

Corporate Fitness **Prices dropped by** **A third!**

AT one time corporate gyms were seen only for large companies with huge profits but as in every industry, latest development, new technologies, more efficient systems and greater access to suppliers have changed all that.

Corporate Fitness Centres are now more cost effective to operate than ever before. More businesses can now enjoy the benefits of healthy employees for under £900 a month.

This article is designed to give you the “heads up” on considerations to be made when investigating the possibilities of having a corporate gym and how to make savings and cut unnecessary costs.

The eighties and nineties saw an expansion period in the corporate fitness sector. More and more companies realised the importance of healthy and productive staff.

In today’s ultra cost efficient and competitive business environment corporate wellness is more important than ever with stress now being the number one reason for absence from work.

Research from CBI, shows that staff turnover and absences related to stress cost employers £1.3 billion and caused a loss of 90 million working days per year.

This combined with the facts that its scientifically proven that exercise is

the most effective method of reducing stress shows that corporate wellness is no longer viewed as a luxury “add on” but as a dedicated component of a corporate welfare strategy.

Some companies combat stress with health club memberships for employees. This can be a good idea if you have a small company and there is a health club very close to your place of work, however, the downfalls are its expensive for employees and also its inconvenience factor.

It is doubtful that corporate health club membership will make a dramatic impact on your staff’s health, as membership uptake will be relatively low. Another way of providing on-site fitness to your staff is by holding holistic classes such as Yoga, and Pilates at your workplace. These can be quite effective and some corporate fitness operators will organise this for you, rather than you having to find an instructor yourself.

Does your company have space?

When deciding whether an on-site gym is for your company, the first decision to be made is where to put the gym.

If you have an employee base of less than 500 you should allocate about 70square metres. 500 employees or more generally needs about 120 square metres and should incorporate a small group fitness class studio studio.

To outsource or not to outsource

A decision needs to be made on whether you are going to operate the gym yourself or outsource the design and management of the centre to a corporate fitness operator?

Some companies don't outsource because the gym may be small and from their point of view it may not require much planning or daily management.

When the gym is not managed by a professional operator staff that already exercise on a regular basis will use the gym, generally though, the majority of staff (90% – 92%) won't use the gym for any prolonged period of time. There can be various factors which lead to this; they may feel intimidated by the whole environment, the lack of marketing and promotion, also many potential beginners to exercise (the majority of staff) will need a lot of 'hand holding' by qualified staff. Another reason could be a lack of correct supervision and instruction will leave them feeling unsafe when using the equipment.

If you outsource the running of the gym to a corporate fitness operator the obvious downside is that it will cost more, but you will benefit from; expertise and experience to design the gym and ensure the fitness centre is equipped correctly. These services will probably save company money in long term such as discounts on equipment that will be talked about later.

An outsource operator will provide you with the systems, procedures and qualified fitness staff to manage the gym effectively. If the gym is managed effectively then staff usage will vary between 25%-40% that will maximise

the overall effectiveness of the gym on staff's health.

How to choose an Operator

With a bit of investigation it is easy to find the right gym operator for your company. The most important aspect of decision should be the type of instructors that they will provide you with, qualifications, experience and on-going training and development that he/she will receive. As the instructors are the face of the gym, they should have qualifications that are a minimum of level 2 Register of Exercise Professionals qualified (industry standard).

A good corporate fitness operator will provide you with the following services: A good design and set-up plan with all employees needs taken into consideration. Good discounts on exercise equipment that will save your company on average 34%. Make sure that your corporate fitness operator is independent and not tied to a particular equipment manufacturer. Your operator should provide you with a pre-opening and yearly marketing campaign to promote the gym. They should also oversee all health and safety procedures.

These are the areas where a fitness centre operator will save you time, money and ultimately ensure a safe and successful on-site gym.

What services are provided?

A corporate gym should be more than just equipment, gym programmes and group exercise classes. Operators are now providing a variety of different health related services for staff through their gym, from personal trainers, fitness testing, health promotions, beauticians, aromatherapy, and tying it all in with Occupational Health to assist employees in coming back to work quicker.

How much does it Cost?

Not as much as one might think. Once a company has paid for renovations/refurbishment, you are left with two potential costs, the fitness equipment and potentially the operator's monthly management fee.

When purchasing fitness equipment, you should take professional advice on how much and what brand of equipment would suit your employees; is it user friendly, what are the size considerations? In the corporate fitness environment space is precious so ensure equipment is compact and designed with space saving solutions. Remember when purchasing equipment you might not need the most technically advanced equipment but you do need the most functional and cost effective equipment.

When acquiring the equipment you can lease, purchase, or some gym operators will supply the equipment for you as part of the management agreement. Ensure your equipment has warranties, and you have a solid maintenance agreement in place with

your chosen supplier. The important issue is to shop around or better still get your gym operator to shop around for you.

A gym operator will charge you a monthly management fee to manage the centre, provide qualified instructors and all the services that go along to make it a success. An agreement between 3-5 years is standard practice.

Ideally a company should make the centre as cost effective as possible. The most successful way to self-finance the centre is charging employees a nominal monthly membership fee. A low price that offers value for money is ideal. Generally speaking staff are happy to pay about £16 per month for a well-managed centre and the fee can be deducted directly from employees salaries. For an idea of how it works see the example case study below:

Case Study

TUI-UK employed the services of Corporate Wellbeing to design and manage their gym at their head office in May 2004. As part of the management agreement Corporate Wellbeing provided all fitness equipment, design, marketing and qualified fitness staff to run the centre.

Gym size: 1950 square feet of space including changing rooms and showers with 25 pieces of exercise equipment and a designated area for group fitness classes

Revenue: Each staff member is charged £15 per month to be a member.

Results: Within 5-months with on-going marketing and promotion 23% of staff are members. This gives TUI-

UK **£2175** per month to off-set against their management fee.

Corporate Wellbeing's target for the next six-months is to raise the membership to 30%. This will allow TUI-UK to have their fitness gym fully equipped, professionally managed and operated independently. But even better is that the gym will cost TUI-UK less than £900 per month. Therefore ensuring the long-term viability and success of the gym.

It's entirely up to individual companies how much they charge employees, they could charge more or less depending on what their financial budget is. This is the ideal business model for an on-site fitness centre rather than the clients making large subsidies each month.

Health and Safety

Safety is of paramount importance when operating a corporate gym. It is important to take every precaution possible to ensure everyone's safety when using the gym. Everything from proof of instructor's qualifications, credentials, gym risk assessments, instructional posters, and equipment maintenance should be carefully managed. It is these services that a gym operator provides that will pay dividends.

Operators should have a health and safety officer who will oversee the gym set-up, and coordinate with you all the procedures, policies, health and safety manuals, risk assessments and all systems of work needed for your gym.

From an insurance perspective you must inform your insurers that you now have an on-site gym and for it to

be included on your public liability policy. Your operator will provide their own public liability insurance and also a professional indemnity policy. This means that if anything happens to a member of your staff while using the gym then your company is totally covered.

Getting your on-site gym free?

Some companies, to generate more revenue, open their in-house gyms to families, friends and employees from nearby businesses. They also retail simple products like drinks from vending machines and nutrition bars. This can all add up to make your on-site gym self financing and sometimes even free.

To summarise, companies that have invested in corporate gyms are seeing, increased productivity, lower staff turnover rate, improved morale, happier staff and are finding it easier to attract new employees.

All in all an on-site gym will improve you bottom line profits.

The author of this article is Jim Lawrence BSc, Operations Director of Corporate Wellbeing. If you would like more information regarding on-site fitness centres and corporate wellness you can contact Jim 0141 644 8302 or jim.lawrence@corporatewellbeing.co.uk