENUES	TARGET RANGE			Target	Target	VARIANCE
			F/S	Tennis	H/C*	%	\$	
A. Real Estate Taxes		0.00%	2-4%	2-4%	2-4%		0	\$0
B. Capital Imp Fund		0.00%	3-8	3-8	3-8	5.00%	120,000	(\$120,000)
C. Rent/Leases/Loan Pmts	600,000	27.96%	15-20	15-20	10-20	25.00%	600,000	\$0
D. Other		0.00%					0	\$0
Total Non-Op Expenses	600,000	27.96%	25-30%	25-30%	20-25%	30.00%	720,000	(\$120,000)

V. Net Cash Flow: Net Revenues less operating expenses and fixed non-operating expenses

Net Cash Flow	14,942	0.70%	10-15%	10-15%	15-20%	0.00%	0	\$14,942
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We believe you are in relatively good shape. For our purposes we combined janitorial costs and repairs/maintenance costs, so we only know that you are on the high end for this category. Your maintenance wages and contracted janitorial costs are higher than the typical health club. However, these should come into line with the expected growth in membership and revenue. These are only suggested target ratios. Ultimately, you can overspend in one category if you can lower spending in another. We would suggest however to never cut marketing and sales budgets to accommodate other spending. We can provide the original spreadsheet if you would like to use it in your budgeting process each year.

VII. CMS CLUB PROFILE REPORT

Your profile report will provide you with very specific suggestions for your fitness center.

1. Skim over the entire report once to acquaint yourself with the format and contents. You will see that we have given you a prioritized listing of key areas of your fitness center that we think needs attention, ranked from most important to least. Please start at the top of the list of (-) items.
2. Reread the report and comments thoroughly from beginning to end. Make a check next to items you wish to study more carefully (use a colored pen)
3. Since our evaluation is done after just a short visit, it is possible that we did not see or understand your processes correctly. Please take note to review further with us.
4. Make an action list. Include items you wish to implement immediately as well as a list you wish to use for future planning.

Interpreting your department analysis charts

Impact Rating (IR)

Based on a scale from 1 through 5.

One (1) indicating the lowest impact and five (5) being the greatest.

Impact referring to the overall importance this item has on the specific department.

Positive (+)

An item that is placed in this column has been evaluated to have a positive, or a good effect on the department and fitness center. It probably needs little or no change at this time and should be considered done or constructed properly. No changes are suggested at this time, but like anything else should not be ignored.

Neutral (o)

Indicates the item is not helping or hurting your operation. An item in this column should be looked at more closely for opportunities to improve and move over to the (+) column. Note suggestions as written in report.

Negative (-)

Any item landing in this column is a designated area for improvement for it is having a negative impact on your operation in some way or another. Pay close attention to text regarding suggestions for improvement in these areas.

Not applicable (NA)

This item is not applicable to your fitness center or to the work we are currently doing for you. Disregard at this time.

Comments and recommendations

This section will give you a brief note or two regarding the item. It will be a simple directive to help improve the situation, a comment on what was observed, or possibly a reference for further review into this area.

DEPARTMENTAL SUMMARY

Most Impact

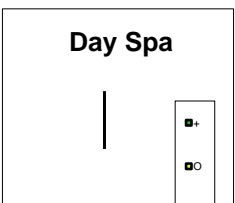
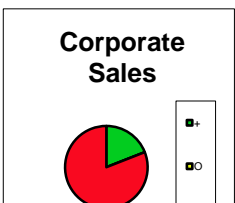
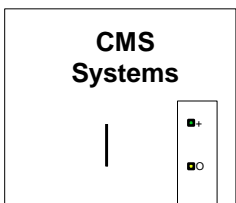
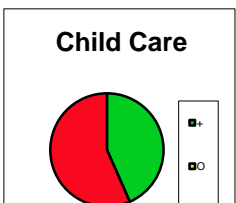
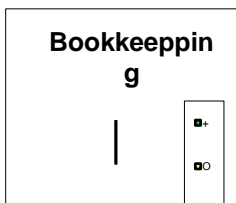
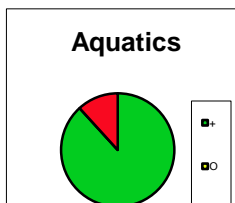
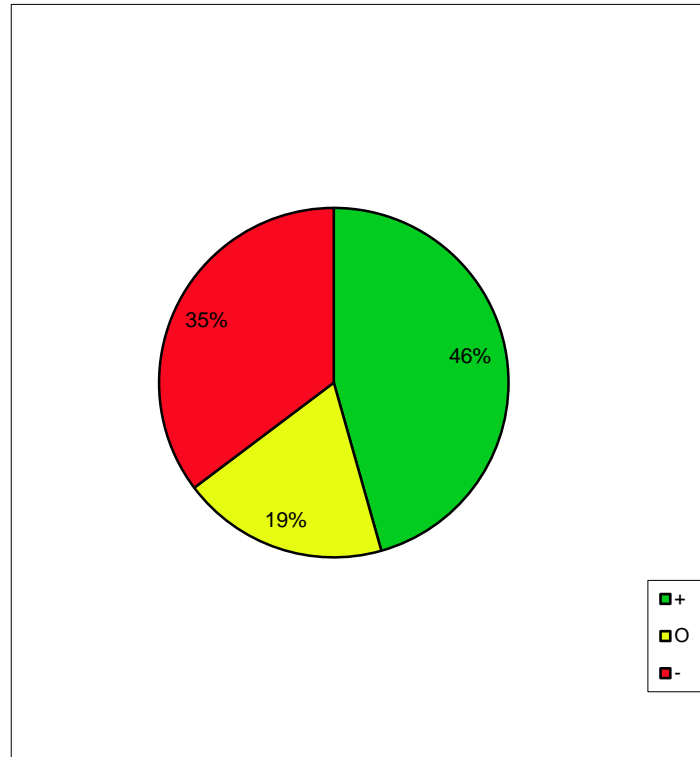
DEPARTMENT	IR	+	O	-	NA
Sales	5	46	17	120	
Marketing	5	10	94	48	
Retention/service	5	36	12	40	
Fitness center	5	30	11	29	
Management	5	29	3	9	
Personnel	5	54	8	8	
Front Desk	5	35	4	8	
Rate structure/collect.	5	17	9	0	
Bookkeeping/financial	5	0	0	0	
CMS System Usage	5	0	0	0	
Foundations	5	15	0	0	
Personal Training	4	19	5	30	
Child care	4	23	0	30	
Group Exercise classe	4	52	0	30	
Indoor Tennis	4	8	13	20	
Physical plant	4	35	0	10	
Operations	4	36	0	6	
Location analysis	4	24	5	5	
GEX Specialty Classes	4	0	0	0	
Corporate Sales	3	4	0	17	
Tennis	3	23	52	12	
Aquatics	3	60	0	8	
Day Spa	3	0	0	0	
Food & Beverage	3	0	0	0	
Future planning	3	0	0	0	
Programming	3	0	0	0	
Spa areas	3	0	0	0	
Pro shop	2	0	0	0	
TOTAL SCORES		556	233	430	
Percentage		46%	19%	35%	


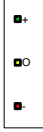

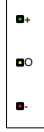



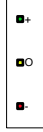

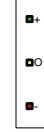



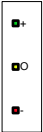

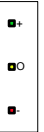

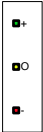

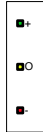



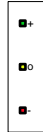



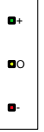

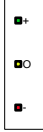

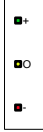

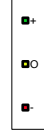

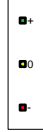

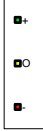

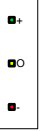

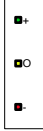

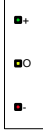
Most Negative Scores

DEPARTMENT	IR	+	O	-	NA
Sales	5	46	17	120	
Marketing	5	10	94	48	
Retention/service	5	36	12	40	
Personal Training	4	19	5	30	
Child care	4	23	0	30	
Group Exercise classe	4	52	0	30	
Fitness center	5	30	11	29	
Indoor Tennis	4	8	13	20	
Corporate Sales	3	4	0	17	
Tennis	3	23	52	12	
Physical plant	4	35	0	10	
Management	5	29	3	9	
Personnel	5	54	8	8	
Front Desk	5	35	4	8	
Aquatics	3	60	0	8	
Operations	4	36	0	6	
Location analysis	4	24	5	5	
Rate structure/collect.	5	17	9	0	
Bookkeeping/financial	5	0	0	0	
CMS System Usage	5	0	0	0	
Day Spa	3	0	0	0	
Food & Beverage	3	0	0	0	
Future planning	3	0	0	0	
GEX Specialty Classes	4	0	0	0	
Pro shop	2	0	0	0	
Programming	3	0	0	0	
Spa areas	3	0	0	0	
Foundations	5	15	0	0	
TOTAL SCORES		556	233	430	
Percentage		46%	19%	35%	

Most Positive Scores

DEPARTMENT	IR	+	O	-	NA
Aquatics	3	60	0	8	
Personnel	5	54	8	8	
Group Exercise classe	4	52	0	30	
Sales	5	46	17	120	
Retention/service	5	36	12	40	
Operations	4	36	0	6	
Front Desk	5	35	4	8	
Physical plant	4	35	0	10	
Fitness center	5	30	11	29	
Management	5	29	3	9	
Location analysis	4	24	5	5	
Tennis	3	23	52	12	
Child care	4	23	0	30	
Personal Training	4	19	5	30	
Rate structure/collect.	5	17	9	0	
Foundations	5	15	0	0	
Marketing	5	10	94	48	
Indoor Tennis	4	8	13	20	
Corporate Sales	3	4	0	17	
Bookkeeping/financial	5	0	0	0	
CMS Systems Usage	5	0	0	0	
Day Spa	4	0	0	0	
Food & Beverage	3	0	0	0	
Future planning	3	0	0	0	
GEX Specialty Classes	4	0	0	0	
Pro shop	2	0	0	0	
Programming	3	0	0	0	
Spa areas	3	0	0	0	
TOTAL SCORES		556	233	430	
Percentage		46%	19%	35%	



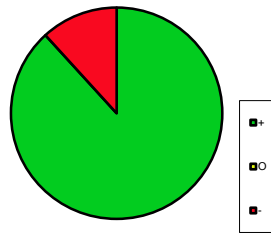
<p>Fitness Center</p>  	<p>Food & Beverage</p>  	<p>Foundations</p>  	<p>Front Desk</p>  	<p>Future Planning</p>  	<p>Group Exercise</p>  
<p>GEX Specialty</p>  	<p>Indoor Tennis</p>  	<p>Location</p>  	<p>Management</p>  	<p>Marketing</p>  	<p>Operations</p>  
<p>Personal Training</p>  	<p>Personnel</p>  	<p>Physical Plant</p>  	<p>Pro Shop</p>  	<p>Programming</p>  	<p>Rate Structure</p>  
<p>Retention</p>  	<p>Sales</p>  	<p>Spa Area</p>  	<p>Tennis</p>  		

AQUATICS ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Aquatics marketing	4			4		Website upgrades
Overall effectiveness	4			4		Pricing considerations
Cleanliness	5	5				
Facility mgmt.	5	5				
Safety procedures	5	5				
Security & controls	5	5				
Instructors	5	5				
Appearance	4	4				
Condition of pool(s)	4	4				
Size of pool(s)	4	4				
Traffic flow	4	4				
Personnel	4	4				
Aquatics mgmt.	4	4				
Equipment available	3	3				May consider new programs like Aqualogic
Adult programs	3	3				
Jr. programs	3	3				
Specialty services	2	2				See equipment
TOTAL SCORES	68	60	0	8		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Aquatics



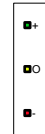
BOOKKEEPING & FINANCIAL SYSTEMS ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Membership charting	3					
Sales charts	3					
Traffic charts	3					
Cash charts	3					
Trend charting	3					
Business reports	5					
Computer system	4					
Cash controls	5					
Daily deposit system	5					
Daily cash sheet	4					
Alternative mgmt. syst.	4					
Departmental reports	5					
TOTAL SCORES	47	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Bookkeeping

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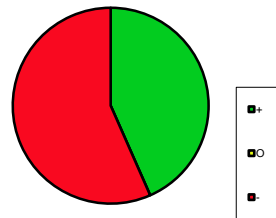


CHILD CARE ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Hours	5			5		You are open too many hours. Consider shortening hours and use summer hours as reason, Then consider in fall if it needs to be increased.
Overall effectiveness	5			5		
Capacity	4			4		With future membership increase may need expansion. Need to split the 2 rooms and use one room for 7 to 12 year olds
Equipment	4			4		Need to add equipment for 7 to 12 year olds.
Layout	3			3		see above
Services offered	3			3		see above
Space utilization	3			3		see above
Fee structure	3			3		Today's fitness member wants to pay one rate for the family package.
Cleanliness	5	5				
Personnel	5	5				
Security	5	5				
Appearance	4	4				
Administration	4	4				
TOTAL SCORES	53	23	0	30		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Child Care



CMS SYSTEMS CHECKLIST ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
M•Trac	5					
Tel•Trac	5					
Fit•Trac	5					
R•Trac	5					
Biz•Trac	5					
Kid•Trac	4					
Edu•Trac	4					
Travelpass	3					
Join Us	4					
7 Steps	4					
Club Pro	5					
2 Choice P/P	5					
3 Names	5					
Do a Friend a Favor	4					
Marketing System	5					
TOTAL SCORES	68	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

CMS Systems

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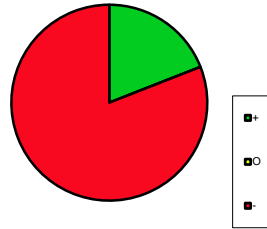


CORPORATE SALES ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Marketing	5			5		Great opportunity. Need to establish a Corporate program with set fees.
Prospecting	4			4		No systematic prospecting system.
Sales Process	5			4		No professional approach in place.
Structure	4			4		Formalize
Service Provided	4	4				You can offer services no one else in the market can offer.
TOTAL SCORES	22	4	0	17		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Corporate Sales



DAY SPA ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Personnel	5					Not reviewed as it is lease space. Appears to be working. Not of concern at this point.
Treatment Rooms Quality	4					
Marketing	4					
Variety of Services	4					
Feature Service	3					
Merchandising	3					
Product Line	4					
Pricing	4					
TOTAL SCORES	35	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Day Spa

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FITNESS CENTER ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Strength equipment	5			5		Needs to be reviewed as membership increases
Cardio equipment	5			5		Needs to be reviewed as membership increases. Check age/hours
Appearance	4	4		4		Appears as if the equipment was put in a hallway because you needed to fill the hall with something
Instructors	4			4		Need a major focus on Personal Training. This could be a major new revenue source.
Instructor training	4			4		Trainers need to use a professional sales presentation
Services offered	3			3		Needs updating with new programs that are in the fitness marketplace.
Traffic flow	2			2		see Appearance
Fitness appraisals	2			2		Needs to be reworked with professional sales approach.
Fitness ctr. mgmt.	5		5			
Fitness monitoring	3		3			Works for current program but needs updating.
Program standards	3		3			
Cleanliness	5	5				
Repairs	4	4				Saw no out of order signs
Entertainment System	4	4				
Communications	4	4				
Center supervision	4	4				Works for current program but needs updating
Size	3	3				Size is difficult to evaluate because the unusual nature of the layout.
Controls	2	2				
TOTAL SCORES	66	30	11	29		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Fitness Center

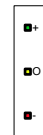
FOOD AND BEVERAGE ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Appearance	4					
Cleanliness	5					
Menu selection	4					
Pricing	4					
Repairs	4					
Capacity	3					
Service	4					
Food quality	4					
Traffic flow	3					
Suitability to club	5					
Overall effectiveness	5					
TOTAL SCORES	45	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Food & Beverage

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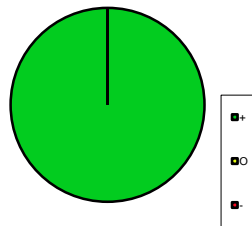


FOUNDATIONS ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Compelling Idea	5	5				All are in place and posted on website. Always be cautious that decisions you make are in line with each of these.
Mission Statement	5	5				
Values	5	5				
TOTAL SCORES	15	15	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Foundations

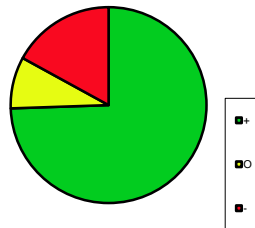


FRONT DESK ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Appearance	4			4		Check-in point needs to be moved to the front entrance. Desk is covered with towels being folded. Major distraction for desk staff.
Computer System	4			4		Heard comments about Rec trac. Can't see multiple screens etc.
Appointment Book	4		4			Did not see may be part of Rec Trac
Personnel	5	5				Friendly, good first impression.
Phone Handling	5	5				Have called the club many times, always treated professionally.
Uniforms	4	4				
Name Tags	3	4				
Communications	4	4				
Registration	4	4				
Cash Collection	4	4				
Personality	5	5				
TOTAL SCORES	46	35	4	8		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Front Desk



FUTURE PLANNING ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Strategic plan	4					
Building master plan	4					
Capital plan	4					
Price increase schedul	4					
TOTAL SCORES	16	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Future Planning

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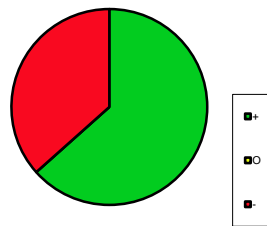


GROUP EXERCISE CLASS ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Instructors overall	5			5		Not attracting younger market. Great potential. Will require younger instructors, new marketing
Overall effectiveness	5			5		see instructors above
Facility appearance	4			4		Clean and functional but no WOW factor
Overall size	4			4		Works now will need adjustments with larger member base
Program variety	4			4		Programming needs to be geared for younger market
Internal marketing	4			4		Market to and through this group. Member referrals, program upsells, cross promotion,
Aerobics mgmt.	4			4		see instructors above
Cleanliness	5	5				
Sound system	5	5				
Scheduling	5	5				
Overall communication	5	5				
Repairs	4	4				saw no out of order signs
Flooring	4	4				
Certifications	4	4				
IS training programs	4	4				
Pay schedule	4	4				
Traffic flow	3	3				
Equipment available	3	3				
Special events	3	3				
Ongoing education	3	3				
TOTAL SCORES	82	52	0	30		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Group Exercise



GROUP EXERCISE SPECIALTY CLASS ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
BTS System	5					
Pilates	5					
Yoga	5					
Indoor Biking	5					
Boot Camp	5					
Martial Fitness	5					
TOTAL SCORES	30	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

GEX Specialty

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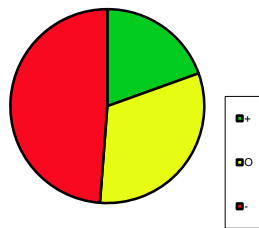
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INDOOR TENNIS ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Usage Rate	5			5		As in all court sports major down times.
Number of Players	4			4		For the number of courts need more tennis members if the plan is to keep tennis.
Marketing	4			4		Done as part of the overall club.
Sales	4			4		In order to build the tennis base a concentrated sales effort needs to be in place
Number of Courts	3			3		Recreational tennis only, not enough courts to run full program.
Usage Mix	4		4			
Programming	3		3			
Lessons	3		3			
Administration	3		3			
Appearance	4	4				Courts in good condition.
Facilities	4	4				Nice social area
TOTAL SCORES	41	8	13	20		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Indoor Tennis

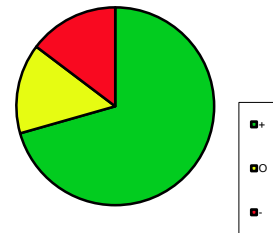


LOCATION ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Critical mass pop. base	5			5		Limited population in critical 8 minute drive time zone
Market dilution + comp.	5		5			Based on your market niche, it would appear the market is still open
Accessibility	5	5				Easy access
Visibility	4	4				Visibilty is good but the fitness pictures on the building need to be changed to better reflect the club. Also some are not clear what they are. We are working on options.
Future growth	4	4				Space is king. You have plenty of space to expand the offerings as maximum capacity is reached
Usable media availability	4	4				To be covered in the marketing section
Expansion ability	4	4				
Geographic barriers	3	3				You are somewhat limited by the resident vs. Non resident policy, but this price difference must be maintained
TOTAL SCORES	34	24	5	5		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Location

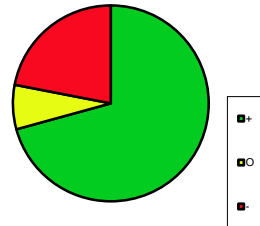


MANAGEMENT ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Commun. w/members	5			5		Need more one on one
Knowledge of industry	4			4		Staff has a basic knowledge of the industry. Your weakness is in sales and fitness marketing.
Related bus. experience	3		3			
Control of operation	5	5				
Overall effectiveness	5	5				
Application of knowledge	5	5				Need to expand knowledge base
Leadership	5	5				excellent
Ability to do job	5	5				Staff is able and ready
Daily mgrs. report	4	4				Need better sales reporting
Commun. w/owners	4				4	
Commun. w/staff	5				5	
TOTAL SCORES	50	29	3	9		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Management



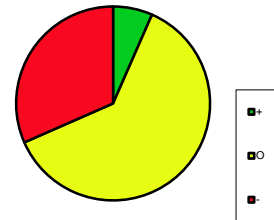
MARKETING ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Campaign Structure	5			5		No structured campaigns with all of the marketing elements
Yearly Marketing Plan	5			5		Needs to be developed using the internal, external, CAP sequencing program.
Campaign Sequencing	5			5		Not tied to marketing plan
Positioning	5			5		Need to decide who you are. Family friendly, Adult Only, General Fitness vs Hard Core
Signage use	5			5		Sign on building not readable
External Marketing	4			4		Needs to be directed to the fitness market
Internal Marketing	4			4		Needs to be developed for each marketing campaign
Cap/closeouts	4			4		Have not been done in the past
Open House Procedures	4			4		None
Open House Planning	4			4		None
Direct mail use	3			3		Have used very limited success. Without CRM system hard to track effectiveness
Print Usage	5		5			
Elect. Media Suitability	5		5			To be determined
Elect. Media Usage	5		5			
Facility Mix	5		5			
Budget	5		5			If club takes a different direction with fitness will need increased budget
Price Point	5		5			Just had price change. Monitor price objections. Use smaller, regular price changes
Media use	5		5			Moving toward social media
Print Suitability	5		5			
Promo Pcs. Suitability	4		4			Expand use in future
Promo Pcs. Graphics	4		4			
Promo Pcs. Correct elements	4		4			
Promo Pcs. Usage	4		4			
Print Ads	4		4			
Print Graphics	4		4			
Digital Media Graphics	4		4			
Digital Media Correct elements	4		4			Can be expanded
Use of Club Video or CD	3		3			see above
Print use	3		3			
TV use	3		3			
Radio use	3		3			
Press releases use	2		2			

Stories use	2		2			
Billboards use	3		2			
Sponsorships use	2		2			
Special Promotions	4		2			
Print Elements	4	4				You have created a new member package that is excellent.
Door hangers use	3	3				Have used with some success
Flyer handouts use	3	3				Have used with limited success
TOTAL SCORE	155	10	94	48		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

MARKETING NOTES AND APPLICATIONS

Marketing

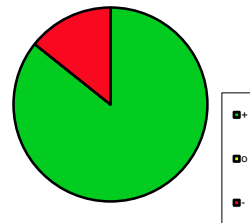


OPERATIONAL ANALYSIS

ITEM	IR	+	o	-	NA	Comments & Recommendations
Traffic control	3			3		Multiple entry points
Reception area	3			3		Need a better 1st impression. Clean and functional but no WOW factor
Compelling statement	5	5				
Mission statement	5	5				
Cash controls	5	5				
1 yr. business plan	4	4				
Membership agreement	4	4				
SOP	3	3				
Rules & Regulations	3	3				
Club hours	3	3				
Organizational chart	2	2				
Reservation system	2	2				
TOTAL SCORES	42	36	0	6		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Operations

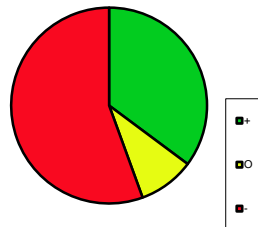


PERSONAL TRAINING ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Personnel	5			5		Need someone sales focused.
Marketing	5			5		Not in place
Pricing	5			5		Start to convert to more small group.
Initial Package	4			4		Need to establish strong Jump Start program.
Sales Process	4			4		Need a professional presentation.
Hiring	4			4		Will need more trainers. Was told top trainer is booked out.
Training	3			3		Good for basic PT program but needs upgrading.
Separate Center	3		3			Consider court conversion
Specialty Programs	2		2			Need to look at the latest and greatest. This will attract the younger market.
Compensation System	5	5				
Packaging	5	5				
Collection System	4	4				
Equipment	3	3				
Policies	2	2				
TOTAL SCORES	54	19	5	30		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Personal Training

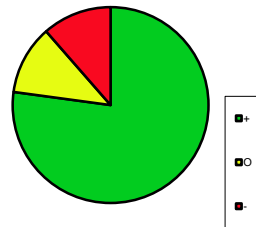


PERSONNEL ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Training procedures	4			4		Weak on sales training.
Professional Devlpmnt	4			4		Need exposure to the latest and greatest in the fitness industry.
Employee resources	3		3			
Employee incentives	3		3			
Flow charts	2		2			
Overall payroll level	5	5				
Staff communications	5	5				
Employee recognition	5	5				
Common goals	5	5				Working as a team.
Scheduling efficiency	4	4				
Hiring procedures	4	4				
Firing procedures	4	4				
Employee identification	3	3				Excellent ,all employees in uniform.
Employee handbook	3	3				
Job descriptions	3	3				
Time mgmt. program	3	3				Tight control.
Staff meetings	3	3				
Career Path	3	3				
Schedule change syste	2	2				
Staff evaluations	2	2				
TOTAL SCORES	70	54	8	8		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Personnel

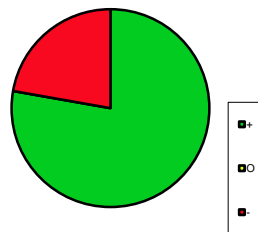


PHYSICAL PLANT ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Overall repair condition	4			4		Saw no out of order signs but air out in tennis courts.
Cleaning schedule	3			3		With one night cleaner struggle to keep up with size of facility. Recommend staff do zone cleaning during the day.
Traffic flow	3			3		Front desk check-in needs to be moved.
Overall cleanliness	5	5				
Overall effectiveness	4	4				well maintained and clean
Facility mgmt	4	4				
Daily facility check	4	4				
General services	3	3				
Preventive maint.	3	3				annual schedules
Overall appearance	3	3				
Overall variety	3	3				
Future plans	3	3				The major point of discussion.
Overall size	3	3				
TOTAL SCORES	45	35	0	10		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Physical Plant



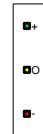
PRO SHOP ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Appearance	4					
Efficiency	4					
Inventory selection	4					
Pricing	3					
Displays	3					
Merchandising	4					
Service	3					
Space & size	3					
Inventory level	3					
Overall effectiveness	4					
TOTAL SCORES	35	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Pro Shop

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PROGRAMMING ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Planning	5					
Communications	5					
Scheduling	4					
Variety	4					
Suitability	5					
Profitability	4					
Leagues	3					
Lessons	3					
Social	3					
Overall effectiveness	4					
Grand totals	40	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Programming

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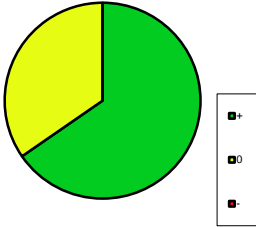


RATE STRUCTURE & COLLECTIONS ANALYSIS

	IR	+	0	-	NA	Comments & Recommendations
Receivables mgmt.	4		4			
Membership typing	3		3			
Freeze policy	2		2			
Pricing	5	5				
Rate structure	4	4				Recently changed. Needs to be looked at if facility changes are made.
Collection system	4	4				
Guest policy	2	2				
Guest fees	2	2				
TOTAL SCORES	26	17	9	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Rate Structure



RETENTION AND SERVICE ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Market position	5			5		Not recognized as a fitness leader for the younger market.
Overall ambiance	4			4		Very clean and well maintained but somewhat boring in color scheme. Needs fresh new look.
New member assimilat'n	4			4		Need Jump Start system in place with strong Personal Training offer.
Reception area overall	4			4		Move closer to door. Needs some color
Hours of operation	4			4		May need to look day care hours and weekend hours.
Surveys	4			4		Some decisions made with little input.
Bulletin boards	3			3		Most blank.
Sign in procedures	3			3		Many points of entry. Need centralized point of check in.
Activities & programs	3			3		No focus on younger members.
Fitness services	3			3		See Jump Start.
Teaching programs	3			3		See Jump Start.
Rate structure	4		4			
Newsletter	3		3			By PD, better utilization
League Programs	3		3			
Suggestion box	2		2			
Payment system	5	5				
Contract & renewals	5	5				
Cleanliness & repairs	5	5				
Overall effectiveness	5	5				
Internal communications	4	4				
Handling problems	4	4				
Equipment	4	4				
Resignation reports	4	4				
TOTAL SCORES	88	36	12	40		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Retention



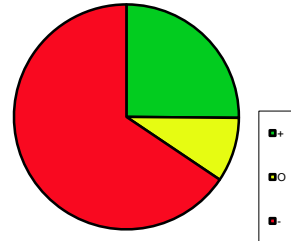
SALES ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Use of Tel•Trac System	5			5		Need a system in place CRM.
Price presentation	5			5		Pre printed
Telephone Handling	5			5		see above
Mail-ins Handling	1			5		no system in place
Prospecting system	5			5		no system in place
Prospecting Card format	5			5		no system in place
Prospecting Follow-up phone	5			5		no system in place
Referral System	5			5		occasional offers
New member Referrals	5			5		occasional offers
Point of Sale Referrals	5			5		limited
Sales Presentation	5			5		Need professional presentation
Club tour	5			5		see above
Price presentation	5			5		Need training
Sales staff training	4			4		
Support staff training	4			4		
Tracking procedures	4			4		Need CRM System.
Staff resources	4			4		None
Referral flyers	4			4		None
Prospecting Administration	4			4		no system in place
Renewals	4			4		none
Record Keeping	4			4		no CRM
Daily work log	4			4		no system
Club story Presentation	4			4		see above
Closing process	4			4		
Incentive programs	3			3		not in place
Prospecting Follow-up mail	3			3		no system in place
Qual. cold calls	3			3		none
Club Newsletter	2			2		Not utilized enough
Active members	5		5			
Sales reports	4		4			Rec Trac
Misc. paperwork	3		3			
Invitational Mlgs.	3		3			
Video	2		2			
Sales personnel	5	5				Staff is awesome but need a serious professional training program and a CRM system.
EFT/Billing forms	5	5				
Handling Inquiries Overall	5	5				Called in, did good job.
Walk-ins Handling	5	5				Front desk
Guest Processing	5	5				Transfer to sales dept
Compensation	4	4				Need improved incentive program
Application	4	4				Approved by the state?
Program info.	3	3				
Past member Promotions	3	3				Done with limited success.
Resignations	3	3				Handled by sales
Closing environment	2	2				Excellent space.
Brochure	2	2				New member package being created. Excellent

TOTAL SCORES	179	46	17	120		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

SALES NOTES AND APPLICATIONS

Sales



SPA AREA ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Appearance	4					Lease space
Cleanliness	5					
Repairs	4					
Size	3					
Facilities offered	3					
Services offered	2					
Traffic flow	3					
General effectiveness	4					
TOTAL SCORES	28	0	0	0		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Spa Area

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TENNIS ANALYSIS

ITEM	IR	+	O	-	NA	Comments & Recommendations
Membership marketing	5			5		done as part of the PD
Program marketing	4			4		
Perm. court time	3			3		none
Overall tennis mgmt.	5		5			outside company
Communications	5		5			
Follow-up	5		5			
Overall effectiveness	5		5			
Usage fees	4		4			new price change
Teaching programs	4		4			
Participant programs	4		4			
Equipment	4		4			Rec program only
Instructors	4		4			
Rating program	4		4			
Junior programs	4		4			
Overall services	4		4			
Cleanliness	5	5				Well maintained and clean
Appearance	4	4				
Quantity of courts	4	4				
Condition of courts	4	4				
Traffic flow	3	3				
Controls	3	3				
TOTAL SCORES	87	23	52	12		
Goal 1						Check Date:
Goal 2						Check Date:
Goal 3						Check Date:

NOTES AND APPLICATIONS

Tennis

