



COST SAVINGS WITH TRANSITION TO MANAGEMENT: SYNERGY MEDICAL FITNESS CENTER

THE SITUATION

Synergy, a Medical Fitness Center in Napa, CA owned by St. Joseph Health built a 47,000 square foot medical fitness facility in 2006 to create a place for fitness, wellness and transitional medical fitness programs to its Queen of the Valley hospital patients, employees and the Napa community.

St. Joseph Health was looking for opportunities to bring operating costs down and for new ways to grow their reach in the community with greater competition coming into the local Napa market. In November of 2014, they hired Active Wellness to manage the fitness center and to help improve financial efforts.

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"The Active team has brought new programs and service methods that we hadn't tried before, and they have already started to make differences that improve the work environment for staff, and improve the experience for members. Active is taking us from good to great, and creating some efficiencies along the way."

-Synergy Vice President, Operations
Queen of the Valley Medical Center

THE SOLUTION

Active Wellness came onboard and began making improvements to the finances over the first six months of management. Their first priority was the employees and assessing the situation. Active collected key stats, reviewed current operating procedures and began the OSE (Operational Standard Evaluation) to locate immediate and future areas of improvement throughout the facility. The OSE report is conducted quarterly by Regional Management to evaluate customer service, facility standards and new opportunities to help with cost savings and revenue growth. As a result of this comprehensive review process, Active implemented the following services and standards to optimize the center's ROI:

Onboarding and Ongoing Training & Development

Active Wellness hired 93% of the Synergy staff which reassured the hospital that Active was committed to its team in place. They began implementing employee onboarding trainings and operational procedures for the team. Employees felt an instant value with joining the Active Team, including fitness expertise and a network of like minded individuals to share best practices.

It was also important for Active to lead by example and build team camaraderie. Therefore, the Regional Management and Executive Leadership Teams were onsite almost daily with Synergy employees to support transition efforts, answer questions and train them on the new operating procedures, systems and tools. All Synergy Managers attended a development training within the first 30 days, and Active hosted a 2-day Sales Success Training for the staff onsite. Employees now have continuous access to online trainings and tools to keep up with sales, marketing, customer service and hiring best practices, fitness and safety certifications, and the latest in fitness and wellness programming.

Sales & Marketing

Active Wellness' Marketing Team implemented a communication strategy and marketing plan immediately. Working in collaboration with the St. Joseph Marketing Team on initial member and employee communication, messaging was distributed to effectively communicate the transition, direct questions appropriately and build brand loyalty. Active then established a strategic marketing plan for the site to increase retention and acquisition efforts and implemented marketing infrastructure including an email management system. Sales had been a secondary effort but with Active Wellness' sales success best practices, new membership goals were set to help retain existing members and attract new members. The team also launched InTouch, a CRM tool to help manage the sales process, and also introduced new flexible membership options to better meet the needs of prospective members.

In one year EBITA increased by \$302,257 with Active's Management Solutions in place at Synergy.

The Conclusion

As of result of Active Wellness' management of the medical fitness center, Synergy's EBIDA improved in one year by \$300k due to the cost savings process and procedures that were implemented. Members are also happier. A recent community open house event implemented with Active's event best practices brought in \$33,000 in revenue in just one day which focused on member specials and driving the community into Synergy's doors. According to a recent member survey Synergy earned a net promoter score of 49, which is 5 points above industry average of a medical fitness center.

To learn more about how Active Wellness can improve your medical fitness center's bottom line, contact us at sales@activewellness.com.
