



The Comeback

How to successfully re-open
your fitness business after the
Covid-19 shutdown



As parts of the country start to re-open, more and more fitness studios are being allowed to open their doors along with restaurants, bars, and shopping malls.

If you are anything like the majority of fitness business owners, you have spent the last couple months just trying to keep your head above water.

As some sense of normalcy returns to areas of the country, and re-opening is on the horizon, it's essential to start thinking about how you can prepare your business to succeed when your customers start to come back.

What can you do to make sure your reopening is a success? For some, there may even be a silver lining here - now may be the perfect time to fix some things that were broken or improve your business model.

Step 1

Assess The Damage

It has been a rough time for businesses across all industries, but it has been especially tough for fitness studios and gyms. Before making any preparations for a return to normal, take stock of the position you're in now.

Ask yourself the following four questions to get an idea of the damage, and to start rebooting and making repairs.

Which customers did you lose?

Assess your revenue over the months you've been closed - how many members did you lose? Were there other "regulars" who weren't members, but who consistently showed up to your studio before you shut down? You will need to come up with a plan for how to re-engage these lost customers once you open up again - but the first step is to identify them.

What bills do you still owe?

You might have been closed, but the bills probably didn't stop. It's possible you skipped a rent payment or two, but are those payments coming due now? It is time to open all the unopened mail and figure out how much you owe to all your vendors.

If you took out an EIDL loan you should have a little time before any payments are due, but don't let that slip off your radar. If you took out a PPP loan, make sure you are on top of the latest news about how to qualify for forgiveness. Check out our [COVID-19 resource page](#) for videos and blogs on the latest PPP loan forgiveness guidance.

What's the situation with your staff?

Before you think about opening, you need to check in with your staff. If you laid-off or furloughed employees - do you know where they went? Do you know if they're planning to come back?

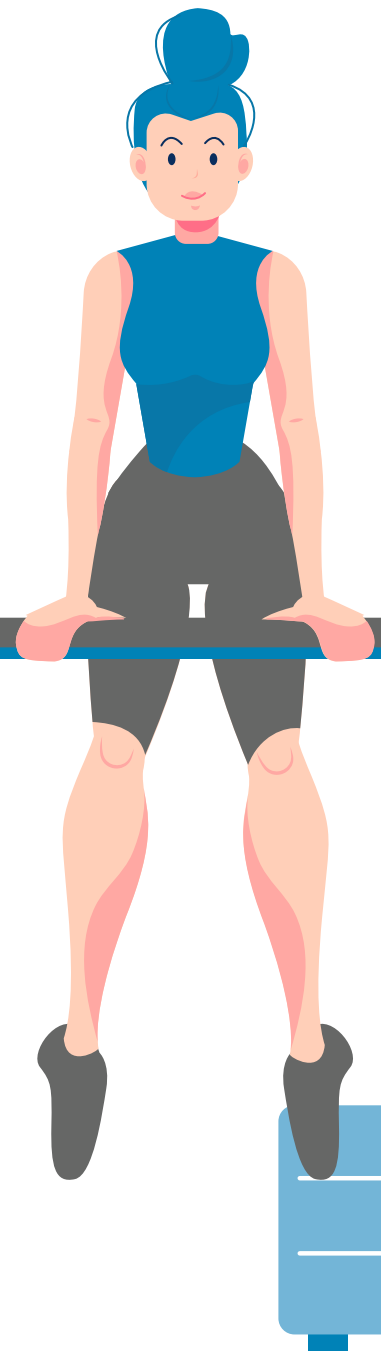
If you're unsure about your team members, start by reconnecting with them and asking about their situation. You may find that some have increased childcare obligations, some may be sheltered with their family out of town, while others are working part-time in another job.

Get clear on who is available.

What are the new rules in your local area?

States and cities will be opening up businesses at different rates depending on how affected they have been by Covid-19. On an even more granular level, there's likely to be different rules in different areas of those states - so make sure you're up to date on the rules in your area. There may be a specific list of requirements you need to comply with in order to open safely.

Regardless of specific area rules, there are going to be limits to services across the board. You may have to make plans to accommodate for social distancing or create a schedule to introduce fewer customers at a time. Know the rules.



The Silver Lining

When your studio was operating at full capacity, you may have had trouble keeping up with all the “back-office” stuff that is required for running a business. Before you open, take the time to catch up on that stuff to set yourself up for success moving forward.

For example:

- ▼ **Update the books** - If you were always too busy to get an accounting system set up - now is the time to look into software like Xero or QuickBooks Online. If you already have a bookkeeper, schedule a meeting with them to get a better idea about your numbers.
- ▼ **Do a physical inventory count** - If you have retail products, go through your merchandise and actually count how many items you have available for sale. Old inventory is one of the biggest cash drains for a fitness studio - so getting a handle on inventory can help you come back quicker. Even better - set up a real inventory system in your studio management software (such as MindBody) or get a separate inventory software system.



Step 2

Make Your Plan

Create a cash flow forecast

Now that you have a handle on all the bills that still need to be paid, make a plan for how you are going to make enough money to get them paid. You don't have to get too fancy - a simple excel spreadsheet will do the trick - or even some numbers on a piece of paper.



1 Start with your known expenses

List all your regular monthly expenses - things like rent, utilities, and cleaning. Anything that you have to pay each month - even if you aren't at full capacity.

Add any monthly debt payments - including any payments of deferred rent or other bills that piled up while you were closed.

Don't forget to include an amount for your pay - even if this is a target, you don't want to plan to work for free.

2 Estimate your monthly revenue

This will probably be the hard part - you will have to make a lot of guesses.

If you have historical figures for memberships, drop-ins, etc. start with those and estimate how many people will come back and how quickly it will happen.

If you don't have any historical figures - don't let that stop you. Come up with some estimates of how many people will come back and how much you will charge them.

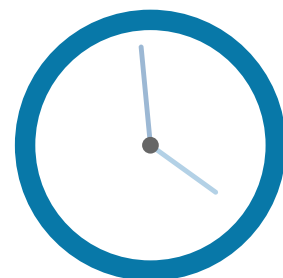


3 Calculate your staffing and variable costs

Based on your estimates of how many people will return, you should be able to plan a class schedule.

Figure out how many hours you will be open and how much you will have to pay your front desk and training staff.

Add in any other variable expenses - expenses that will increase or decrease based on the number of classes or the number of members.



4 Map out your cash position

Start with the amount of money you have in the bank.

Based on your figures from above, add your expected revenue amounts and subtract your regular and variable expenses.

Determine how long your cash will last. If it goes to zero, figure out which expenses you might be able to reduce or calculate how many more memberships or drop-ins you need to sell to create positive cash flow.





Things to keep in mind

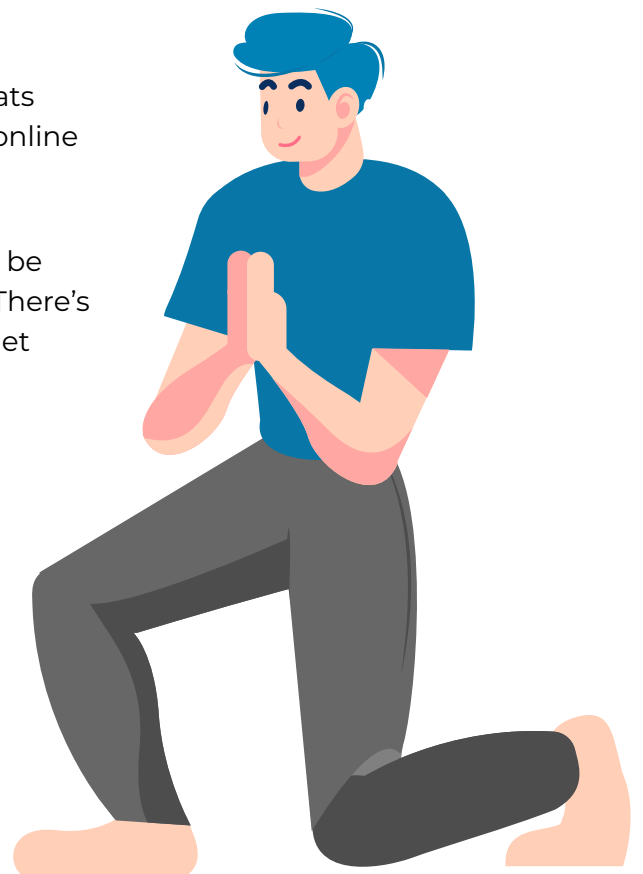
- When developing your revenue projections, remember that you will probably have limits on how many people you can have in your studio at any given time. That might mean more classes with fewer people.
- Consider your pricing options - Will you allow drop-ins or limit visits to member-only? Does it make sense to adjust your class packs or membership tiers based on this limited availability?
- How long will it take to rebuild your member base? The hope is that you bring everybody back (and more) - but not everyone will come back the first day you open.

When preparing your cash flow projections, remember that you aren't trying to predict the future with exact accuracy. For now, it will be a best guess, but you do need to make that guess.

Don't abandon online offerings

Many businesses moved their services to online formats during the lockdown. You will want to continue your online sessions while your service is limited.

If you haven't been running online classes, this might be something to consider as an extra source of income. There's no 'too late' here. Some customers will be itching to get back into the gym and into their fitness routine as soon as possible. However, you may find others are hesitant to return in person. An online option could provide a more comfortable alternative. This may also be a great way to attract customers from outside your geographic area.



We've seen many businesses getting creative with Zoom and running:

- ✓ At-home yoga & pilates classes
- ✓ Group HIIT classes or daily burn sessions
- ✓ Guided spin classes for customers with bikes
- ✓ Online dance classes and tutorials
- ✓ One-on-one personal training from home

There's potential to start your own community or boot camp and set challenges. You may end up running a mixed schedule of classes. There are tons of opportunities for new sources of revenue for your studio.

The Silver Lining

Unfortunately, many fitness studios won't be able to come back from this. The silver lining of this is there will be fitness customers looking to join a new studio. Think about how you might market your studio to attract these customers.

- ▼ Offer a promotion or introductory offer.
- ▼ Optimize your website or MindBody listing to attract new customers - [here's a great guide](#) from Mindbody on how to do that.
- ▼ Make sure you have a strong social media presence.



Step 3

Put Your Plan In Action

Make the hard decision - is it even possible to come back?

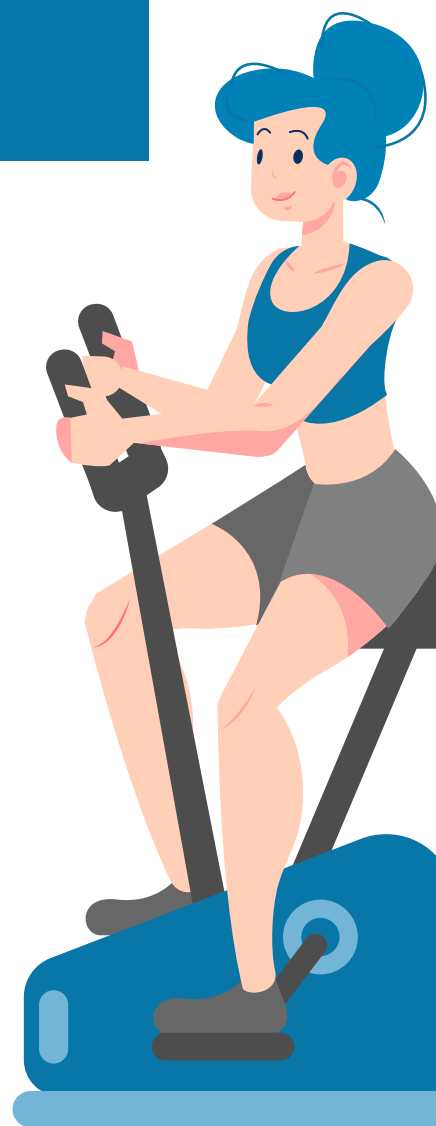
You've assessed your situation, created a forecast, and pieced together a plan. Now is the time to get serious with yourself. Is it going to be possible? If you have followed steps 1 and 2 from this guide, you already have an idea of how much cash you need to survive, and how many customers you need to pay your bills. Be honest with yourself - are you willing to put in the hard work to hit the targets you have set for yourself?

If the answer is yes, be prepared to experiment and adapt quickly. This isn't business as usual, and you'll need to be prepared to make changes and try new things to make it work.

Adjust your forecast monthly

When you built your cash flow projection, you made some guesses about your revenue and your expenses. Update these figures monthly with actual figures. You will quickly learn which of your guesses were right, and which were wrong. Don't get discouraged, you will be wrong more than you are right. But doing this will help you get better at predicting your cash flow for the future.

If your actual figures are wildly different from your expected numbers, it might help to get a second set of eyes on your financials. Sometimes, business owners are overly optimistic in their projections. Getting a professional involved can help you develop a more realistic forecast - and let you know when you have to start making those hard decisions.



Have a contingency plan

There is always the danger that things could shut down again, so create a future-proof plan that covers as many eventualities as possible. Decide now what you will do if your doors must close again.

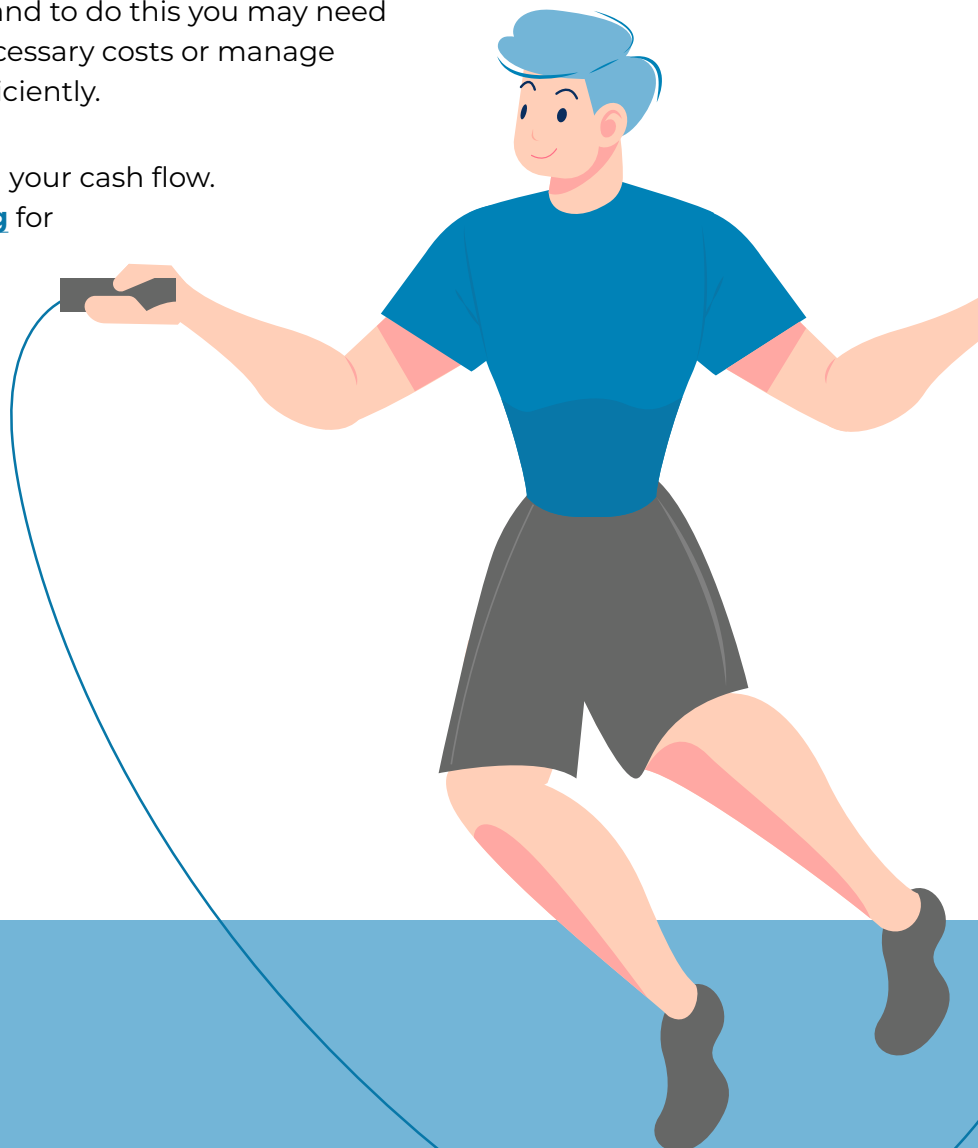
This crisis surprised all of us - but there is no excuse for getting caught off guard a second time. Even if we don't experience another shutdown like this one, your business will always benefit from a backup plan for circumstances that are outside of your control.

Build some cash reserves

Along with your contingency plan, building up cash reserves will make your business stronger and help you weather potential storms.

There is no magic number, but ideally, a business will have enough cash to pay for at least one month's worth of expenses. This isn't always easy, and to do this you may need to look at how you can cut unnecessary costs or manage your debt repayments more efficiently.

This all comes back to managing your cash flow. Check out the [Numberwise blog](#) for a deeper dive into cash flow in our series "Managing Cash Flow in Uncertain Times".



The Ultimate Silver Lining

“Now is the time to rebuild the way you want.”

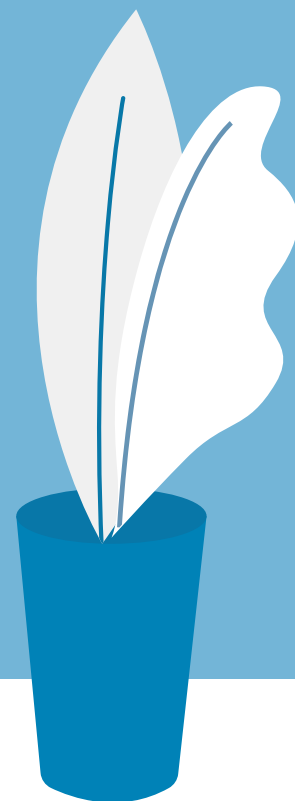
This has undoubtedly been a hard time - we won't pretend it hasn't been.

But to find a positive in the chaos - this may be an opportunity to rebuild your business in a new way, the way you want. You won't be burdened by old habits or chained to old processes or styles. This has forced us all to be flexible with our business model and that brings exciting potential.

For additional help planning your comeback, we recommend these blog posts from the Numberwise team:

- ✓ [How to make more money with your fitness studio](#)
- ✓ [How to get more first time visitors](#)
- ✓ [How to convert first time visitors](#)

And if you'd like help from us, head over to our [Contact page](#). Fill in the form and type “30 minute free consult” in the message box. All the best and looking forward to your comeback!



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