



May 2020

What is the most important business lesson you have learned from the ongoing COVID-19 crisis, and how will this influence your business strategy/planning in the future?

www.thefitsummit.com



Simon Flint, CEO, **Evolution Wellness**

It's been a new learning curve for every one of us especially those in a leadership role as we've had to learn to respond in real time – almost round the clock – to a set of rapidly changing circumstances across multiple markets. With that in mind, and navigating the muddy waters of information overload, public concerns and the demand for clarity, we were always mindful that we had to communicate with as much clarity as possible, and with precision. That's always been the requirements of a good communications practice, but in this period of time has become more important than ever as the quality of communications is a reflection of brand leadership. For staff, was about giving people a clear sense of direction and purpose about what we needed to do to safeguard livelihoods and create an environment that is safe for them to work in. On the other hand, for members it was about communicating the measures that we were taking to make our premises as safe as could be in order for them to have peace of mind and be able to continue with their fitness and wellness regimes. We have been very fortunate to receive the full support of our staff and positive response from members throughout this time. In summary, this experience has reminded us that a well-oiled communications machine is all about trust in your brand, and trust in your leadership.

www.evolutionwellness.com



Francesca Schuler, CEO, **In-Shape Health Clubs**

The lessons learned from the on-going COVID-19 crisis continue every day, but one key lesson is the need for collaboration across the fitness industry to ensure our voice is heard and our industry is considered in key decisions. We play a critical role in the health and wellness of our communities but the fragmented nature of our industry and a mindset of competition among operators resulted in fitness not being considered a critical sector across relief, reopening and recovery. One of the positive outcomes of this crisis is we have created several global leadership forums in the past months to share ideas, drive change, and come together to advocate for our members and our industry. In California, we have formed the California Fitness Alliance to ensure a unified voice in our state and to ensure that we create reopening standards that keep all communities safe. As we look forward, the "new normal" will require innovation, evolution and integration across online and offline platforms. Developing the fitness industry for the future will happen faster and more effectively if we work together vs. as individual operators.

www.inshape.com



Jon Brady, President, **Midtown Athletic Clubs**

Two key learnings; one being financial, and one being based around our teams. The financial lesson we have had reinforced is the absolute necessity to have a solid balance sheet and strong cash reserves with a debt to equity ratio that provides comfort for the business and its investors. The rush to grow quickly, with the loading of debt to do it, has always been a risk vs reward equation that many have deemed appropriate to take. We have always been reasonably conservative in this regard and that will be something that has been reinforced coming out of this crisis. Stability then profitability, then growth is a mantra that we will take forward. One of the other key learnings we have taken from this is how important it is to be agile and adaptable. We have had to move so quickly and change so rapidly in terms of the day to day needs of our facilities, our people and our members and I think this creates a responsive business that can move and adapt to the changes in consumer demands.

www.midtown.com



Azran Osman-Rani, CEO, **Naluri**

Leading through crisis and uncertainty requires curiosity and endurance. What I've learned is that, in times of high stress and pressure, I have a tendency to jump quickly to conclusions and leap into 'action mode'. The problem is that my conclusions and actions tend to be based on my views from the past - on what I believe works or does not work. And this crisis has taught me, the hard way, that my beliefs are likely to be wrong. The 'new normal' is new and the danger of applying thought patterns from our past that we're comfortable and familiar with, can be a limiting barrier that inhibits creativity. I've learned to be more curious by asking more 'why' and 'what if' questions, and relying on my team members and peers from other companies and industries to bounce ideas and to keep my 'gut feel' in check. I've also learned that we're in this for the long-haul. The initial bias for action can quickly burn us out because we want to work furiously to keep our organisations afloat. But pace and endurance are crucial. We need to be very conscious of our intensity and have safeguards so that we are not constantly 'red-lining' and putting ourselves at the risk of collapse. I've learned that I do not know when I'm approaching burnout until I'm already there. I therefore need to schedule time to step away and recharge.

www.naluri.life



Mark Miller, COO, **Merritt Clubs**

This is a difficult question to answer as there are so many lessons one learns within a crisis. Someone once said don't waste a crisis by not learning. I think this COVID-19 situation has created many opportunities and lessons for us all. The two that come to mind are 1) How quickly a company can pivot. It seems that the fitness industry has rapidly advanced over the past 8 weeks. Companies that were manly brick and mortar companies are now virtual. I think we have all be reminded and maybe even learned that we cannot be a one-dimensional company. We have to be Omni channel today. We have to be able to scale across several platforms. Consumers today want to consume fitness on their terms and when they want to. We have always suspected it with the members using fitness apps, wearables, watching YouTube videos while in our clubs. However today we know that Virtual is needed and that member will continue to want it even after the pandemic is over. 2) How we need to be a little more strategic in our plans and future. Now that we have seen this pandemic impact our business, we can all plan for the unexpected. I think, I as a leader took things for granted and now it has shown me that I need to diversify our business and think about what could happen and setup some contingencies so when the next challenge hits, we are better prepared and can pivot much easier. I also think we have learned a lot during this short time and the stronger leaders are adaptable and flexible and these are skills that will serve us well for years to come. In the end this has been an opportunity for us all to grow and improve our clubs, our offerings and our skills. As we said above do not waste this time; learn, grow, adapt, adjust and come out stronger on the other side.

www.merrittclubs.com



Conor O'Loughlin, Co-Founder and CEO, **Glofox**

The most important lesson we have learned is that the strongest businesses stay true to their mission but can adapt quickly and are flexible in how they achieve their goals. COVID-19 brought many industries to a complete standstill. The fitness industry changed overnight. We saw our customers struggle and adapt, and we took inspiration from them. Our mission is to help fitness entrepreneurs build successful growing businesses and improve worldwide health and wellbeing. To continue doing that, we became a 100% remote company when the lockdown started. We had to learn quickly how to work together and make sure our team had what they needed to be productive. We also immediately changed our roadmap to deliver Live Streaming and On-Demand Content. This was the most tangible and immediate change we could make to deliver customer value and continue on our mission. Enabling thousands of virtual classes is the first step. We're now learning and working with our customers to help them deliver virtual accountability and virtual community. And to re-open safely when the time is right. We take inspiration how our customers react to challenging times and we build tools to help them be even more adaptable and successful.

www.glofox.com



Matthew Januszek, Co-Founder, **Escape Fitness** and Host, **'Escape Your Limits' Podcast**

The biggest lesson I've learned throughout the pandemic is that, when you're entering into an unknown situation with no certainty and no historical data to turn to, you have to create your own anchor. The way I have done this is to start with myself so I'm in the best place I can be to take on whatever comes my way. The three key areas for me are: a balanced physical fitness routine of strength, cardio and mobility; good nutrition and hydration, and a good mental fitness routine, making sure I'm filling my mind with information that builds me up instead of watching too much news, which wears me down. Looking after your own wellbeing allows you to deal with anything that gets thrown at you, whether they're business challenges or health concerns. It's something that you have to work on every day, as you do with physical fitness. Throughout the day, bad news will hit you. You have to balance it out. No junk food and no junk news. Just nutritious information and nutritious food. My future strategy? If I'm not in a good mental, physical and emotional state then I'm not in a good place to support and serve my family, my business or the Escape community. Continue to concentrate on mind, nutrition, and exercise.

www.escapefitness.com



Peter Hull, CEO, **Fitstop Australia**

When COVID forced the closure of health and fitness centers no one was spared. We agree with the approach the government took but at this time the realization that 32 of our Fitstop locations would not be open for the foreseeable future was hard to digest. There were a number of lessons learned from a strategic and tactical point of view for our business. Outside of us transitioning to an online experience for our members and ensuring all locations were supported to negotiate all outgoings the biggest supporting tool / strategic influence in our business was understanding WHAT the business financially now looks like. Immediately we provided our franchise network with an interactive financial forecasting tool kit so they could build out their forecast, analyse cash burn, understand the current situation but also plan for growth during this time. Once this was achieved all locations had the data and benchmarks they needed to drive towards goals and not only survive this time but to be more optimistic and thrive during this time. Backing this up we refined our product and service offering to accommodate for now an online market giving our members in person LIVE workouts, pre-recorded workouts as well as value adding Q&A sessions with industry experts. Product to market fit had to be adapted to hit the new forecast and expect that value exchange! Moving towards reopen, I am proud to say we have put our franchise partners in the best position possible showing that we really do take care of our community. With the end hopefully near we are now transitioning to the post COVID business model we have created and again setting a new forecast focused on building a sustainable fitness business.

www.fitstop.com



Ryan Hogan, CEO, APAC, **Les Mills**

In addition to the obvious lessons – such as always have cash reserves, and make sure you have a diversification strategy that includes some type of digital or virtual offering – the most important lesson for us here at Les Mills Asia Pacific has been the reinforcement that our value proposition is EVERYTHING. We exist to help create healthier businesses by making more people fall in love with their club. And by ensuring this value proposition remains our guiding light, we become not just a supplier to our clubs but a true partner who they can rely on and turn to, whenever they need support, guidance or expertise – which is particularly important during times of adversity. By constantly referring to our value proposition, decision making becomes simple. We ask ourselves “Does the decision reinforce our value proposition?” and if it does then we do it; if it doesn’t, then we don’t. It’s as simple as that. The tough part can be nailing that value proposition in the beginning. But once you do – and when it’s right – it can be your saviour even in the darkest of times. And that’s why we’ll continue to let our value proposition guide us into the future.

www.lesmills.com.au



Kevin Yates, CEO, **TRIB3**

No matter how long you have been a CEO or Founder, these have been unprecedented times and all companies, including governments, will have learned lessons. The fact is that all of us are going through the same problem makes it easier to quantify and manage. I had two objectives in this crisis – preserve cash and help our people. It is essential in any emergencies you manage the capital and cash flow of the business but it’s more important you look after and support your people. Communications daily to keep everyone updated regardless of how small and ensuring as a company you help preserve all your teams no matter how small a contribution your company can do. Be Kind.

www.trib3.co.uk



Andrea Ramirez, Founder, **AndFit**

The most important business lesson I have learned from the ongoing COVID-19 crisis is the power of building strong partnerships with the team, landlords and everyone involved in the business. We cannot expect to do things alone and we need to acknowledge the power of team. There is magic on creating a space for everyone to be open, being 100% authentic and vulnerable was very difficult for me because I am so used to hold things together. However, I realised the moment I opened up about the situation and started sharing what I needed it to make it work, everyone clients, the team and the landlord were open to support us. Empowering my team was crucial while the deepest moments of the crisis took place. Moving our operations to live classes was all new for them so we had to do what it took to make it work and I would have not been able to make it work and able to open our studio again without having their support and partnership from everyone. I will certainly consider our team, our clients and whoever wants to contribute with feedback, ideas or opinions to our planning and business strategy.

www.andfitgym.com



Steve Borre, COO, **Power Plate**

I believe it is difficult to point to just one 'most important' learning we have gotten out of these challenging times. What comes to mind is the concept of 'adaptability' of our business. What I have been completely amazed about both in our organization and our industry is how fast successful organizations adapted their approach, offering, their value proposition to stay connected to the customer. This situation just confirmed or valued the importance of spending the time in bringing the right people into your organization to service your customers. This will ensure you are adaptable to whatever situation your business might face, a virus, new competitor, with the right people you can successfully manage thru any challenges your business will face. A secondary learning in relationship to influencing our business strategy/planning going forward is connectivity to our customers. As we migrate thru this crisis, it has highlighted the need to continually ask yourself and the staff whatever we are planning, how does it improve our connectivity to your customers.

www.powerplate.com



Al Noshirvani, Founder and Chairman, **Motionsoft**

If COVID-19 has taught us anything in this industry it is that the “sleeping dog” (AKA inactive member) has been euthanized and put out of his misery! The days of not speaking to members who have stopped visiting clubs are, in my view, finally over...and not a moment too soon. The reality is that this process started about 10 years ago when we moved from paid in full memberships to electronic payments. This changed the consumer dispute process which became as simple as calling the credit card company. Today, it's even simpler. Members simply click the dispute button on their smart phones and voila! Notwithstanding the fact that attrition rates have remained materially unchanged, many club operators continue to subscribe to the belief that the sleeping dog does exist and refuse to communicate with certain subgroups of their membership. COVID will change that. Great operators will seize the moment, control the message and capture the members who have been failed by others and are looking for a place to go.

www.motionsoft.net



Ross Campbell, Founder and CEO, **FIT Summit**

Like many of our partners (operators especially), we have always had digital transformation in our long-term development plan. The ongoing COVID crisis launched us quickly, brutally, into the necessity of this development. No business leader will want to hear the word ‘pivot’ for quite some time. From the outside looking in, we pivoted into online events, from the inside looking out, we scrambled to meet a longer-term goal. Candidly however, we were underprepared for deciding on the granular details of this digital transformation, beyond the macro goal/objective of developing a digital offering. We had a goal but no real comprehensive plan. The lesson learned? For long-term strategic options, we will now look at each goal and deep dive into the options/platforms/resource/capital needed for us to achieve this. We will assess each goal within a time line we have set ourselves and also plan for a timeline that is not under our control. Our team has been incredible in quickly and effectively building this new digital capability and so another reflection has been to involve them early in strategic developments decisions so they can feel engaged from the start and motivated to add immediate value when we embark down that path together.

www.thefitsummit.com



Siva Kumar, Founder and CEO, **Align Business Solutions**

The most important business lesson, not just business and in life, nothing is permanent! This COVID-19 crisis may be a repeat of what happened in November 2002, which was then the SARS and it lasted over 9 months coming to a closure on July 2003. The SARS impacted many businesses in Singapore with 238 known cases and 33 deaths from the outbreak. This COVID-19 is a major hit with 24K known cases with 21 death, it is not to be noted lightly. The major Fitness Chain in Singapore during the SARS was California Fitness with 2 huge locations with over 30,000 members. There were adequate preventive measures like regular temperature screening of the employees daily with border controls of the clubs restricting members who had recent travel history. The business took an impact mainly with signing up with new member but we recovered rather quickly and in Jan 2003 the new membership volume increased dramatically setting us back on track again. The difference was, there were no quarantine, circuit breaker, non-essential businesses closure during the circuit breaker and maintaining social distancing. As the COVID-19 strikes the Fitness Business in Singapore, owners with deep pockets will tend to survive longer than those with weaker pockets. Boutique Fitness may be the most vulnerable to be impacted. The life-force of the Fitness Business is revenue and revenues are created through consistent guest/member traffic into the clubs, should the traffic be disrupted there will be a significant break in the revenue, the question now is on how long can one survive with the absence of their members. With the introduction of the boutique fitness, franchise model fitness clubs since 2011 and there is a significant growth in the franchise model fitness business in Singapore now, which was not seen during the SARS. For those who were part of the fitness business in Singapore during the SARS may claim experience in overcoming adversity to maintain their business. Unfortunately, there is an epidemic failure in the Fitness Business with some owners of their business with less or no experience in managing their business during crisis, this incompetency could just be their very challenge towards adversity and a possible recovery. For many of us, we are now consumed with fear on the uncertainty of the crisis situation. The fear of losing the business, the accumulated wealth and the fear of life. This may also be the survival of the fittest for those who are able to adapt and change, failure to change and be innovative could be self-destructive and detrimental to their business. "Most people don't believe something can happen until it already has. That's not stupidity or weakness, it's just human nature." As we are all waiting for the cessation of this circuit breaker hopefully not to be extended, the aim of the owners should not be for an immediate recovery towards their revenue. This may lead to misjudge their staff and mismanage their team. The goal should be employee and member retention. Attention should be focused on the employees as they will in turn focus on quality services through acceptable standards and members retention. The continuous act of advocacy through our members will eventually create guest/members traffic through the clubs. The only possible concern may be membership cancellation due to a successful discovery of the home workout during the circuit breaker, the flip side will be members who will require an immediate attention to return back to health and fitness as they could have abused their diet and neglected exercise during the quarantine. The future can be unpredictable given this very situation but for those with prior experience and intuition to understand the intangibles in the fitness industry may have a clear perception to combat the crisis and to maintain their business positively. Owners must now stand united to share their best practice upon the operation of their fitness business so as to expect a fast recovery.

www.wealignbusiness.com



Ian Lim, Commercial Director, **Dexafit Asia**

As the global industry transforms according to change required from the crisis, our business also had to evolve and adapt. As a company, we recognized that business after the Circuit Breaker is not going to be the same and used it as an opportunity to prepare for the new normal. The battle is after all, not how to survive during the Circuit Breaker, but how to continue to flourish after business goes back to the new normal. As the pandemic continues, we also recognize that the global population will now more than ever become more conscious about their health, immunity, and overall body composition and as such need the health, fitness, and wellness industry more than ever. This strengthens our vision to place Dexafit Asia in a great position as the premier physiological measurement center to combat against current health concerns related directly to the pandemic like obesity, immune health, and metabolic diseases. The birth of Dexafit Asia now allows the masses to have access to gold standard research level test like the DEXA Scan, receiving data and education that are more accurate and reliable but at a cost that is more affordable compared to what they would usually have to pay. As we move towards the future, it is clear that Dexafit Asia needs to band together with the industry to create an ecosystem that solves the health concerns of our people, and fostering key partnership and relationship within the health and fitness industry is key to ensure a the success of our business, the industry and the people we serve.

www.dexafitasia.com



A big thank you to this month's contributors



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