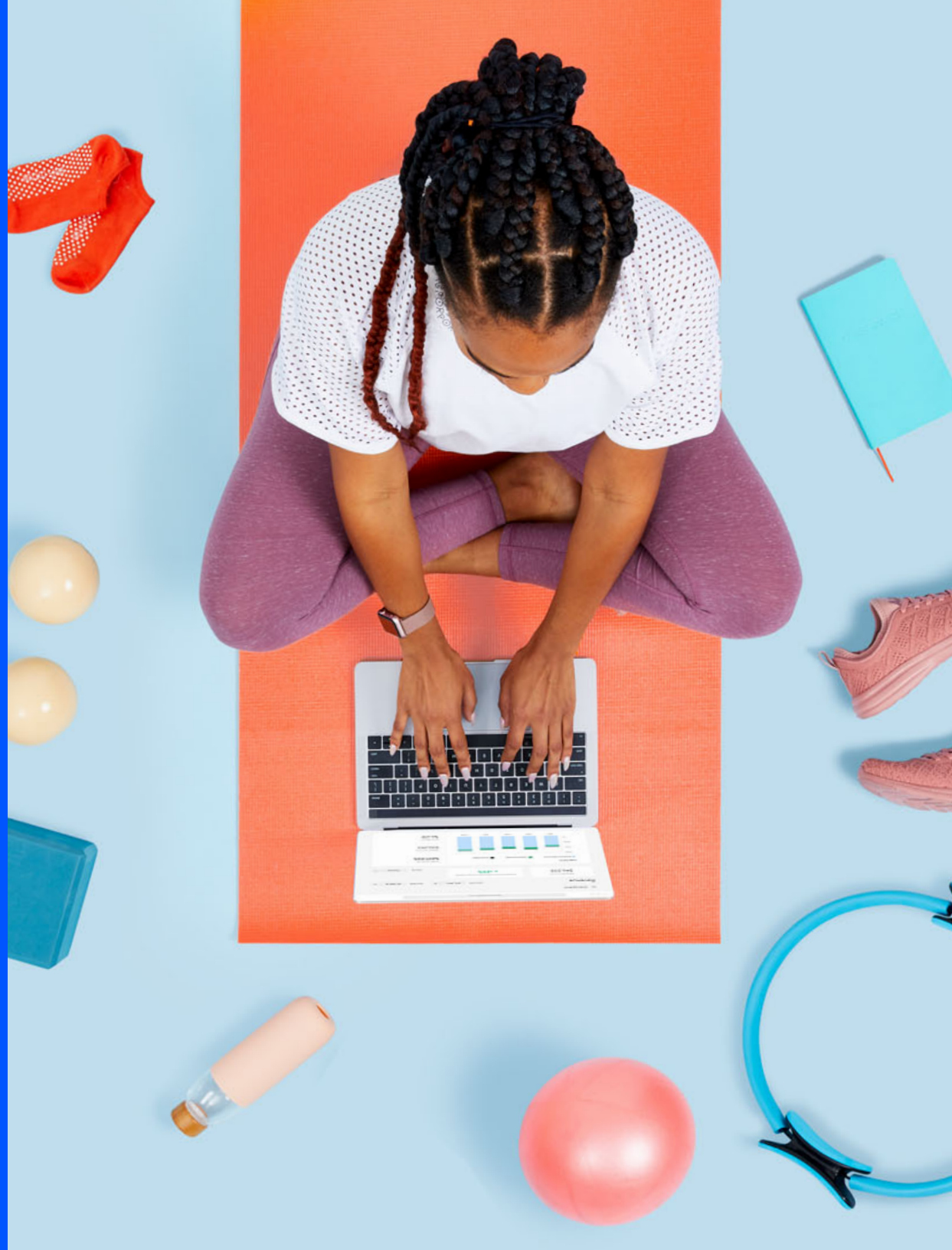


# How to Run Your Fitness Studio



classpass

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Running a fitness studio is no small feat. Success requires the constant juggling of different business functions, time management and pure grit. But with the right tools and knowledge, you can lay a foundation that keeps your business thriving throughout your first few quarters and beyond. These guidelines will help you prepare for the demands of running a studio alongside those of small business ownership.

# 1

# Operations

Build a smart foundation to keep your studio running smoothly.

From finding instructors that will grow with your business to investing in an efficient facility, these early decisions will impact the long-term operation of your business.

## Hiring and Managing Staff

Your fitness studio is only as good as the classes you offer, so your top priority is finding – and retaining – excellent fitness instructors. Think of it this way: fitness classes are your main product, and instructors are essential in getting this product to market, from research and development to sales and customer service. With the right crew, your studio will be greater than the sum of its parts.

The goal is to build a roster of talented pros who can get behind you and your studio's mission. Whether you pick from traditional job boards, professional referrals, or even front-of-class attendees, you won't hire the best unless you set up a consistent and rigorous evaluation process. On top of a standard interview, create opportunities for candidates to lead a class or two, so that you can not only assess their skill level, but also their teaching style and compatibility with your clients.

Evaluations shouldn't stop after an instructor is hired. Schedule regular assessments with [this evaluation checklist](#) in hand to ensure your staff is providing an excellent experience for clients. Instructors play a crucial role in your clients' fitness journey – that's why it's important to retain instructors rather than becoming a revolving door. Not to mention, retaining is a lot cheaper than constant turnaround. Evaluations will help you develop a more nuanced understanding of your instructors so you can tailor programming to their core competencies, invest in more training and identify top performers who are due for a raise.

You'll likely have a few "tiers" of instructors, depending on their skill level and employment status. It's common to begin an instructor as an independent contractor, and later move them to in-house employment. Contracting is less

expensive and more flexible, but employees are a long-term investment, helping you build a more controlled and exclusive product. For more about employment types, including important IRS distinctions, check out this article: [Should You Hire an Independent Contractor or an Employee?](#)

Of course, instructor isn't the only role you need to fill. Many studio owners think they can DIY their way to a thriving business, but day-to-day management can leave little time and energy for essential work. From back-of-house operations to front-of-house faces, consider which roles you want to outsource, which roles you want to hire in-house and which you want to manage yourself (with the help of technology). Read more about hiring solutions in this article: [When to Hire vs. When to Outsource](#).

## Facilities Management

The look and feel of your gym is largely related to the type of fitness you offer. An unfinished warehouse might be appropriate for a down-to-earth boxing gym, while a hardwood, mirror-lined studio might be the best fit for a barre and

Pilates studio. When it comes to facilities, it's important to determine what is essential and what is extra. Essentials are the things you need to run the studio every day, like AC and class equipment. Extras are nice-to-haves, like lockers, showers and additional gym equipment. It all depends on your clientele.

Growing your facilities is a gradual process. Make sure you have the time and money to properly manage the essentials, and slowly invest in extras as your studio grows. If you're smart about facilities early on, you might save money down the line. Consider energy-efficient fixtures and reap the benefits from lower utility bills and even government tax breaks in years to come.

Whether you're running a no-frills corner gym or a high-end studio, the number one goal of facilities management is keeping things clean. Upkeep is not only necessary to maintaining a safe and hygienic studio, but it will also reward you with higher client satisfaction and increased equipment longevity. Read our [guide to maintaining every type of equipment](#) for more info.



Figure out where you're overspending time, and where you need to allocate a few extra precious minutes.

### Day-to-Day

Time is your greatest resource, and your day-to-day is a careful balance between having just enough and not enough. If you want to optimize your day, figure out where you're overspending time, and where you need to allocate a few extra precious minutes.

Take note of how long daily activities take. How long does it take to set up for a class, take an appointment phone call, or onboard a new client? You'll start to notice patterns of over- and under- spending time. For instance, your beginner classes are often preceded by new client-onboarding, so they often don't start on time. The solutions you develop will be unique to your studio, but there are a few things any studio can do to save time.

Use a booking app to manage class rosters and organize class schedules. This will keep you or your staff off the phone, and it will improve customer experience.

Set up a post-class cleaning routine, and do it unflinchingly. It will become second-nature to you and your staff, and it will cut down on time and money spent on extensive cleaning.

Invest in a front desk employee to manage transactions and new client onboarding, help with cleaning, support instructors during peak hours and pick up odds and ends like a toilet paper restock or an unexpected trip to the store.

Practice "light" bookkeeping at the end of the day so you won't pile on the work for yourself at the end of the month. Assess your cash flow, file expenses and receipts, and make sure you're paid up on new invoices.

# 2

## Finances

Develop a fiscal routine that keeps you in the know and in the black.



Managing money is the heart of small business ownership; you need to have a big picture view and a microscopic view of your finances in order to keep things running smoothly.

## Key Metrics

There are several metrics you want to keep track of in order to maintain a big picture view of your business. At a glance, these numbers will tell you how your business is performing, and alert you to potential problems where you need focus.

### Cash Flow

Put simply, cash flow is all the money coming in and all the money going out. It's good practice to maintain a 2:1 cash flow ratio; in other words, revenue is double that of any debts and liabilities you need to pay. Positive cash flow is a sign of good business, showing that enough revenue is being generated to pay expenses, reinvest in the business and future-proof for financial downturn.

Historical cash flow can also become an important metric for your business, helping you plan for seasonal fluctuations in demand. Once you have a January on record, it will be much easier to plan investments for the next new year. If you've

typically seen upticks due to fitness resolutions, you might invest in more staffing. Or, if your studio is in a small college town, you might see a downturn in the summer, so you can create lower operation costs.

### Customer Lifetime Value (CTV)

CTV is a metric used to gauge the total profit a member is expected to bring to your studio over the course of their visits. Average the revenue from clients over the course of their visits to your studio, and subtract the cost of servicing them. This number is especially important for a business model built on client relationships, like fitness studios. It not only helps you measure growth in customer spending, but it's also applicable to customer acquisition, helping you budget the right amount for advertising or marketing. Read more about that in this [Q&A with our Customer Acquisition expert](#).

Simply tracking expenses can help you achieve noticeably lower taxes.

### **Your Own KPIs**

Develop your own key performance indicators, or KPIs, to add to this mix of standard metrics. These numbers are specific to your own business strategy and annual goals, but here are a few common metrics you might want to track regularly:

- Number of members
- Average class attendance
- Average daily attendance

Learn more about which [key metrics to track in this article](#).

### **Taxes**

Taxes are the only thing you can predict will happen when running a business. Knowing that, the main thing you can do to prepare is document, constantly. Think of yourself come tax season whenever you travel for work, pay a utility bill, or buy paper for the printer – document thoroughly. Save receipts and digitize them when you have time. With over 300 deductions available to small businesses, simply tracking expenses can help you achieve noticeably lower taxes.

You'll also want to stay on top your agreements with independent contractors. The IRS has strict guidelines about what defines an independent contractor, and the type of working relationship they can have with the contracting business. As a safeguard, create a contract that covers every detail of the agreement, and have it signed by the contractor. Collect signed W-9s at the start of new contracts, and issue 1099-MISC forms without delay.

Read more about preparing for tax season in this article: [5 Tips for Better Tax Planning](#).

# 3

## Marketing

Attract new customers with data-driven techniques.

Marketing is about more than getting the word out - it's about setting your studio apart. It's about more than finding customers - it's about defining your brand and tailoring your message.

## Branding

Don't dive into a marketing strategy until you've thought about branding. While marketing might appear in a wide range of channels, which all communicate different messages, you should still have a unified identity that helps potential customers recognize and remember your business.

Branding can be literal, dictating everything from the colors, fonts, and photo filters you use. It can also be more figurative, describing the type of language used in messaging, or the "vibe" a client should feel when they enter the studio. However detailed you choose to get about your brand identity, it's a good idea to develop some written guidelines that you can share with employees or contractors, especially those working on your marketing channels.

## Social Media

Gone are the days of having an account on every channel, and far gone are the days of having zero social presence. Now it's all about strategic usage of the right social media.

To [figure out the most valuable social media platforms](#), analyze your existing presence across each one. Discover the channels where you're getting the most engagement and where you're getting very little. It might be time to cut back on Twitter if it means you can post regular stories to Instagram, where users are regularly sharing reactions. If you've heavily invested in content like blog posts, Facebook might be the best platform to prioritize as you can pay to boost the reach of your articles or videos. Pay attention to your competitors as well, as they might have discovered an engagement hack that you're missing.

Success on social media requires more than posting regularly, of course - it's the content of your posts that matters. Trends in social media are always changing, opening up new types of content to create and share. For example, video has become an indispensable medium, changing audience expectations along with it. With short-form videos you can preview classes on Instagram stories

to give potential clients a taste of your services; on YouTube, you might share a fitness video series to generate a digital customer base. Stay on top of social trends so you can quickly jump on the right opportunities for your business.

## Email

In a word, email should be easy: easy to notice in a cluttered inbox, easy to scan and easy to take the intended action. But that doesn't mean emails are easy to make. In fact, each email takes careful planning, with consideration to the audience segment, the desired action, the messaging and the design. Keep the following things in mind when planning an email, and be sure to check out the [Guide to Designing a Successful Email Marketing Campaign Part 1](#) and [Part 2](#) for a deep dive into the subject.

**Segmentation** - Send the right emails to the right people. You can use segmentation to create email lists for new customers, customers in different membership levels and more- or less-engaged visitors.

**Design** - An email is one of the bigger canvases you'll get in marketing, but resist the temptation to fill it with everything. Remember that email is meant to be scanned, not read, so

keep the copy short and follow a clear hierarchy that places important content and a Call-to-Action (CTA) first.

**A/B Testing** - Don't miss out on the opportunity to test versions of your email. You can try out different subject lines, preview copy, visuals - everything down to the color of your headlines. If you have an inkling that one version will do better than another, get some evidence to back it up.

## Promos

Promotions are a proven way expand your customer base and differentiate your brand from competitors. With the right strategy, they can also be an opportunity to encourage more engagement from existing customers. With all these benefits, why not run a challenge, giveaway or special?

Getting the word out about your promotion is more than half the battle, so consider distribution channels that will maximize the reach. Some promos take advantage of user-generated content (UGC), requiring users to post with a hashtag on Instagram, but you can get more engagement by requiring an Instagram story or for users to tag their friends.

Don't forget about in-person interaction, too. Keep your instructors and front-desk staff aware of promotions so that they can work them in with the right clients.

For tips on when and how to run promotions, check out [this article](#).

Email should be easy: easy to notice in a cluttered inbox, easy to scan and easy to take the intended action.



# Customer Experience

Give the best visitor experience through dynamic programming and thoughtful services.

Clients are consumers first and foremost, and they're looking to spend their hard-earned money on a studio that helps them achieve their fitness goals, with a great experience to boot.

## Programming

Your classes are what truly define your studio, and while instructors play a large role in shaping the flow of any session, the genre and style of programming is in your hands. Like any product in the marketplace, you'll want to update and diversify your offering to stay relevant and appealing to consumers.

Discover your programming opportunities by monitoring class attendance rates, reading online reviews, and asking for feedback from your instructors and clients. Find out the most popular classes that clients love, and work hard to keep frequent flyers on their toes with new moves and techniques, new music, or even new scheduling. Take note of any unpopular and under-attended classes, as it might be time to scrap them and try something new. It comes as no surprise that 6pm is one of the most popular class times, but test often to make sure you're providing the right classes

at the right times. Get more insights with these [Tips for Crafting Your Class Schedule](#).

Checking in with your community of clients, instructors and variety-seeking guests will also give you insight into bigger growth opportunities, like adding new fitness genres or exploring themed classes. It's natural for your programming to shift and evolve towards your client needs and trends in the industry.

## Amenities

This is where the extras of facilities management come into play. Depending on your clientele makeup, there's a huge array of amenities and perks you can consider to improve your studio space, enrich programming and membership, and improve the customer experience. Sometimes amenities are big investments, like a sauna or an in-house

smoothie bar. More often amenities are the small details that clients don't even notice until they're gone – think in-studio yoga mats, front area seating and a functioning water fountain. Get creative to find cost-effective solutions that delight clientele without breaking the bank.

- If you don't have lockers, use a cubby system, and keep it clean and monitored by the front desk staff.
- If you don't have a sauna, try incorporating aromatherapy into yoga and other restorative studio sessions.
- If you don't have showers, offer hand towels or cleansing wipes.
- If you don't have a juice bar, keep a mini fridge stocked with for-sale beverages.

## Retail

From boutique studios to bigger franchises, lots of fitness businesses get into branded retail at some point. But opening up to retail means you're basically starting a second business, so hit pause and see if it's the right fit for you. If you have the cash flow to invest in retail, consider these other deciding factors:

**Interest** – Is your clientele going to buy these products? Use survey methods or simply ask around to see if you can drum up interest. If you can, work on a small line and see where that takes you.

**Time** – Adding retail means more weekly hours spent overseeing production and sales, plus energy developing new products and following trends. Make sure you have that kind of time to spend.

**Space** – Do you have somewhere to display retail? Without a boutique space to entice customers, you might not be able to generate the right interest. Even if you primarily sell online, do you have space to store all the products and the means to handle shipping?

If you choose to add retail to your business, read these [Top 11 Tips to Maximize Retail Revenue at Your Studio](#).

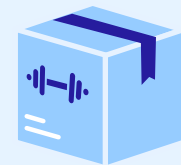
# Retail considerations



Interest



Time



Space



Studio ownership is full of unexpected twists and turns – some great, some difficult to weather. As you grow, you'll need to scale your operations and budget for bigger investments. As trends in fitness evolve, you'll want to transform your marketing to find new customers, and enhance customer experience to delight them. Positive growth can seem far away at times, but if you consistently monitor, adapt and reinvest, you'll discover the right opportunities to strengthen your fitness studio business.



# classpass

ClassPass is an all-access membership to a global network of studios, gyms and wellness providers. It connects people to a variety of experiences, including strength training, yoga, cycling, Pilates, dance, sports, meditation, massage, spas and more.

Join the world's leading marketplace for studio fitness, gym and wellness providers and start maximizing your revenue. We'll help you get discovered by a global community searching for their next great fitness or wellness experience: yours.

[Get started](#)