

A PT POWERHOUSE



CFO and trainer Jennifer Poljacik assists River Valley tennis pro Timothy Kealy

THE RIVER VALLEY CLUB IS SETTING PERSONAL TRAINING RECORDS

By Jean Suffin

In the July issue of *CBI*, we reported on four clubs that have used a variety of techniques to develop more sophisticated, effective, and profitable personal training programs (see “Personal Training: More Professional,” pg. 67.)

But then we heard about the River Valley Club, an 82,000-square-foot, multipurpose facility with only 2,000 members, in Lebanon, New Hampshire.

If there’s a club that testifies to the phenomenal results—both physical and financial—that a coherent, comprehensive, carefully designed, and methodically executed personal training (PT) system can deliver ... well, that club is probably River Valley.

The results it’s produced since it began refining its formula say it all.

Its annual PT revenues read like this:

- 1998—\$66,000
- 2000—\$69,000
- 2005—\$1.1 million
- 2011—\$2.1 million

PT has now become the “bread and butter” of the business.

“Some 39% of our annual revenue comes from personal training,” reports Jennifer Poljacik, the club’s chief operating officer (COO), one of the individuals who spearheaded the initiative. That’s more than four times the industry average of 9.5% recorded in IHRSA’s *Profiles of Success* in 2008, the most recent year for which figures are available.

BEFORE AND AFTER

The dramatic increase in PT revenues and the club’s record-setting score are the products of a number of factors: farsighted and innovative management; talented and committed employees; and the guidance provided by the Pro Fitness Consulting Group, based in Bolton, Ontario, Canada, which has a special take on PT.

Let’s take a look at the *before* and *after*:

In 2001, River Valley had 16 contracted part-time trainers who were paid \$18 an hour. New members

were offered four free PT sessions, but, not recognizing the value of the service, tended not to take advantage of it. Members were charged \$50 an hour for PT, but only 5% of the club’s 1,900 members participated.

Today, River Valley has 30 trainers, who earn \$26 to \$42 an hour, depending on their level of expertise and the club’s unique ascending scale, which rewards trainers for their success in *renewing* their clients. It’s now looking to hire four to five more. Free PT sessions have been eliminated. Members pay \$68 to \$100 an hour for packaged sessions, and 35% (767 people) purchase them.

But that’s just the tip of this particular iceberg.

EMPHASIS ON OUTCOMES

In 2001, Poljacik met Jeff Russo, the president of Pro Fitness, who, with respect to PT, had developed a unique concept, approach, and methodology while working as a trainer, fitness consultant, and manager for clubs in Canada. Russo’s goal, it was clear, was to turn PT from a rather flexible, optional amenity into an essential, efficient, and predictably productive machine.

“I’d realized that clubs that were simply selling membership were really doing a disservice to their members,” he explains, “and started to experiment with a new model.”

The encounter between Poljacik and Russo was pivotal. “And, as they say, the rest is history,” points out Jennifer Karr Muzzey, the club’s fitness director.

The Pro Fitness Program includes a number of interlocking components, the seminal one being an unwavering emphasis on outcomes. “The culture of a club is of ‘why’ it’s in business,” says Poljacik. “That requires a vision and beliefs. We’re not in business to sell memberships. We’re in business to sell education, knowledge, and results.

“We have a moral obligation to sell members something that works for them.”

Russo’s notions struck a chord with Poljacik, an accomplished industry veteran who’s also a certified personal trainer and group exercise instructor; a former president of the New England Health, Racquet and Sportclub Association (NEHRSA); and now a part-time →

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COO Jennifer Poljacik

fitness consultant for Pro Fitness. River Valley became Russo's first U.S. client.

Poljacik suggests that, to achieve the PT heights, clubs need to make three basic changes in their programs. They need to instill a conviction that every member of their facility can profit from personal training; they need to implement a polished, professional system; and they need to hire the right people to operate it.

COMMITMENT TO FITNESS

One of the first keys to Russo's new model was the creation of a fitness consultant position, to evaluate a member's needs and devise a plan for them, and a requirement that, before a person could join a club, they had to pay for a fitness consultation. It also mandated several paid, follow-up consultations throughout the year. "As soon as we made the move to not allow individuals to purchase a membership without a consultant," he recalls, "things really started to happen."

"Our sales reps press prospects to experience a consultation at the point of sales, telling them that this first step is critical in shaping their overall health club experience," says Muzzey.

"A 90-minute consultation is our vehicle for selling personal training," says Poljacik. "It also allows us to introduce a new member to a staff 'advocate,' who will follow their progress along the way. The member is making this great connection right off the bat, forming a personal relationship that they'll enjoy for the length of their membership." River Valley currently has two full-time fitness consultants, who are paid a commission on the basis of all PT sales.

The first 90-minute consultation costs \$45. "We consider the person's past, present, and future—their health and exercise history," Poljacik explains. "Then we conduct baseline testing—for strength, flexibility, mobility, grip strength, heart rate, and VO2 max. Based on the results, we devise a plan that allows them to reach their goals." Subsequent consults cost \$95 for a group of four.

The fitness consultants, who've worked with all of the trainers, pair members up with the most appropriate one, and, in the case of a mismatch, designate a new one.

The fact that employees are strong believers in the value of PT makes them tenacious. "In the event that the initial consultation doesn't lead to a sale," continues Muzzey, "we provide people with a complimentary demo training session. We offer them an hour with a trainer to

see how the 'magic' happens here—that's our second opportunity to educate them about the benefits of fitness.

"We lock in a commitment to fitness, and we lock in the sale."

The club charges a \$195 sign-up fee, and dues are \$103.50 per month.

SERVICE AND SALES

Another key ingredient in the system is providing trainers and consultants with sales and business expertise. "That way we create a balance between service and sales, between fitness and profit," notes Russo. It's an orientation that's emphasized from Day One.

"For prospective trainers, for example, we have an eight-hour interview process to ensure that we make the right choice," Poljacik indicates. "Our master-trainer team makes all of the hiring decisions on incoming trainers, with the support of the fitness consultants. The consultant's job is to decide if they can sell the applicant's skills to our members.

"When hiring, we live by the saying: 'We don't hire employees; we adopt family members.' We're also strong believers in 'Fire fast, and hire slow!'"

While the principal responsibility for sales lies with the sales reps and consultants, River Valley also trains its trainers to be business-minded so they can sell, and resell, and produce the desired results.

PACKAGING PROFITABILITY

The club has stopped offering single PT sessions, and now markets packages ranging in size from 12 to 144 units. "We don't sell anything less than a 12-pack, because clients don't see results in less than 12 sessions," says Poljacik. River Valley has three levels of trainers, which is reflected in the pricing. "Our most common packages are 36 sessions for \$2,358, and 72 sessions for \$4,572." The price tag raises an immediate question, and the answer is: financing.

"We were one of the first to finance personal training packages, and, hence, we've been selling large PT packages to new members within five days of their joining the club," points out Russo.

Members have a second consult 8 to 10 weeks after joining, and those who didn't sign up to PT initially often do so at this point.

The club boasts an 80% retention rate, and, for members enrolled in PT, the figure climbs to 85%. "Once clients commit to the personal training system, they never leave," observes Muzzey.

"Referrals and success stories are the way we keep growing our business," says Poljacik. "We feature the success stories in our quarterly newsletter, which goes to 20,000 people, and our phone starts ringing off the hook. The word here in Lebanon is, 'If you want to get personal training, you go to the River Valley Club.'" —