

Health Fitness Management

Health Fitness Management

A Comprehensive Resource for Managing
and Operating Programs and Facilities

SECOND EDITION

Mike Bates, MBA

University of Windsor

Refine Fitness Studio

EDITOR



Human Kinetics

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preface

If you are looking for a fast-paced, constantly changing profession where you will have the opportunity to make a difference in the lives of thousands of people, then this book is for you. If you love interacting with people and motivating them to be the best they can be, then this book is for you. If you want to be a part of one of the fastest-growing and most challenging industries in the world, then this book is for you. If you are interested in a 9-to-5 desk job, you should probably stop reading right now because this book is definitely not for you.

This second edition of the popular reference and textbook, *Health Fitness Management*, is written for everyone who has an interest in managing a health and fitness facility. The contributors to this text are some of the most experienced and knowledgeable people in the fitness industry. Whether you are a student being exposed to this topic for the first time or a seasoned veteran, we are confident you will find this text helpful. Several new chapters, a more practical emphasis, enhanced learning tools, as well as new instructor resources, make *Health Fitness Management, Second Edition*, the best text on the topic.

The manager of the health and fitness club is the single most important person in determining the long-term success of the club. While some people may debate this, those of us who have worked in the industry know it is true. This is the person who gets the call at 5:00 a.m. when a staff person has overslept and the club has not opened on time. This is the person who is often left dealing with the most difficult and challenging customers. The club manager is the one who assembles the team of sales, service, programming, and maintenance staff. He or she is also the one who pays the price when things go wrong with the staff.

On the other hand, the manager is the one who gives people an opportunity to succeed in an extremely satisfying industry. This is the person who coaches staff along until they are able to overcome some of their greatest fears and challenges. The manager's job is an extremely rewarding one that comes with a significant amount of responsibility and enjoyment.

This book is divided into three parts. The first part on human resources is going to give you all the information you need to get started in the areas of organizational development, hiring, evaluation, and compensation. This part is potentially the most important part of the book. As a manager, your job is to hire, train, and retain the best people you can find. This part will help you understand all of these areas.

Part II covers member recruitment, retention, and profitability. In order for your club to be successful, you need to be able to attract new members and keep current members. And, in order to make a profit, you'll need to sell products and services to those members.

Part III covers operational and facility management—information that you'll need to know in order to run a successful club. As a manager, you need to know how to read financial statements and how to implement systems that ensure your club is clean and the equipment is up to date and in good working condition. You also need to have a solid understanding of the risks that are associated with running a fitness club, both for your staff and the general public. It takes only one accident for you to regret not understanding this side of the business. This final part ends with a chapter on how to properly evaluate a fitness business.

Within each chapter you'll find various tools that enhance the overall learning experience. Each chapter begins with a list of learning objectives to help you focus on what you should be learning while you're reading. After the objectives, you'll read an anecdote from the author that illustrates the main topic of the chapter. Most of these stories are based on the authors' actual experiences and are a great way to get students involved in a class discussion. Additional real-world experiences are integrated throughout the chapters so that you'll know how to apply the material. Because most of the authors have used this information in an actual fitness facility, you know it has the potential to work in the real world. We have also highlighted "the bottom line" throughout each chapter. These are key points that summarize and emphasize the most

important topics in the text. Key terms—words and phrases that readers should be familiar with—are also highlighted within the text.

For instructors who are using this as a class text, this second edition comes with a test package and instructor guide. The test package features multiple choice questions that are based on material from each chapter. The instructor guide includes summaries of each chapter and various teaching tools that will help the instructor prepare for lectures

and class discussions. The instructor guide also has various assignments for students using this text. These assignments are practical in nature and will allow students to apply the information presented in the text.

If you think you are ready for a career in the fitness industry, I applaud you for your interest. The true test will be how you use the information in this book to make your club or center the best it can be for you, your staff, your members, and the public.

acknowledgments

If you had told me when I was an undergraduate student in kinesiology at the University of Windsor or when I was managing my first fitness club that I would be editing and coauthoring a book on managing health and fitness facilities, I would have said you were crazy. Life does not always let us know where it is going to take us, but if we are open to new ideas and willing to share our experiences, it can be a great ride.

There are many people who need to be thanked for their contributions to this book. I would like to start with the authors of the first edition of *Health Fitness Management*, Robert Patton, Tracy York, Mitchel Winick, and the late William Grantham. The success of the first edition of this book paved the way for a new edition. Although the majority of the information in the book is new, we were able to keep a significant amount of some chapters, which is a testament to the original authors' work.

In my opinion, there has never been a book with more experts and combined years of industry experience than this one. Our list of contributors is a who's who within the fitness industry. They are all considered experts in their fields, and it has been a pleasure working with each and every one of them. This book would not have been completed without these contributors making the time to write their chapters. Thank you to each and every one of you. In the end, it was all worthwhile and I truly appreciate you taking the time from your busy schedules to contribute to this book.

I have been with Human Kinetics as managing director of Human Kinetics Canada for 8 years.

Throughout this time I have been challenged and rewarded beyond my expectations. I would like to personally thank Brian Holding and Rainer Martens for trusting that I could make this project happen on top of all of my other duties. I have worked closely with Mike Bahrke on many projects and appreciate the expertise he gave me along the way. Our developmental editor, Maggie Schwarzentraub, was an absolute gift from above. Her insights and overall approach allowed us to take a bunch of random thoughts and turn them into what is now a reference for anyone in the field. To everyone at HK Canada who keeps the ship running when I am out of town or taking on new projects: I would not have been able to take on this project if I didn't have your support and expertise.

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Last but definitely not least, I'd like to thank my family. My wife, Laura, and my son, Jackson, put up with me and my crazy schedule and desire to take on too many projects, this probably being one of them. I love you both very much and appreciate everything you do for me. To my parents and my sister, who gave me the foundation to become who I am today: I continue to learn from you. Thank you for everything you have done for me.

An Overview of the Health and Fitness Industry

Managers of successful fitness centers no longer can get by on their passion and knowledge of fitness. They must have a thorough understanding of marketing, operations, and financial concerns that affect their club. In the early days of the industry, this was not critical to the success formula, because there was little competition. This has changed, as you will read in the following paragraphs. The industry is now highly competitive and there is no room for managers who do not understand the business side of fitness. This text will give you the knowledge base you need to be successful as a health and fitness manager.

Since the first edition of this book came out in 1998, the health and fitness industry has undergone some major changes. In 2005 the global industry grew to over 105 million members, with more than 92,000 clubs worldwide. Within the United States, the largest health club industry worldwide, there were more than 41.3 million members in more than 29,000 clubs; in 1985, there were only 9,222 commercial fitness clubs. This is a remarkable growth rate. Here are some other key industry data:

- In the past 10 years, fitness clubs have increased the total industry revenue by 105%.
- This revenue increase has been fueled by the increase in the number of facilities (118%) and members (71%).
- Clubs have increased revenue per member by 20%.
- In 2005, 57% of fitness club members were female and 43% were male.
- As of 2005, the 18- to 34-year-old market made up 36% of club membership base, and the 35- to 54-year-old market made up 33%.
- The under-18 group made up 12% and the over-55 group made up 19%.

- Since 1995, the number of members over the age of 55 increased by 305%.
- The average fitness club member had a household income of \$82,900.
- People with household incomes over \$75,000 account for 50% of the membership base.
- Despite the large percentage of members coming from these income levels, the fastest growing portion of the industry is the \$50,000 to \$74,999 income level.

One striking statistic from International Health, Racquet, and Sportsclub Association (IHRSA) is that, for the first time in about 10 years, the total number of health club members stayed relatively the same between the years 2005 and 2006. There are many potential reasons for this; the inability to reach the inactive, sedentary marketplace (by far the largest percentage of the population) and the increased competition are just two examples.

Despite this marked plateau in growth, the leading corporations are growing at a much quicker pace than the overall average. This growth has come in the form of acquisitions, expansions, new clubs, and initial public offerings. There is no doubt the industry is here to stay. As with any maturing industry, ours is beginning to see clubs differentiate themselves or get swallowed up by the large chains. Independent clubs have been forced to redefine themselves as they realize they cannot compete with the resources of larger fitness corporations with budgets in the tens and hundreds of millions.

Regardless of the size of the fitness center, a solid management team can make the difference between a club that is just getting by and one that is a benchmark for the industry. This text will help you create that team.

