



Ken Endelman

Pilates Programs Strengthen Profits

By Ken Endelman, CEO of Balanced Body, 1-800-PILATES www.pilates.com

More than six years ago, Greenwood Athletic Club in suburban Denver announced it was starting a Pilates program. The program became immensely popular and has since become the third-highest source of non-dues revenue for the club, trailing only fees from personal training and monthly rent from other leasing tenants, according to General Manager Paula Neubert.

What Greenwood experienced firsthand is what many health clubs are now discovering – that implementing a Pilates program can significantly increase their financial bottom line.

The phenomenal public success of Pilates is well documented. A 2003 report on sports participation trends published by the Sporting Good Manufacturers Association (SGMA) shows that the number of Americans participating in Pilates has jumped from 2.4 million in 2001 to 9.4 million in 2003 – an astounding increase of 444.5 percent.

Many people begin their Pilates experience with free mat classes offered by their fitness clubs, eventually advancing into fee-based Pilates equipment programs. Although the mat classes support increased membership and retention, it is in fee-based equipment classes where clubs begin to turn a profit.

Savvy clubs are capitalizing on this opportunity by structuring programs ranging from free mat classes to inexpensive group reformer classes to personal training using a variety of

Pilates equipment. Group reformer sessions often attract more people because they're usually priced at about one-third the cost of one-on-one Pilates sessions. At five to ten participants, these group reformer classes are smaller than typical group exercise classes. Like personal training, Pilates equipment sessions are perceived as an amenity, and members are willing to pay for it. Many clubs market Pilates beyond their membership, opening classes to non-members at higher fees.

New Mexico Sports & Wellness is in its third year of offering Pilates throughout its five clubs in the Albuquerque area. The company has repositioned its group Reformer classes from "group exercise" to "group personal training." "We changed the terminology to clearly show that the teacher-student ratio is different," said Mary Jayne Johnson, Ph.D, Regional Health and Fitness Manager. "The classes are much smaller than our

other group exercise activities, so the members get more personal attention. We found that once people understood the benefits of the small classes, they were willing to pay the extra fee."

On the flip side of the cost equation, starting a fee-based Pilates program involves an investment in equipment. "Investment" is the key word, because Pilates equipment is one of the few types of commercial fitness equipment that can generate revenue every time members use it.

"Purchasing quality equipment makes good economic sense," said Elizabeth Larkam, director of Pilates & Beyond for Western Athletic Clubs. "Not only will the equipment pay for itself in session fees, but a good piece of equipment will last for years with minimal maintenance."

As an example, the cash payback model below consists of five Allegros

Program	Per Week <small>(Based on low-volume, start-up participation)</small>	Average Fee	Weekly Revenue	Annual Revenue
Group classes	20	\$25	\$500	\$26,000
Private training	6	\$65	\$390	\$20,280
Semiprivate training	9	\$40	\$360	\$18,720
Gross Revenue				\$65,000
Expenses				
Instructor commissions at 50%				\$32,500
Net Revenue Per Year				\$32,500
Net Revenue Per Day				\$89
Equipment Investment				
4 Allegro reformers at \$2,295				\$9,180
1 14" Allegro with box and footplate				\$2,795
Total Equipment Investment				\$11,975
Days to recapture equipment investment (11,975 divided by 89)				135

(stackable, standable reformers) for group classes, private training and semiprivate training. By projecting the featured data over a 52-week period the club can potentially recoup its initial investment in roughly 4 1/2 months.

As with any new program, space is an issue. Clubs can either dedicate space for their equipment program, or they can share space with other group activities. For shared space, reformers that stack or store vertically require minimal storage space. A group session with five reformers will require approximately 300 to 400 square feet. Many clubs with shared-space group programs also leave one or two reformers on the floor for personal training sessions.

While building an equipment program, clubs should also continue to strengthen their mat program. Remember, mat classes are the springboards to fee-based programs. If members become bored with mat classes, they may never make it to a reformer class. Small accessories such as resistance rings, bands, foam rollers and balls are simple, inexpensive ways to keep mat classes fresh and challenging.

With growth expected to flourish in the coming years, the future of Pilates is bright. Clubs that carefully plan, market, and grow their Pilates programs can look forward to increased member satisfaction and healthy profits.

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