

We appreciate your interest in reading this review. If you're a life-long independent club owner or fitness professional, we understand the challenges you face every day. The observation we are sharing with you today is the culmination of nearly 20 years in the health club industry. The statements and conclusions herein are fact and supported by the hundreds of club owners, managers, and industry professionals facing a common set of problems.

To start, if your business faced challenges over the past five or ten years that seem just out of your control, then we're here to tell you, "it's was not entirely your fault." By no means was it your personal lack of actions, ability, or intentions. It was mostly the direct impact of the fitness industry against you. No, the fitness industry did not conspire against you, nor did they plan this to happen. The industry as a whole simply has been blinded by the instant gratification and allure of what low-price, self-service gym models had done to re-invigorate the fitness industry. Even they, the masterminds behind these low price models, did not know ahead of time what ramifications or impact on your clubs or other globally. We believe, however, over time will single handily bring about the extinction of independent health clubs throughout the world. It won't happen overnight, but over the next few years, consumers will be thoroughly conditioned to believe that health clubs like planet fitness are the norm. Thus, the well run independent clubs that do survive, will be faced with massive loss of market share and reduction in expendable income which previously was used to compete, grow, and innovate effectively. These independently owned clubs, or franchise clubs that in the past had the ability to create programming, systems and change based on real-time experience will be replaced by wholesale membership clubs that feed primarily off of consumer low-esteem. As a result, clubs like yours, that have brought us the most ingenuity, progress, and creatively will no longer exist, leaving corporation driven, low or no service box gyms, and lastly consumers who don't or won't know any better.

Believe me; we are not trying to paint a gloomy picture, and we are certainly not telling you to give up. To the contrary, we are here to inform you that now has never been a better time to be in the fitness industry.



By now, we hope to have your attention. If you're a club owner, manager, or fitness professional that loves what you do and doesn't want to be forced to comply with a franchise or low-price, low-value model, then yes, there is still hope, and yes, there is still time. And again, what's been happening to you and your club wasn't entirely your fault. The industry created a "massive illusion" of a new low-price club model that made many independent club owners believe in, or worse, afraid of. It allowed massive corporate franchise models of all sizes to invade and overrun markets where perfectly well-run clubs, offering excellent services to go out of business. The response is not to blame but to react. The solution is to focus on what matters and how to get that done.

Question? Do you want to make more money in the fitness business? Do want to double or even triple your revenue? Do you want to improve your lifestyle, provide more for your family, maybe even retire sooner? If Yes, then please pay attention, we assure reading this will be the best investment you ever made.

We know you love your club. You're the type of person that cares deeply about the members and their feelings about the club. You spend 100% of your time and resources focused on marketing, new memberships, equipment repairs, employee and member issues. You do everything right, a model club owner/manager, paying attention to the most important aspects of the business. You've even become amazing on social media, adding that final piece, assuring your club is current with the latest trends. Yes, these things are important, actually critical in ensuring your club is operating properly. So why, if you're doing everything right, is the health club business so challenging? You would think with the current climate of weight related health issues and obesity across the country; business should never be better. So why is it so difficult maintaining, growing, or in some cases challenging just to stay in business? Well, pay attention; we assure you the next 10 minutes will not only change your vision of the health club business but reinvigorate your passion doing what you love. You will soon be reassured, earning a fortune doing what you love is possible. And yes, even better, in the same gym with same members you have today.



First, remember you're in the fitness business, your job, and sole purpose should be finding new and creative ways to reach the most people, educating them, and helping them how to become more fit, healthy, and satisfied with themselves. Your fitness center, equipment, and staff are merely tools to help them accomplish these goals. If you're dedicating most of your time on acquiring new memberships, equipment repair, or social media, then you aren't helping your members with why they joined. It's not that you don't care, or aren't willing to do what it takes, you just simply need to refocus your efforts with a new approach. But don't feel sorry, you weren't doing anything wrong or different than any other club; you built and managed your club based on what you've observed about your competition and thousands of other fitness clubs across the country.

So now you're trying to decide, what to do next? Join the pack and be a follower, or forge new ground on your terms. But whatever you choose, don't be fooled by the low price, self-service, equipment only gyms that seem to be taking over. Easily summarized, when the entire fitness industry was suffering and wasn't sure what to do next, I guess lowering the price was their only plan. Let's be clear, lowering the price is not a plan; it just buys you time before you have to come up with an "actual plan." These low price club models offer no value or satisfaction other than price and have almost zero impact in the community to build loyalty or long-term member relationships. It's only a matter of time before low price isn't enough. At some point, consumers will want more. "I'm figuring they actually may want results and satisfaction from their experience in the club." Something they will never receive from the bait and allure of a low-price membership club.

In response, clubs that can outperform the low-price models in the near future and long term will be lead by club owners that focus on paying more attention to its members, providing them affordable training and weight loss solutions, in addition to creating a sense of community and brand that other clubs can't replicate.

You first need a reality check regarding the new training studios in your market before we get your club looking forward to the near future. Why are we surprised that they are the number



one largest growing segment in the fitness industry. Why is this? Let me share some disturbingly, "common sense," facts with you. Contrary to what you may think, every member really does want results, and they actually do like being paid attention to. Even better, most of them are willing to pay more than their membership for services like training, weight loss solutions, life coaching, and even meal planning. Yes, I'm talking about the same members in your club right now.

So what happened? Why are training studios flourishing in your market? This is why; your club, like every other, focused more on marketing, membership, and equipment, you lost focus on the members, and over time, members lost interest and left your club. Thus, feeding the growth of the training studios in your hometown. Additionally, since most clubs paid little attention to training, subcontracted their trainers, or even worse, outsourced it; turning total control over to everything that happened on the gym floor to these non-employee independent trainers. Of whom, where building and growing their own business right under your nose.

Think about it, those former trainers in your club that interacted with more of your members than anyone else; where left to do and say whatever they wanted. Guess what, most of the time they had nothing nice to say about you or the club. Why would they? They don't work for you; they work for themselves. Eventually, but predictable, they left your gym and with no surprise, having more of a relationship with your members than you did, stole all your members and took them down the street. Hence, the popular training studio down the street that is operated by all your former trainers is flourishing with all your former members.

Now stop, think and remember the headline "It's Not Your Fault." This isn't just happening in your club or just in your community. It's an epidemic in the health club industry that has spread across the country. In turn, fitness studios today rank as the number one largest growing segment in the fitness industry.

So what now? What are others doing? I'll tell you what 80% of all misinformed clubs are doing when faced with this challenge? They're panicking, of course, immediately making the



wrong decision to lower their membership rate hoping to get their members back. Why? Not because they had options, it's because they didn't know about other choices or options available. They figured "well if it is working for them (planet fitness), it should work for me." At FITx we don't like to get deep with our insights, but "hope," is not a good business plan. Without any proof or historical information to back it up, it's just the fact that most club owners are convincing themselves that going from \$29 per month to \$10 per month is going to fix all their problems. We're not math scholars but doesn't charging less mean making less. Well, guess what, unless your club miraculously triples its active membership, you're still going out of business. And lastly, what if lowering your price doesn't work, then what? What's next? There should be a solution available that can improve the performance and competitiveness of the entire club, providing a fighting chance and sustainability. Well, there is, and its called FITx.

The details of FITx are coming in one minute, but first, you need to decide now; where do you want to be a year from now or even ten years from now? Why not today, choose to do something different. Become the club owner or manager you were born to be. Don't be tempted by the "dark side" with just lowering your prices. Reposition your club, reinvigorate your passion for fitness, and create something you can be proud of and your members will rave about. Create a community, dependent solely upon the products and services your club offers its members. Better yet, products and services only your club offers and no one else in your market can replicate, even those training studios.

Stay with me, were almost to the good stuff. Now is where we tell you, and the entire industry, what could have been done differently and what the other option could have been. But again, to no one's fault, the industry had no idea this option or concept was even available. We're not saying our product can save every club, but we're confident enough to say that our solution and product could have stopped the industry from having to implement the low price model as the staple "go to" business plan.



This other option, hence the solution we're referring to, was designed just for health clubs, not studios or training centers. Its name is FITx (FIT X), and it's an all-inclusive, turnkey product that can save your club or significantly improve its performance and competitive advantage. But before we go into its description or details, it had to pass one test. It had to benefit the three fundamental aspects of any full-service health club; 1. the members, 2. the trainers, a 3. lastly but more important, the club owner. It not only had to increase training revenue significantly, but it also had to result in an increase in membership sales, member retention, and provide the club a competitive advantage over any other club or training studio in its market. FITx not only passed the test, it's currently in place helping clubs across the country become successful when faced with both \$10 a month clubs and personal training studios on the same block.

FITx is an entirely new concept of fitness training and member coaching for health clubs. It may be hard to believe, but FITx is like nothing you've ever seen before. At first, you may say; "how can an industry that's been around for over 30 years, not have thought of everything? There must be something out there similar to FITx"? Well, the answer is No, and the reason is quite simple. Either no one saw the need to improve personal training, or they just assumed status quo was the way things are supposed to be. We believe the industry just gave up altogether. Yes, I said, "gave up altogether." Why do you think some of the largest fitness franchises in the world, for example, Planet, Retro, and Anytime Fitness, don't offer personal training or even include it as one of their core values or services? OK, yes, some may have a good subcontracted company or a few independent trainers doing well, but to reinforce my point, the entire company/franchise just ignoring it, passed it on, or simply didn't want to be bothered with it. Hence, another reason why personal training has become such a failure in health clubs and training studies are thriving. PS – yes, if you choose to own a franchise (retro, planet, anytime), the franchise does not give you a plan or even a program for personal training. It's all up to you. So where would you go to get the best fitness training program for your club? You would get FITx.



Only until both independent club owners and franchise board of directors' start treating training as important and necessary as membership, will things change.

Club owners and franchisees need to learn and accept that fitness training is the key to their club and business model's success long term. But not only for the small thinking of a new profit center or newfound revenue source, but for the immense benefits of having a product that creates community, bonds, relationships and attachments to the club. For example, FITx can create the benefits of brand loyalty and popularity similar to that of CrossFit and Zumba. Imagine this for your personal training and member coaching program.

Every health club, gym, no matter what size, shape, or price, needs to realize they are all in the business of fitness and training. Sure you may have a ton of equipment and a beautiful facility, but this shouldn't be where it ends. The equipment and space you have are merely tools you invested in to accomplish and support the business, the business of helping people become fit and healthy. Meaning training, coaching, and guidance.

Where you were led astray, like everyone else, became blinded and distracted by all the new and shiny equipment being produced, as well as for every body part. It seemed every year dozens of new pieces arrived and every piece served a purpose. At this point, why wouldn't any club owner say "let the equipment help the members for me." And this is the point where no one saw it coming; the equipment manufacturing side of the industry grew faster than the personal training side. Well not anymore, today FITx is the only company with a complete fitness training solution for health clubs. The solution that should have been in place decades ago and developing side by side with the equipment industry.

So what is FITx? FITx is an all-inclusive training, marketing, and sales product developed exclusively for health clubs. FITx is an affordable turnkey licensed training program that will significantly increase your training revenue, improve member retention, as well as, give your club a significant competitive advantage over the competition in your market. FITx provides a series of consumer friendly and affordable themed training programs, in addition to a



complete array of powerful business tools, giving you complete control over your clubs' trainers, training quality, and revenue potential.

Certified FITx trainers embody the professionalism, expertise, and maturity demanded today by most club owners. A certified FITx trainer is much more than any independent or subcontract trainer. A FITx trainer strives to become the club's most valuable asset. FITx trainers work for you providing value and support to the entire business, for example; providing new member tours, assisting with membership sales, responding to member floor requests, as well as assisting with other club functions.

FITx is a complete business system, providing your club the tools and resources to operate your entire training department.

In conclusion, we believe FITx is the essential tool that can fix, improve, and maximize fitness training in health clubs across the country, while also providing them a fighting chance in this extremely fragile and competitive fitness market.

If the industry and yourself are willing to think differently and try something new, we believe the FITx program could become more significant and impactful than the low-price low-value model. PS – W refuse to say low-price high-value. It's simply not true.

FITx Training Systems

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