



FITNESS
SOLUTIONS

Measuring Success for Gym Owners

Essential KPIs for a Profitable Gym

Let's cut to the chase. You want your fitness business to succeed. You want it to perform to the best of its potential...and profitability.

Well, in short, if you are interested in the performance of your business, you should be interested in the Key Performance Indicators (KPIs) associated with your business's data.

To meet your annual revenue goals, you'll need to keep an eye on the KPIs that supply insight into what's working, and what's not.

ABC Fitness Solutions is your ideal KPI partner because we help you parse through all the data your gym generates to find the winning formulas for your business.

What Are KPIs and Why Are They Important?

A Key Performance Indicator (KPI) is a specific metric that you've designated to measure the success of a particular part of your business.

By measuring a KPI over time, you can see your business improve month over month and year over year.

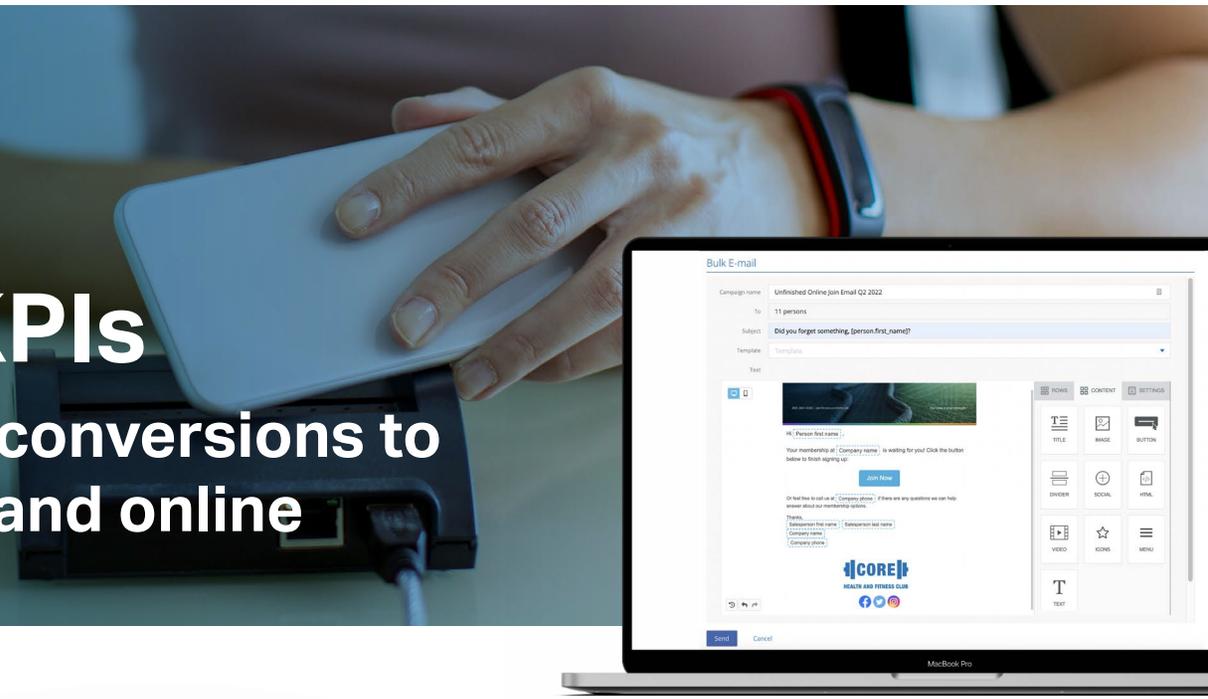
Remember, knowledge is power! When something is working, you can do more of it. When something isn't working, you can make changes.

There are many KPIs you can track. In this eBook we look at 6 categories of KPIs that, once you start measuring them, will supercharge your business.



1. Conversion KPIs

There are two types of conversions to keep track of: walk-ins and online



Walk-in Conversions

It's essential to track how many of your walk-ins end up converting into members. This will give you valuable insight into not only how well your gym is attracting walk-ins, but also, how well your team is at closing sales from walk-in appointments.

Additionally, you'll have the opportunity to gain perspective on why they may not be converting into memberships. For instance, if walk-ins make up 32% of your new leads but only 10% of your sales, then you'd want to look into the quality of foot traffic or your staff's capability to handle spontaneous walk-ins.

Online Conversions

Do you know how many members are joining your club based on your digital marketing? Your website, social media, and email marketing conversions can tell you a great deal about how effective your digital marketing strategy is. For example, if you are getting a lot of new leads from Facebook ads but not closing them, that could show that you need to make improvements to the quality of Facebook leads you are driving.

Also, what if you could see prospective members that abandon their online joining session after providing their info and target them with campaigns to finish the conversion? Form your member relationship early to build their lifetime value.

2. Lifetime Value

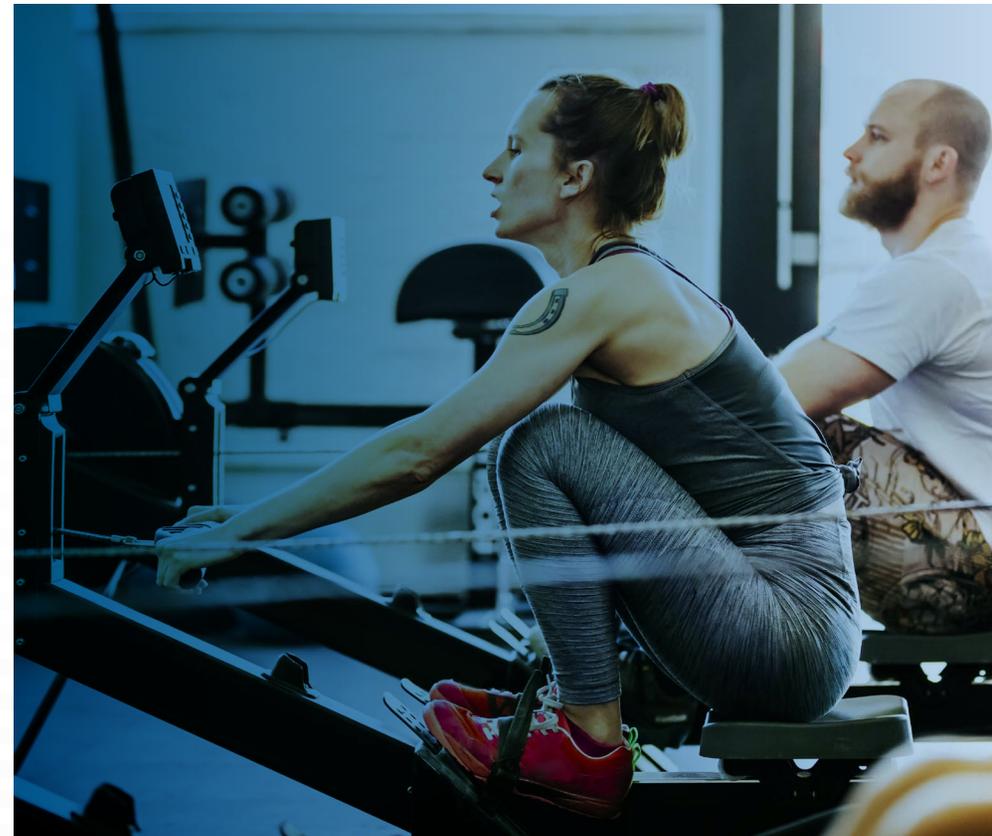
How much income do you receive during the entirety of an individual's membership? Knowing this gives you the lifetime value (LTV) of that customer. This is an extremely powerful number to know!

When you know the LTV of all your customers, you can then compare your progress against that average. Knowing this number allows you to learn many things about the current state of your business.

The better the number, the better your business. And once you reach a maximum membership number, the only room for growth is making sure you earn more money per customer.

If the LTV of your members isn't where you'd like it, you are now able to brainstorm ways to raise it. Do you need to increase membership prices? Or do you need to work on your retention strategies, making sure memberships last longer, thus producing more value?

Or, you could even consider some secondary sales tactics...



3. Secondary Sales KPIs

What does your gym sell other than memberships?

Do you sell personal training? Cold drinks? Clothing? Daycare?

If so, you have a secondary sales component to your business. These are all the sources of income that you receive outside of direct membership dues. And, of course, these should be tracked and analyzed to ensure maximum profitability.

Knowing these numbers, you can set goals for your sales team and track them month over month, continuously striving to improve them. You could even think of additional secondary sales items to supplement this stream of income.

BUILD BRAND LOYALTY

Clubs with higher secondary spend generally have higher retention.

DEVELOP A PERSONAL LEVEL OF CONNECTION WITH YOUR MEMBERS

ENRICH YOUR MEMBERS' FITNESS JOURNEYS

ADD ADDITIONAL SERVICES TO MEET MEMBERS' GROWING NEEDS AND INTERESTS

*Source: IHRSA 2018 Global Report

4. Multi-Club KPIs

Do you run more than one club location? Multi-club reports allow you to compare multiple gym locations to see how they're performing sales-wise. Then, you can dig deeper into what's working for each location and what's not.

Additionally, you can track leads by salesperson and location. Then, you can compare those leads across multiple clubs. Once you've found which clubs are seeing the most sales and why, you can adjust your strategy at lower-performing locations to boost sales there, too.

Comparing KPIs across multiple gym locations allows you to adjust strategies at lower-performing locations.



5. Club Utilization KPIs

Maximize the value of your space by making sure it is used to its full potential.

This can be done by measuring your club activity. What does this mean?

How many classes are you offering? Which classes are running at full capacity versus classes that are only pulling in minimal numbers? What are the hours in the day when there are the most people in the club? And, does that align with your current class schedules?

The goal is to maximize your real-estate by making sure you are optimizing all the activities in your club to maximize profits.

By knowing these numbers, you develop an improved understanding of member preferences allowing you to make the right offerings and drop less preferred classes to improve efficiency.





6. Revenue KPIs

Revenue

Revenue is the amount of money you are bringing in. You can't get a good bearing on your business until you have a clear picture of your revenue stream. Knowing this is the foundation of running a profitable business. Subtracting your expenses from your revenue gives you your profit!

Revenue Growth

Knowing your revenue for a given period allows you to start to measure the growth of your revenue against other periods. You can compare your revenue during one month to the next month to find out the percentage your revenue has grown. The same comparison can work year to year. With two months or years side by side, you can measure the percentage of growth. You can then compare different periods of growth to each other allowing you to analyze what was working during the biggest periods of growth.

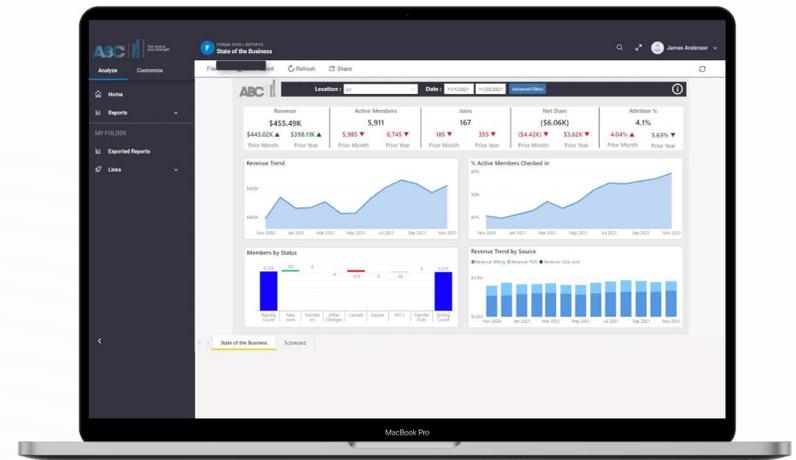
Need access to important KPIs for your gym?

If you're not already monitoring these important KPIs and are ready to get access to this information and much more, check out ABC IGNITE.

ABC IGNITE is a powerful sales automation and club management software created exclusively for gyms and health clubs. It is a single sign in solution designed to simplify your fitness business!

This platform supplies real-time membership and sales information to help your team build or adjust your sales strategy and engage current and prospective members.

Furthermore, ABC IGNITE offers over 30 ready to use dashboards and reports to make it easier for you to have a better understanding of how your business is doing and take the right actions. One of the most important and useful dashboards is called "State of the Business" where you can see all the vital KPIs of your overall business in one place. In this one dashboard you will find a better understanding of your financial health, as well as the ability and the means for improved decision making. This way you have increased agility when making changes, causing transformations that positively impact the financial health of your club.





ABC™ **IGNITE**

ABC IGNITE is technology for the people who move fitness forward.

Our integrated suite gives gym owners and operators complete control of their business and improved member lifetime value.

Simplify the business of fitness with ABC IGNITE.

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