

CLUB BUSINESS

INTERNATIONAL



Championing Independence

**BILL BECK, PRESIDENT OF CLUB
FIT, FIGHTS THE GOOD FIGHT
ON BEHALF OF INDEPENDENT
HEALTH CLUBS EVERY DAY**



Sibling revelry: Bill Beck and his sister, Ellen Koelsch, savor Club Fit's success

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Bill Beck, the president of Club Fit, a family-owned business with two clubs, in Briarcliff and Jefferson Valley, New York, has been learning and laboring in the independent trenches since he was 12. Today, he's still at it, concerned about epidemic inactivity and combating explosive competition, while never losing sight of his defining goal—helping people to live longer and healthier lives.

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Cover & Above: Sean Gilligan Photography



**Sibling strength: brother and sister
act Bill Beck and Ellen Koelsch**

Bill Beck

The president of Club Fit, a two-site, family-owned firm, fights for “independents” every day and wouldn’t have it any other way

By Jon Feld

CBI: As the president and general manager of an independent, family-owned, two-club business, you’ve said that you have to *fight* every day. Meaning what?

BILL BECK: We see two distinct areas of conflict, if you will. First, there’s the global obesity situation, which is basically an inactivity epidemic. We work hard to get people in our community up and moving because, for some reason, human nature inclines toward the sedentary, despite the fact that physical activity is so good for us in so many ways.

CBI: And the second?

BB: The other fight has to do with competition, which has exploded for us over the past 10 years. Our competition comes from several of the same large industry players that many independents face, as well as from some regional operators. We also have a lot of studios and low-cost providers in our market. It’s a bit of a battle to get people to understand that they have to exercise, and, beyond that, to appreciate why certain clubs are at certain price points. We still don’t have the most health-club-educated consumers, so they don’t always recognize the difference between \$10-a-month clubs and \$130-a-month clubs, such as our own.

Together, our two facilities encompass some 230,000 square feet, and serve more than 14,000 members.

So part of the battle is internal, ensuring that members are striving for their own personal health, and part of it is external, fighting the forces of competition.

CBI: You’ve been involved in the industry, now, for some 25 years. How have you seen small independent clubs change over that period?

BB: Early on, the independents seemed to be united, principally, by their opposition to the YMCAs and other nonprofit fitness providers, and I suspect a lot of them still are. But that concern has shifted, dissipated a bit, because of the dramatically increased competition from so many club companies representing so many different business models. It’s really the level and quality of the competition that’s changed the most.

Twenty-five years ago, we’d be competing with someone who loved to work out, and, because of that, would decide to open a club. “I’ll build a place, and I’ll have all of my friends come in to exercise.” Well, it doesn’t work that way anymore. Now, we’re competing with people who, while they may still like to work out, are much more sophisticated and focused on sound business principles. There are more smart businesspeople in fitness than ever before, which, quite frankly, makes things more fun. It also makes all of us a little sharper. →

Highlights

- » The independent’s fight
- » Community commitment
- » The independent’s advantage
- » The fitness/business mindset

After earning a degree in sports medicine in 1990 from Guilford College, in Greensboro, North Carolina, **Bill Beck**, now 47, joined Club Fit Briarcliff, in Briarcliff, New York, as its fitness director and sales representative. But his experience with the two Club Fit facilities, the other in Jefferson Valley, New York, began long before that. His mother, Beth, was a co-owner of the business, and, he explains, “When I was young, she had me pulling lines out of the tennis courts, so she could keep an eye on me.” When he was 12, he embarked on his *official* Club Fit career, and, since then, has worked his way up, eventually becoming the general manager of both clubs. In 2010, he was named the president of Club Fit. Along the way, he earned an MBA from Pace University in New York. Today, the ownership group consists of Beck, his mother, his sister, Ellen Koelsch, and David Swope. Beck serves on IHRSA’s board of directors. ←

CBI: So, how does Club Fit manage to compete successfully in this new world? With, say for instance, the national chains?

BB: Fortunately, in terms of competing with them, one thing hasn't changed for the operators of successful independent clubs: we're rooted in our communities and regarded as a valuable part of them. Our laser-like focus on our "neighborhood" is a great differentiator. It's hard for a big company to move into town and acquire the recognition, depth, and penetration that a small regional business enjoys. They don't have the time or resources to access all of the nooks and crannies that constitute a community, so they take shortcuts. They build nice facilities, and assemble a good staff, but they don't work as hard as we do to be a part of (Thornton Wilder's) *Our Town*.

Association for Retarded Citizens; my sister, Ellen, has served on the county parks board; and I've contributed time and effort to Guiding Eyes for the Blind. These local groups are important to the place where we live and work, and we want to be a part of that.

CBI: Going back, for a moment, to the point you made about disruptive industry developments, such as the emergence of \$10-a-month memberships, CrossFit, boutique studios, virtual training—how do they force you to change your perspective?

BB: If nothing else, they oblige you to acknowledge what they do well, and to recognize where holes might exist in your own offering. But you can't be everything to everybody—it can be

BB: I can't speak for other independents, but, for us, it's community turnover. As much as we'd like to think that everybody in town knows us, the local population does turn over. People move in from other areas, other parts of the country, and, in many cases, they've had some experience with another club brand—often one of our competitors. So how do we get them to give us a try? How do we get them to step through our doors?

We do it by going to every event we can, and by encouraging our current members to bring their friends. A lot of us with smaller, independent clubs need to remain acutely aware of the fact that new residents don't know about all of the great things we might have done in the community in the past. They only know what they know—and, in many cases, that's the big brand names.

We can't rest on the work we've done in the past to maintain name recognition. Remaining visible in the community is a constant, ongoing job.

“Any business has to make money, of course, but in our industry, there has to be a solid awareness that the goal, the mission, is to help people become healthier, allowing them to enjoy longer, better, more rewarding lives.”

CBI: Okay, a strong commitment to community—how does that play out in the case of Club Fit?

BB: In our case, we say “Yes” to any request from any community cause. Our members are involved with schools, churches, and other groups, so we make our name, our facility, and ourselves available to them. That might mean offering space in the club to hold a meeting, sponsoring a golf outing, raffling items for a church event—whatever! We do everything we can to support what's important to our members. We're also active participants on the boards of many local community groups. My mother, Beth, has worked with the Westchester

dangerous to try! Sometimes, it's wise for us to concede that there may be a chunk of the market that we shouldn't try to serve, and just let it go. For example, when a Planet Fitness opens its doors, there's a part of the community that belongs there, and that probably *doesn't* belong at Club Fit. And that's okay. It challenges you to validate why your dues are \$130 a month versus \$10. If your members don't understand the difference, well, you've got some work to do.

CBI: Speaking of challenges, what do you consider to be the greatest one facing independent clubs today?

CBI: On the other hand, given your longevity, understanding of the market, and clear sense of how local demographics are changing, are you in a better position than a chain to react to shifts?

BB: Absolutely! In fact, we've actually come to like the lower-cost competition that's moved into our area. A small number of our members left to give them a try, but most of them have since come back. At the same time, that club has served as a learning ground for some individuals who'd never exercised before; they've found a place to dip their toe in the water, learn a bit about fitness and exercise, and, then, looking for a deeper experience, some of them have come to us.

Like the late clothing retailer Sy (Seymour) Syms, the founder of the Syms Corporation, once said, “An educated consumer is our best customer.”

CBI: Are there any other independent operators who, in your opinion, really get it right?

BB: Joe Cirulli, the founder and owner of the Gainesville Health and Fitness Centers (GHFC) in Florida is just killing it! (See “Love that Locker Room!” on pg. 62.) Blair McHaney, the owner of Gold’s Gyms in Wenatchee, Washington, and John Captain, the chairman and CEO of the National Fitness Centers, down in Knoxville, Tennessee, are two other great examples. They’re people who “get” both the business and fitness side of this business—it requires a *different* mindset.

CBI: What do you mean by that?

BB: Any business has to make money, of course, but in our industry, there has to be a solid awareness that the goal, the mission, is to help people become healthier, allowing them to enjoy longer, better, more rewarding lives. The business is really just the engine driving that process. Which doesn’t mean that revenues and



profitability don’t matter: they do. If you stop making money, you’ll never achieve your objective. Money is a means to the end—but it isn’t *the* end. Club owners, especially independent operators, clearly understand and embrace the mission of improving people’s health and having a positive impact on society; as a result, they tend to be long-term players.

CBI: If you had to identify, sum up, the rewards that are unique to

operating an independent, family-owned club, what would you say?

BB: Personally, my reward is simply seeing people succeed. In that sense, it’s about helping family, friends, and members become healthier, avoid chronic disease, and remain active, vital, and happy. That’s what the work we do every day is all about. That’s what we give to people. I really believe that, and that’s what gets me up in the morning. —

— Jon Feld, jfeld@oncoremedia.net

Sean Gilligan Photography



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