



5 REASONS WHY YOUR FITNESS BUSINESS IS NOT GROWING AND HOW TO FIX IT FAST!



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I INTRODUCTION

I love the fitness industry, the enthusiastic fit and hardworking people we work alongside and I'm proud to be part of an industry that genuinely helps people to live happier and healthier lives.

.....but what really disappoints me and what may shock you, is how few gym owners EVER get to a point where they are making a strong income, let alone creating a great lifestyle for themselves and their families.

I THE UGLY TRUTH

At the 2016 IDEA World Fitness Conference in Los Angeles, I learnt that despite investing hundreds of thousands of dollars into setting up a gym facility and then working 60-80 hours every single week, over 80% of gym owners are still earning less than \$100k per year and in many cases were earning less than they were as a Personal Trainer.

So last year after interviewing over 50 Australian gym owners, I decided to travel around the US and Canada on a 3-month gym tour to analyse what sets the best businesses apart from the rest.

What I've found was some very interesting and extremely valuable patterns, that I then systemised, making it easy for gym owners to follow, many of which I hope to share with you in this NEW report called, **'5 Reasons Why your Fitness Business is Not Growing and How to Fix it Fast.'**



I am 100% confident this NEW model will not only help you double your gym profits, but also double your time off.

But first let me tell you a little bit about myself.

My name is **Steve Grant**, and I am the **Founder of Gym Hub**, Australia's first 'High Performance' Network and Mentoring program for fitness entrepreneurs.

But let's go back a bit...

In 2007 I completed my certificate 4 in Personal Training, whilst completing a 4-year Physical Education Teaching degree at Wollongong University and playing Rugby League for the Cronulla Sharks.

I later travelled to the south of France for rugby league and for 3 years lectured PE teachers and sports business at the Australian College of Physical Education.

In 2015 I sold one of Sydney's most profitable gyms, which turned over more than \$1 Million in Personal Training revenue each year and with systems I developed, that only required 12-15 hours of my input each week.

In the eight years that I ran my gym, I saw almost every single aspect of running a successful gym go through a transformation.

Changes included:



The way we communicated with future clients using digital marketing and social media.



The way we listened to consumers and provided solutions to meet their needs.



The way we recruited star performers and developed them into leaders.



The way we created loyal member tribes and engaged in the local community to give back.



The way we systemised our business and gained leverage to tackle new ventures.



The way we prepared our gyms for sale to attract the best possible price tag.

In this free report I will guide you through what the world's BEST Gym owners and business entrepreneurs focus on to thrive in a competitive market place and what's required to transform your gym into a million-dollar cash cow.

1. YOU ARE TOO BUSY ON THE TOOLS



“The function of leadership is to produce more leaders, not more followers. – Ralph Nader”

For anyone that has read the E-myth by Michael Gerber, you will remember how he describes the difference between the ‘Technician’ and the ‘Entrepreneur’.

It describes how successful group trainers or personal trainers decide to open their own businesses only to get trapped doing all the same roles and never learning or developing the skills required to run a successful business.

Pareto’s 80/20 law states that 80% of your output results from 20% of your input, which serves as a great motivator for gym owners to stop being BUSY and instead start to identify what are the 20% of tasks that are proven to produce the best growth for a business. Tasks like planning, recruitment, staff development and marketing.

Despite feeling run down, overworked and frustrated with the lack of growth in your business, the beauty of coming to this realization is, that when you let go of all the trivial ‘day-to-day’ tasks, you find the time you always wanted to focus on quality control, developing leaders and business systems to replicate your level of service and no longer doing it all on your own.

HOW TO FIX IT FAST!





STEP 1: RECRUITMENT

In order for your recruitment process to be effective, you need to share your vision, mission and core values within your job advertisement, to help attract the right candidates.

Then when you get to the interview phase, make sure you test the applicant with questions relating to your vision, mission and core values, to make sure they are a good fit for your team.

STEP 2: INDUCTION

The induction phase is a very important part of the journey to indoctrinate and get your new staff members off on the right track. It is a time where you:

-  **Explain why you do things the way you do**
-  **Why you are so passionate about the journey**
-  **What your values mean to both the staff and the company**
-  **What success looks like**

Make sure to go into real depth with your staff inductions to ensure each person knows what their roles is, how it contributes to the overall business and who they need to report to. This will save you a lot of time down the track.

STEP 3: PERFORMANCE MANAGEMENT

Performance management is where you set KPI's for staff as well and processes to keep them accountability to them. After all, it is your job as a boss (or manager) to tell people (lovingly) if they are on track or not.

Having systems in place for performance management is great for your staff as it tells them exactly what they need to do if they want to progress in your business to get a pay rise and take on more responsibility.

STEP 4: LEADERSHIP

The best leaders create more leaders. The more people you have in your team, who know what needs to be done and can be trusted to get it done, the easier your role gets.

Furthermore, as a leader it's important to go to your team each week and recognise those people who are doing a good job of demonstrating your core values, so others are motivated to replicate them.

STEP 5: SIMPLIFY YOUR BUSINESS MODEL

Look at your sales funnel, your service offering and every other step in your business and look for ways to streamline things. Remember that the most successful business models are the simple ones.

STEP 6: CREATE SYSTEMS AND PROCESSES FOR STAFF TO FOLLOW

Most day-to-day roles don't require the boss to do them, so it's best to create a system around them and delegate other people to complete them. How? Write down a 'step by step' list of what to do, teach quality people how to do it, provide training and support and finally, do a quality control check weekly.

STEP 7: OUTSOURCE AND FOCUS ON YOUR GENIUS

I use the '**\$10,000 an hour activity**' to show gym owners how many of their 'day to day' roles are worth as little as \$10 or \$100 an hour, when instead they need to focus their energy on tasks valued at \$1000 or \$10,000 an hour.

Here's how it works



Write down every single job you do.



Classify them into being worth \$10, \$100, \$1000 or \$10,000 per hour.



Circle all the jobs that are NOT worth the hourly rate you wish to earn and then delegate the rest. This way, you can focus more energy and more time on the high value tasks that contribute the most profit and growth to your business. I bet you are surprised how many \$10 an hour jobs you are currently doing!

For example, I know that my strengths lie in public speaking and mentoring gym owners, so I discipline myself to only work on those tasks. I outsource tasks such as admin, accounting, document creation, SEO, graphic design and website editing to a Virtual Assistant for about \$13 an hour

I create the content and the ideas and they help me implement them quickly and at a high standard. I also outsource locally for cleaning, accounting and things like computer support.

2. NO BUSINESS PLAN OR PROPER CLARITY ON WHAT TO PRIORITISE



HOW TO FIX IT FAST!

HAVE A CLEAR VISION AND MAKE SURE EVERYONE IS ALIGNED

If you don't know what your strength is and what your plan is, there is no way possible that your staff will know. You need to get everyone moving in the same direction and inspired to work as a team. You provide the ideas, direction and passion and your team implement it. We want to make sure that we can clearly articulate where we are heading. For Example, "Where we are going to be in June this year and December this year as well as who's role it is to complete each task?" Once we provide the framework it's then good to involve the team by asking ask for their input around "What do you think we can do to get there?"

SHARE THE OUTCOME AND THE TIMEFRAME YOU WANT

Most business owners are too vague and set goals like "let's become number one in weight loss". To effectively measure progress and success in business you need to be more specific using a measurable outcome and timeframe, like getting '100 people registered for your weight loss challenge by 30th September' or 'to increase your fortnightly billing by \$5000 before Christmas Day' or 'to increase net membership numbers by 500 by the 30th June'.

PROVIDE ADEQUATE TRAINING AND SUPPORT

If your team isn't performing the way you want them to, one, it's because we haven't recruited the right people for the role, or two, it's because we haven't provided the adequate level of training and support they need to be successful. So if for example, they were not good at doing 'sales outreach' in the community on their first day, but they are outgoing and motivated, then maybe try going with them to do outreach the following week to demonstrate. Show them where to go, what to say and how to follow up leads on the phone. Remember: Not all skills are taught in their fitness certification or at University, so we can't complain if they are doing a bad job, because they simply may not know!

PLANNING AND THE DAILY RITUALS



Every day, start by revisiting your 90-day plan and choose no more than 3 tasks to complete that day. Then knock these tasks over before lunch and before you look at anything else



Restrict checking your emails and calls to just twice per day for efficiency.



Packing your lunch will save you 1 hour each day, when you might normally be walking somewhere for lunch and coffees and waiting in line.



Make yourself unavailable sometimes – when you close your door and give 100% focus to 1 task until complete, you can produce twice the output.

3. YOUR MARKETING IS BORING AND PREDICTABLE



The biggest problem in the fitness industry is not that we have 5 times more competitors than we did in the year 2000, but that every gym is starting to look the same.

95% of gyms I see are marketing the same boring way, offering the same boring offer of “No joining fee” and/or “One week free”.

Many of us are also guilty of marketing like its 1999, relying only upon ‘old school’ methods like ‘letter box flyers’ and ‘lead boxes’, instead of leveraging highly targeted options like social media, leads pages and growing a big following using content rich weekly blog posts.

Here are some of the most common ways that people waste money on marketing, and how to turn it around.

USING SOCIAL MEDIA TO BUILD A FOLLOWING

Social media is great, but too many small businesses jump in with no strategy, other than to “build a following.”

Back in the day when Facebook’s reach was high, you could get away with it, but thanks to Facebook’s constantly changing algorithm, as little as 4% of your followers will ever see your daily posts and content in their News Feed. Furthermore, it’s easy to waste money on paid posts! If you don’t target your audience correctly, you end up paying for clicks from people who live in another state or are not interested in fitness.

Always keep in mind that there is a difference between building an audience and building a quality audience. Make sure your content is relevant to what you want to say and what you want to sell.

Posting photos of yourself half-dressed holding Skinny Bunny Tea, is probably not going to get people to engage with your business, unless you are selling products to a certain male demographic or a bikini body guide that condones these types of products.

I recommend using your current social media accounts to build your own list and start communicating regularly via email. Write quality tips and content that your followers will value and watch your engagement rate increase every week.

EXPECTING TOO MUCH TOO EARLY AND GIVING UP

You all know the doom and gloom statistics sat that “80% of all Australian small businesses will close, sell or change hands within the first 5 years”, so let’s drop the ego and cut the unrealistic expectations.

Yes, we all want to see growth and measurable results within the first few months, but if it doesn’t happen that fast, roll your sleeves up and don’t give up. Plan for a 18-month ‘build-up’ period, find a mentor with proven results and learn to market like a BOSS!

NOT FINDING THEIR TARGET MARKET

If you don’t understand your customers, you might as well flush your marketing budget down the toilet.

Study the hearts, minds and behaviours of your audience. Do this before you define your strategy, before you buy advertising and before you create content. Figure out what to say to them, how to say it, and where to say it. The whole point of your marketing is to reach your audience. You have to KNOW who they are.

Tip: Call your Best Members and survey them so you can start to attract more people just like them. Find out why they train with you, how they heard about you, what they read, what they do in their spare time, where they go on holidays etc. The top 20% of your customers often account for more than half your revenue.

ATTEMPTING THE ‘HAIL MARY PASS

The ‘hail Mary pass’ is a sporting term that describes when an NFL quarter back has made little progress down field and in desperation attempts one long risky pass downfield, to go for glory. This technique works ‘sometimes’ for the very best players in the game, but in most cases it results in an intercept or a mini disaster for the team, where they quickly become worse off and suffer on the scoreboard.

Many gyms make the mistake of being uneducated and unorganised with marketing and once a year blow the majority of their marketing budget outsourcing to an expensive marketing company they found online. I dub this the “The Hail Mary” gym marketing technique, because it can take 6-12 months in new membership fees to recover your initial investment, plus you don’t learn anything and become dependent on other people every time you want more members.

You are your business’s NFL quarter back and you are responsible for the strategy used. Instead of losing your composure and leaving everything to the last minute, the best method is to have a structured 12-month marketing game plan that utilizes many strategies and constantly look for opportunities to attract new members throughout the year. Start with low cost marketing like Emails, Referral Campaigns and Facebook. REMEMBER: If you can’t get a strategy to work spending \$500, it’s not going to work spending \$5,000.

STEVE JOBS

CREATE INSANELY GREAT EXPERIENCES

Steve Jobs made the Apple stores the gold standard in customer service. The Apple store has become the world’s best retailer by introducing simple innovations any business can adopt to create deeper, more emotional connections with their customers. For example, there are no cashiers in an Apple store. There are experts, consultants, even geniuses, but no cashiers. Why? Because Apple is not in the business of moving boxes; they are in the business of enriching lives. Big difference.

SELL DREAMS, NOT PRODUCTS

To Steve Jobs, people who buy Apple products are not “consumers.” They are people with hopes, dreams and ambitions. He builds products to help people achieve their dreams. He once said, “some people think you’ve got to be crazy to buy a Mac, but in that craziness we see genius.” How do you see your customers? Help them unleash their inner genius and you’ll win over their hearts and minds.

RICHARD BRANSON

PAY TO KEEP YOUR BUSINESS KNOWN

You can do this with a killer marketing and PR campaign, a digital or social strategy or an Ad campaign.

MAKE SURE THAT YOUR ADS ARE MEMORABLE

Who can forget Virgin's famous 'We have Nothing To Hide' campaign? There is so much advertising out there, that unless you make yours memorable, you risk getting lost in the clutter. Learn how to write good ads and get creative. You don't have to be rude or controversial, just make sure that you stand out from the crowd and tell your story.

A GOOD PRESS RELEASE IS BETTER THAN A FULL PAGE AD

It's better for other people to be talking about you, than for you to always be talking about you.

Having a great story to tell the media is a great way to get featured editorially. This means in an article that has been written by someone else, or even in a guest post written by you.

Being able to share a story, tips or advice allows you to showcase your expertise to your audience, which is far more powerful and respected than a paid placement.

JIM FERRISS

ON THE BLUE OCEAN THEORY

"The fishing is best where the fewest go and the collective insecurity of the world makes it easy for people to hit home runs while everyone is aiming for base hits."

GARY VAYNERCHUCK

ON CONNECTING WITH YOUR TRIBE

"I attract a crowd, not because I'm an extrovert or I'm over the top or I'm oozing with charisma. It's because I care."

4. YOU STRUGGLE TO ATTRACT AND RETAIN GOOD STAFF



"One can get anything, if he is willing to help enough others get what they want." – Zig Ziglar

The No.1 limiting factor stopping Australian gyms owners profiting hundreds of thousands of dollars from each gym they have, every single year is
drum roll.....

.....Staffing!

We all know what it's like to have bad staff, to have staff quit on short notice, to have staff take members, to have them damage your reputation.....
but we also know how it FEELS to see all your hard work marketing and delivering great service, go down the drain.

Interestingly though, when I dig down deeper into WHY some gyms are barely breaking even, it's not that there are no good people available to hire, instead, it's that good people don't want to work for them.

It's not that fitness staff are not enthusiastic or willing to work hard, instead... it's that all staff will eventually start to perform badly, if they are not given strong leadership and adequate training.

HOW TO FIX IT FAST!

THE BULLET PROOF STAFFING MODEL

This is part of my Seven-Step Bullet Proof Staffing Model, and if you miss one of these steps, it will hurt you. You will know when you have skipped a step because there will be a point when you've got no staff and you will have to jump back on the tools to take 30 hours of Personal Training or take six Spin Classes next week.

SELECT THE RIGHT INDIVIDUALS FOR THE ROLE

Don't employ me to do your book-keeping, that's not my strength. I hate when I see gyms doing outreach or group classes and they decide to send the quiet kid that wouldn't say hello to a girl he likes on the bus.

Why set them up for failure? If staff are really confident, chatty and outgoing, you might put them in a sales role or building up a group class, but remember it's our job as the business owner to distinguish who should do what.

CHECK AND MEASURE

When delegating roles, clearly outline who needs to do what, by when and don't forget to check that's it's actually getting done.

PROVIDE FEEDBACK AND REWARD PERFORMANCE

If you watch a show at Sea World and the dolphin jumps up out of the water and does the right job, what does the trainer do? She gives the dolphin a fish right?

Why? Because if dolphins like fish and they get fish when they do a good job, then they are very likely to perform that same task again and again when needed. The same 'positive feedback'

response loop can apply to your staff if you provide recognition in a weekly team meeting, write a quick SMS to say thank you or acknowledge something they did with a hand written card or cup of coffee.

ALWAYS BE RECRUITING YOUR NEXT 5 STARS

This is super important, and the one that is usually missing.

You know your business revolves around having good staff, so if you are not constantly recruiting and developing people, you're an idiot. Recruitment is most definitely in the top 20% of skills to focus on, that will produce 80% of your results.

JIM COLLINS

Jim Collins is a business consultant and the author of the best-selling book "Good to great". Here are some of his best ideas on recruitment.



Focus on core values and character traits over education



Staff either stay on the bus for the ride or get off quick



Before you deem someone unsuitable for the bus, first check to see if they are simply just sitting in the wrong seat

INCENTIVES

The purpose of an incentive scheme is not to get the right behaviour from the wrong people, but instead to get the right people on the bus and keep them there.

The right people will do the right things and deliver the best results that they are capable of regardless of the incentive scheme. Their moral code requires building excellence for its own sake, not for the incentive.

GET THE RIGHT PEOPLE ON THE BUS

The ultimate throttle on growth for any great company is not markets or technology, competition or products, it's the ability to get and keep the best people

"The right people don't need to be tightly managed or fired up! They will be self-motivated by inner drive to produce the best results and be part of creating something great."

Great vision without great people is irrelevant so with that in mind, hire outstanding people wherever and whenever you find them, even if you don't have a specific job for them.

"I don't always know where we should take the company, but I do know that if I start with right people, ask them the right questions and engage them in vigorous debate, we will find a way to make this company great."

No one can predict the change ahead, but the best team will handle change the best. Cut the dead wood. Like a professional sports team, only the best players should make the annual cut, regardless of position or tenure. If a better manager arrives tomorrow, put him/her in charge.



RULE 1: When in doubt don't hire. Keep looking



RULE 2: When you know you need to make a people change, act fast.



RULE 3: Put your best people on your biggest opportunities, not your biggest problem



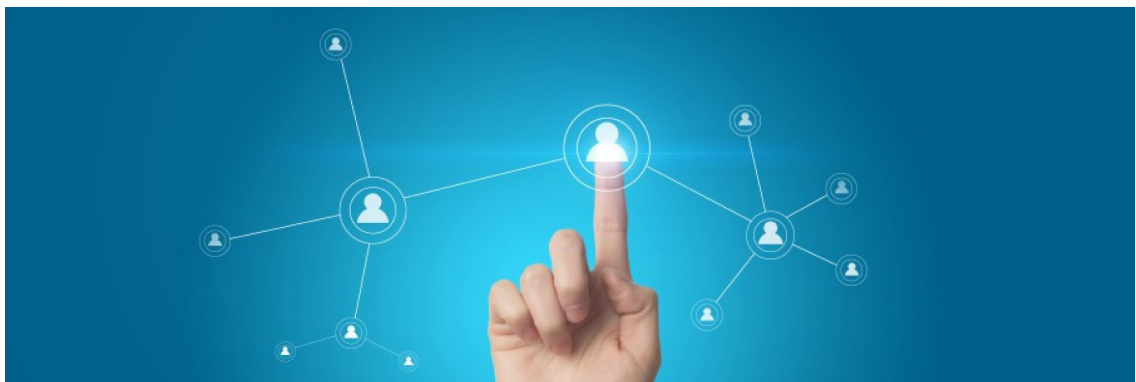
RULE 4: Remove the cancer. If someone is causing an unpleasant environment for the rest of the team, dismiss them now, before it gets any worse.

There are two very different business models and ways of operation.

The first one being having a genius at the helm and a thousand helpers, where you risk it all falling apart without the genius.

The second one is having a team of highly capable leaders with each given freedom to run their project and use their team. If this is the model that you are going for, allow them to take ownership and use their real skills. It makes for interesting debates and innovative ideas rather than having more people just blindly following the leader.

5. YOU DON'T NETWORK WITH PEOPLE WHO GROW YOU



“Don’t make friends who are comfortable to be with. Make friends who will force you to lever yourself up.”

– Thomas J. Watson

One of the biggest killers of business growth in the fitness industry is the attitude of “I know that” and a failure to evolve. Things are changing faster than any other time in history, so we see examples of strong and famous brands like Kodak and Blockbuster, who after being market leaders for years, failed to see the big picture and adapt, so eventually both went bankrupt.

HOW TO FIX IT FAST!

KICK START YOUR BRAIN BY GETTING OUTSIDE YOUR INDUSTRY

Steve Jobs believes that a broad set of experiences expands our understanding of the human experience and leads to breakthroughs that others may have missed.

Broadening your experience also means seeking inspiration from other industries. At various times, Jobs has found inspiration in a phone book, Zen meditation, visiting India, the fine details of a Mercedes-Benz, a food processor at Macy's, or The Four Seasons hotel chain. Jobs doesn't "steal" ideas as much as he uses ideas from other industries to inspire his own creativity.

JOIN A NETWORK OF GYM OWNERS

Join the 'Gym Owners Network' on Facebook, take part on linked in, read forums, attend events and stay plugged in to industry news through fitness Australia and Network.

I run a quarterly Mastermind group for some of Australia's most successful gym owners, bringing together different gym models and 100's of years of industry experience, so we can share resources, ideas and challenge each other to continually innovate and lead the industry. Check out www.gymhub.com.au for more details.

| ABOUT STEVE GRANT

Steve Grant is an expert in business coaching for gym owners with 18 years of fitness industry experience including 4 years as a Health and Wellness Lecturer at ACPE and 8 years as the owner of one of Sydney's most profitable fitness studios.

Steve is first Fitness Business Mentor to deliver innovative Gym Marketing Ideas from around the world, that add an extra \$100k profit to any fitness business. Gym Hub provides a buyers group to help gym owners reduce expenses, as well access to proven systems for staff recruitment and development, teaching members to become highly leveraged and work as little as 12 hours per week.

| WHAT IS GYM HUB?

Gym Hub is the first 'High Performance' Network and Mentoring program for Gym Owners across Australia and New Zealand. Membership is application only and members are from 'non competing' fitness businesses.

Gym Hub Members gather three times each year for a 2-day Mastermind intensives, to share valuable market insights and to uncover the most cutting edge business tools and techniques from around the world.

They leverage their time by accessing an online Resource Hub's with 100's of swipe files, as well have having access to a Virtual Assistant and Live Online Training for their staff.

Members cut expenses on equipment, supplements and loads of things using the Group Buying Discount and get accountability and monthly 1on1 Mentoring with Steve Grant.

For more details visit www.gymhub.com.au