



The Corona Virus (Covid-19): how it impacts fitness operators' short term and some thoughts to restart stronger!

The Corona virus pandemic is now creating unprecedented issues for the global fitness industry. However, we are sure that we can all together as an industry overcome such difficult situation. Behind any difficulty lies an opportunity: the club operators can use the present time to adopt different strategies and think how to serve their customers in new ways introducing, for example, more digital training solutions.

In Europe, we are later in the curve than China/Asia Pacific. The purpose of this paper is to highlight what can we have learned from their experiences so far.



We talked to experts in both Asia and Europe and have the following tips for you, based on their input and also from other sources. Some of these points are utter common sense, others maybe more eye opening. See this as a potential checklist for your business.

General Points

1. Put the health and safety of your staff and members at the forefront.
2. Create a "COVID-19" task force team with representatives of the various disciplines/departments in your company, headed by the CEO and plan at the outset daily meetings.
3. As the leader it is very important to stay "cool calm and collected"; it can easily become emotional dealing with this, but as a leader lead by example... yes, show empathy but stay in control.
4. Maintain / Increase your hygiene standards in the gyms.
5. Support EuropeActive and your National Association in talking to local governments for financial support for our vital sector. As e.g. ukactive wrote in their message to the government; "If physical activity organisations are not supported to survive, it will be difficult for this vital infrastructure to be restored once the crisis is over - and a lengthy restoration process would have dire consequences for our society".
6. Ensure to be aware of all local guidance from Public Health Authorities; like additional cleaning procedures, placing sanitary hand cleaning dispensers and physical distancing measures to ensure customers remain safe and active, wearing masks, etc.
7. Take care of adequate training and instructions for your staff, as well as helping / coaching them to facilitate the digital transformation within the organization.
8. Experience has shown an inevitable process, where you always believe you will avoid the next phase but

you won't. These 4 phases are;

- a. Self-imposed measures to protect staff and customers.
 - b. Partial closing -possibly- decided by government (max numbers of clients at a given time or during group activities).
 - c. Total lockdown.
 - d. Partial reopening (with limits on max numbers of clients or group activities).
9. China has shown so far that this is not a health and economic crisis that is over any time soon; The reality is we don't know, and we cannot influence; all we can do is do our small individual part to stick to the advice of experts!
 10. Once this crisis seems to be over; do not become complacent, this crisis may prove to be a watershed and higher hygiene standards (and cleaning costs) will become the norm, as probably social distancing will be a very important point for personal trainers.
 11. Overall, the Key is to communicate abundantly with both your members, your staff and communities!

Financial Considerations

The number one goal is to stay cashflow positive, here are some ideas;

1. Look at cost savings for now and the future; do zero based budgeting.
2. Think about the investment you can do now to be ready to restart when the economy will bounce back.
3. Talk to your landlords for deferred or reduced rent payment as this is for many clubs the biggest expense next to payroll.
4. Request government for unemployment pay or salary payment support.
5. Ask your local government for a "Rates Holiday", a period of non-payment of rates for the duration of (partial) closure.
6. Keep on talking with your suppliers to find win-win solutions: we are winning the Covid-19 challenge together!
7. Talk to your bank for loans to get through the cashflow problems ("Business interruption loan scheme").
8. Ask for a period of non-payment of VAT, payroll taxes, pension contributions and a period of phased reintroduction on business opening.
9. Request deferred tax payments for duration of closing and a phased reintroduction on full re-opening.
10. Rethink your marketing activities to keep on communicating with your members and transfer positive messages.
11. Review the new club opening projects and think about additional / different services you can offer to your new members.
12. Request non-payment of licenses for music / video for the closing period.
13. Membership dues; hard to give a specific advice here as there are so many different contract types, but in all instances play open cards with your members so they understand your problems, particularly if you explain when you continue to bill membership while closed, that this money is used to pay your social responsibility, i.e. staff salaries.



Practical tips during the partial closure or restricted opening of clubs;

1. Increase hygiene standards in the gym NOT only now but from now on. Your members will appreciate it!
2. Increase frequency of cleaning and make this very visible to the members.
3. No handshaking and keep social distance of 2 meters.
4. If someone (staff or member) has a cold or shows symptoms; do not allow into the club; in all instances, follow local instructions from government institutions.

Practical tips during the complete closure of clubs;

1. Staff; use the time of club closing for online training / education.
2. Admin people can use the time to update records / files, etc.
3. Brainstorm with commercial / marketing people about how to improve when open again.
4. Have CRM people communicate with the members; promote home fitness, with or without digital or by using simple household things like milk bottles or stacks of books for muscle training.
5. Be very active on social media to educate people on a healthy lifestyle.
6. If people can go physically to the clubs, do maintenance / repair / cleaning works.
7. Arrange tailored financial support for self-employed physical activity professionals, so they can come back upon opening...you want to keep your full and part time staff on board and motivated; people are your biggest asset and the key to your success!

A final word of encouragement, this is a very difficult time for everybody, and it will not be easy. However, with the attitude "we are in this together" club owners, staff, suppliers, banks and governments can move mountains and we can come out of this as a stronger and better industry!

Herman Rutgers

Owner Global GrOwth Partners, EuropeActive Board member

Get in touch with us

EuropeActive
House of Sport , Avenue des Arts /Kunstlaan 43,
B-1040 Brussels, Belgium

Phone +32 (0) 2649 9044
Email thesecretariat@europeactive.eu
Web www.europeactive.eu



The views, information, or opinions expressed in this article are solely those of the author and do not necessarily reflect the view of EuropeActive, its employees or members.