

Thank you!

Hey Everyone - Your interest in what we are doing is appreciated. We developed this outline for our need to put "handles" on exactly what our system was so we could share with others. We hope you find it useful and look forward to your success.

All the best,

John Burch/Andy Petranek



CROSSFIT LOS ANGELES

The BIZ

Raise Your Game



Ssh... The "Secret" System

- Business Philosophy
 - Creating the Experience
 - Every person should feel better when they leave than when they arrived.
 - Your job: Get people to do what they need to do for their own good.
 - 2 Parts of your Business
 - Get Them
 - Keep Them
 - Value of 150



Ssh... The "Secret" System

- Classes / Instructing
 - Nothing replaces world-class instruction/coaching
 - Elements - communicating, organizing, relating to all levels, inspiring, fun!
 - 5 key elements: Accountability, Transparency, Competitiveness, Collective Experience, Camaraderie
 - Partnership with students - personal responsibility/accountability
 - Class Levels - using metered classes to control client flow
 - Student Athletic Levels
 - Success Journals
 - Skill Lessons / Office Hours
 - Leader Boards
 - Discussion Forum



Ssh... The "Secret" System

- Communication - it's not the "what," it's the "how"
 - Does it set you apart from the rest?
 - Web site
 - Phone answering
 - Email (announcements, events, products, follow ups)
 - Phone calls (new member, absentee, check-in)
 - Postcards (welcome, attaboys)
 - Thank yous
 - Follow through
 - Are you doing the right thing, or doing things right?



Ssh... The "Secret" System

- Signing Up a New Member
 - Demographics - not what you think
 - Introduction Session
 - Membership Packages
 - Membership Agreement
 - Giveaways
 - First 90 days
 - Guests / Referrals
 - Renewals
 - Upgrades



Ssh... The "Secret" System

- Special Events
 - Challenges
 - Set a baseline, track progress, create a final event, student "buy-in"
 - Seminars
 - Running, rowing, Olympic weightlifting, gymnastics, nutrition, self protection/defense
 - Events
 - Experiential, fun, new, exciting
 - Bring a Friend day, Open Houses, Anniversary/Holiday Party
 - Specialty Classes
 - Bring a friend day, topical, can be reoccurring



Ssh... The "Secret" System

- Marketing
 - Your System
 - Stories
 - All you need is 150
 - Publicity / PR
 - Web Site
 - Referrals
 - Business Partnerships
 - Pro Shop
 - Updates / Newsletters
 - Guerilla
 - Networking Groups



Ssh... The "Secret" System

- Building Your Team
 - Who will be your replacement?
 - Grow from within - new instructors come best students from past 6-12 months
 - Get the "Right" people on board - choose wisely
 - Team Training
 - Staff Meetings
 - Instructor Mentoring
 - Compensation



Ssh... The "Secret" System

- Admin
 - Student Info / Billing / Attendance Systems
 - MindBody, Zen Planner, Champions Way
 - Must support contracts
 - Reports
 - Membership, Weekly status, Intro Tracking, Upgrades & Renewals, personal accountability



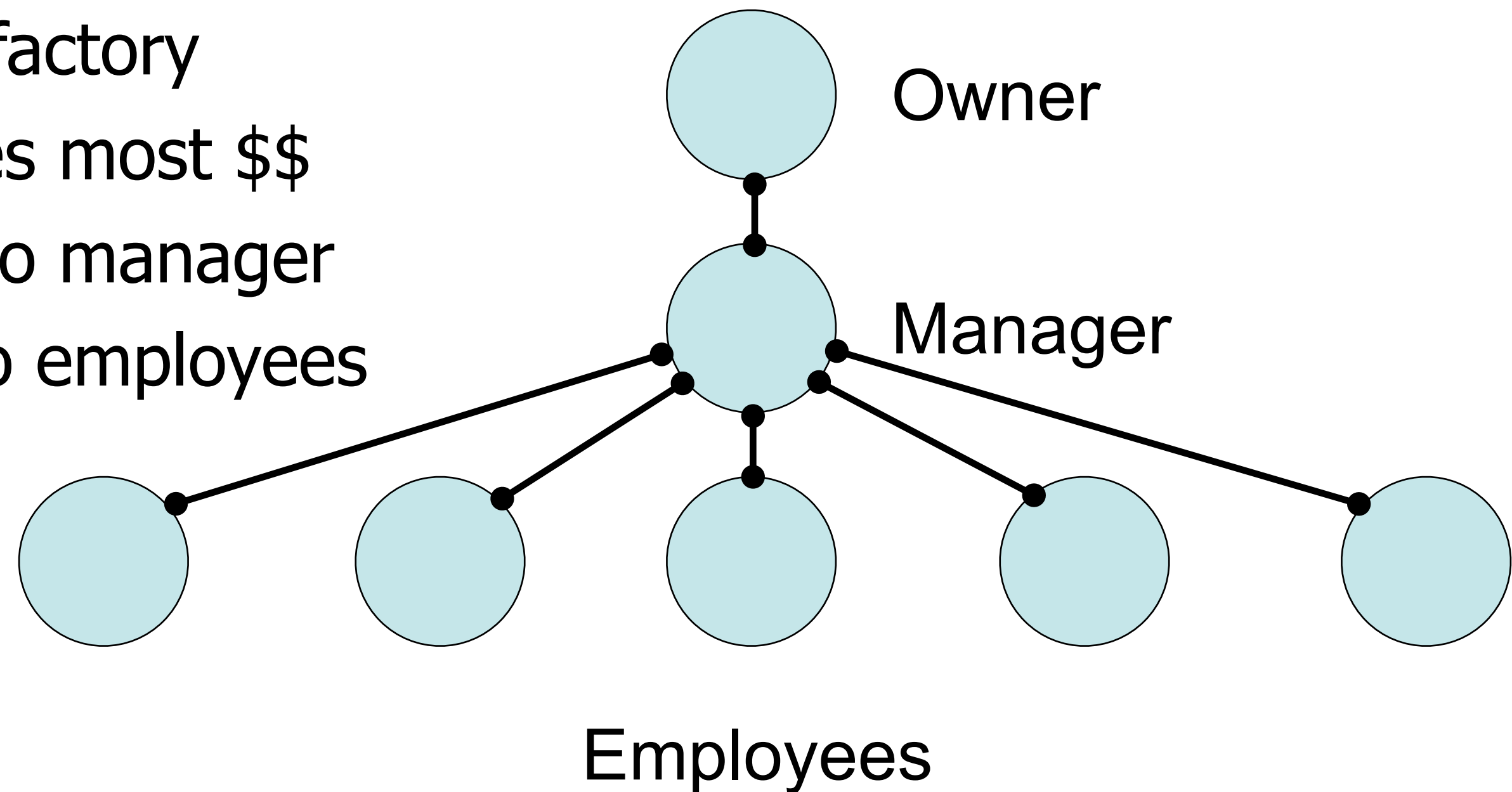
Ssh... The "Secret" System

- Business Numbers
 - Numbers ARE your business
 - Directionality
 - Tell a story
 - Average Client Value
 - (avg monthly gross/active students)
 - Prospect/Suspect Activity
 - Intros scheduled (circle chart)
 - Intros done
 - On-the-spot sign ups / sign-ups that came back
 - Time between intro & sign-up
 - Event sign ups
 - Attendance
 - Renewals & Upgrades
 - Interpretation of numbers



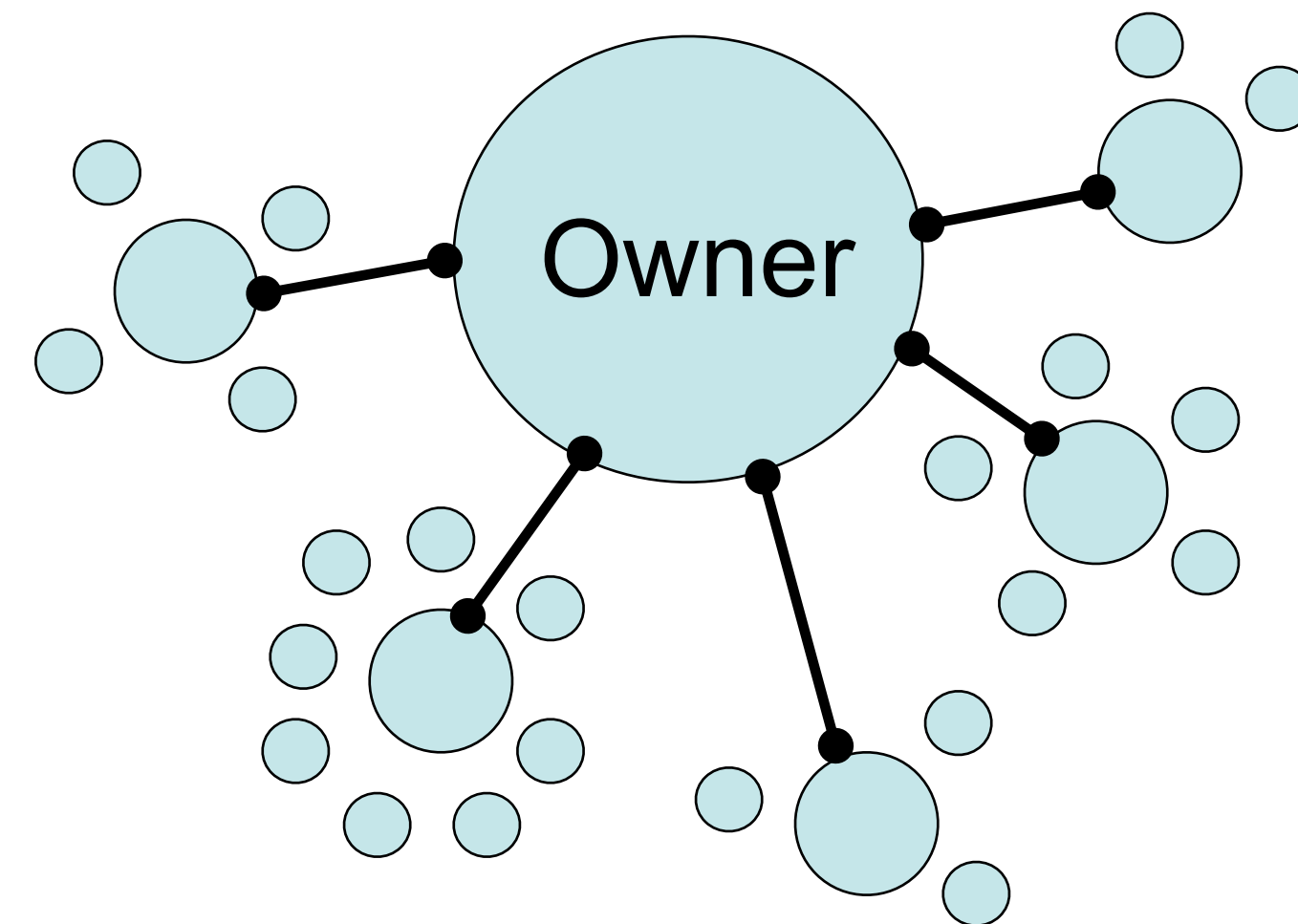
Business Models

- Globo Gym
 - Similar to a factory
 - Owner makes most \$\$
 - Some goes to manager
 - Little goes to employees



Business Models

- Open Gym (co-op)
 - Owner makes % off trainers
 - Trainer with most clients gets priority
 - Owner's only obligation is the space and equipment
 - Limited cohesion & standards
 - Business suffers if trainer leaves with clients

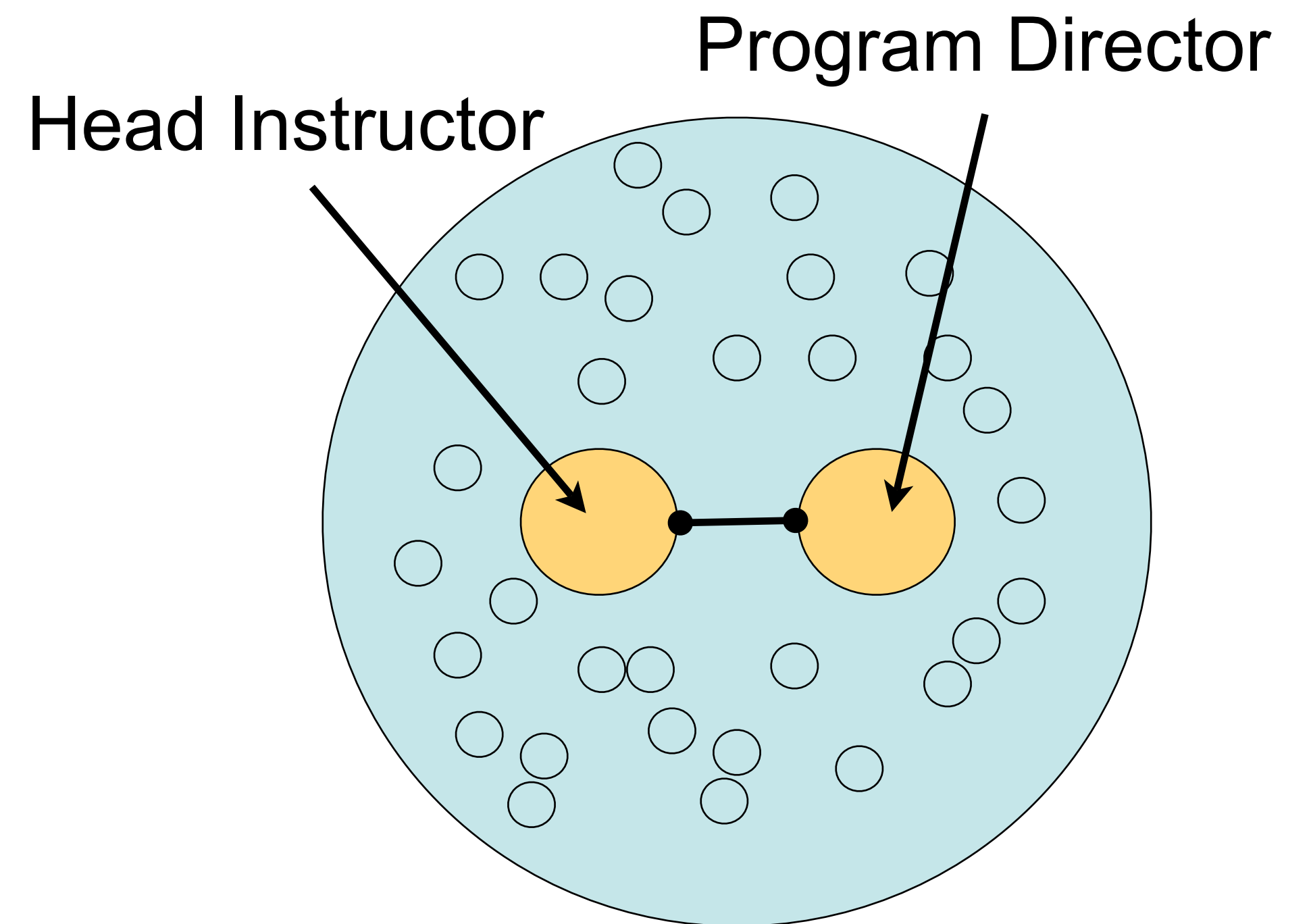


Independent Trainers



Business Models

- Associate Business Model (CFLA)
 - Provides growth and long-term loyalty through profit participation
 - Duplicate the owner through the associate
 - Associate investment comes through “sweat equity”
 - Direct connection between business growth and associate’s
 - Box size 1,500-2,000 sq ft



CFLA BIZ Growth Timeline

<u>Month/Year</u>	<u>Mnthly Revenue</u>	<u>Notes</u>
<u>Infancy</u>		
January '06	\$14,500	42 students
December '06	\$15,000	45 students (start BIZ system)
<u>Adolescence</u>		
January '06	\$27,500	Andy - "Expected to be high from down payments, this will drop next month"
February '07	\$32,200	Andy - "Hmmm - again transition high, fluke that it lasted 2 months, will drop"
May '07	\$25,000	Hire Becca full time - 110 students
<u>Maturity</u>		
December '07	\$37,500	Andy - "Amazed that best month of year is December! Year monthly avg \$29,000!"
January '08	\$44,500	Andy - "Not possible. Can't believe it."
April '08	\$47,000	Hire Jennifer
June '08	\$59,800	
October '08	\$62,000	Hire Michael - 230 active students

