



SPORTS AND ENTERTAINMENT OPERATIONS RESEARCH EVENT

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I. EXECUTIVE SUMMARY

Business Overview: Gold's Gym (Figure 1.1) is an international fitness chain known by many as "the Mecca of bodybuilding." The first location in Venice Beach, CA was built in 1965. The success of this location acted as a catalyst for the rapid expansion of the company along the west coast, further leading to a global market expansion. With 740 locations serving 3 million customers in 27 countries, Gold's Gym is an established member of the fitness industry. Over the years, the company's commitment to "deliver a dynamic fitness experience focused on strength and performance" has been achieved through its range of services and amenities. The company's primary target market is 18 to 24-year-olds who work out for aesthetic purposes and strength building. The secondary target market is 55 to 65-year-olds who work out to build fitness and stay in shape. In this study, **we have designed our plan around four Gold's Gym locations in the Portland-Metropolitan (Portland-Metro) area: Vancouver, Hazel Dell, Camas, and Tigard.**



Figure 1.1: Gold's Gym

Problem: Even with the Portland-Metro locations' great workplace culture, Gold's Gym is understaffed in positions such as daycare workers, front desk employees, and lifeguards. **With one employee for every 79 customers, this is straining daily operations.** This is a direct consequence of the national talent crisis affecting the fitness industry. To address this, we have designed a campaign that improves Gold's Gym's recruiting, hiring, onboarding, and retention practices.

Research Methods: Both primary and secondary research were conducted to identify key conclusions that would lead us to our strategic plan. The methods are shown below:



Findings of Research: After conducting primary and secondary research, several findings were developed. These findings led to conclusions and objectives that helped us frame our strategic plan.

- 1** Employees receive standard benefits such as free memberships and store discounts, but they **do not receive benefits for referrals.**
- 2** Young employees **do not plan to make a career out of Gold's Gym.** This leads to high employee attrition, with employees staying at the company for an average of two years.
- 3** The current **onboarding process is very impersonal**, with little interaction between employees and their department supervisors. Employees do not feel connected to the company.
- 4** **Gold's Gym employs minimal recruiting strategies** aimed at drawing in prospective employees. As a result, the company has a much slower recruitment process than its competitors.

Research Conclusions/Objectives: From our findings, we developed a list of key conclusions and objectives. These helped us identify how Gold's Gym can improve its recruiting, hiring, onboarding, and retention processes.

CONCLUSIONS

- 1) Gold's Gym employees are seeking more meaningful benefits.
- 2) Young employees work at Gold's Gym for experience on their resume.
- 3) Gold's Gym employees feel disconnected from their supervisors during and after the onboarding process.
- 4) Gold's Gym is struggling with recruitment because they do not promote career opportunities.

OBJECTIVES

- 1) Incentivize employee referrals with novelty benefits.
- 2) Brand Gold's Gym as an impressive resume builder for young employees.
- 3) Establish a stronger connection between employees and department supervisors.
- 4) Create more recruiting advertisements that target young adults.

Proposed Strategic Plan: Through careful analysis of our findings, conclusions, and objectives, we have determined **the RISE Campaign is the most effective plan for the Portland-Metro Gold's Gyms.**

Campaign



Refer-A-Friend Incentive: The incentive for referring a peer to the company is **entry into a raffle for two Portland Trailblazers season tickets**. This raffle will include employees from all four locations and the winner will be announced annually in December.

Regardless of the raffle outcome, any employee who participates will receive a 10% salary bonus for that month. By incentivizing employee referrals, Gold's Gym can use its

current workforce to attract like-minded candidates, thus improving its recruiting and hiring processes. It will also improve retention by committing employees to Gold's Gym's vision of a larger, more qualified workforce.



Individual Development Plan (IDP): To promote career advancement within Gold's Gym, there will be **unique certifications employees can receive through an online program, EdApp**. EdApp provides professional courses for people trying to strengthen their resumes. Gold's Gym will cover the cost of this subscription for employees. Gold's Gym will offer three customized courses: "Creating a Positive Customer Experience,"

"Effective Problem-Solving and Decision-Making," and "Communication and Interpersonal Skills at Work."

For each certificate an employee completes, they will receive a 1.5% salary increase. To account for potential course expansion, there will be a cap at 7.5%, which is five courses. This will improve recruiting by giving the company a competitive edge and attracting potential employees. This also impacts retention by giving employees opportunities for long-term career advancement.

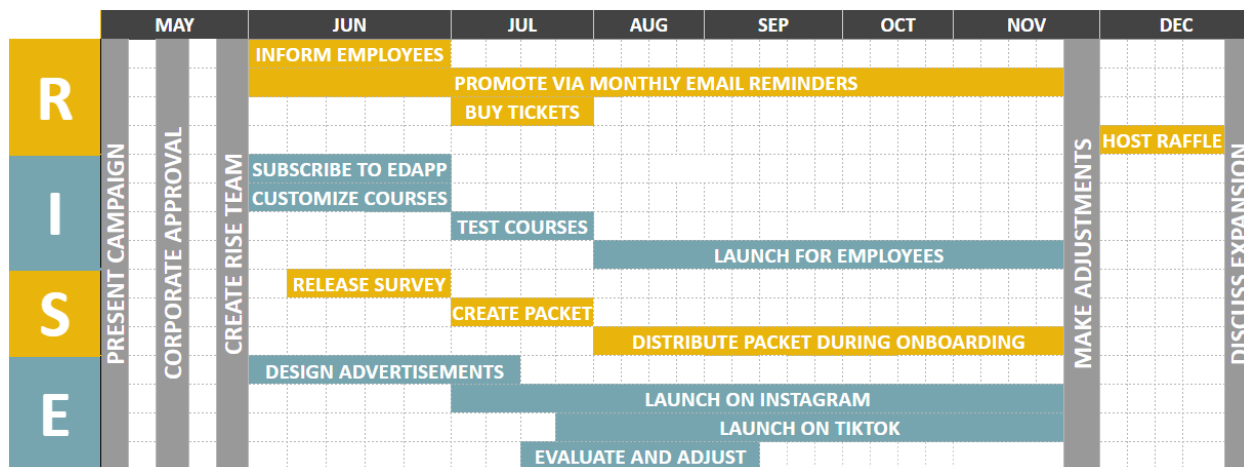


Supervisor's Toolkit: The Supervisor's Toolkit will be created by each department supervisor (aquatics, fitness, and operations) for new employees. These are **packets containing a welcome message from the supervisor, supervisor responses to frequently asked questions, and encouraging messages from co-workers**. FAQs and messages will be collected from employees through a Google Form. Supervisors will develop packets from these responses and distribute them during onboarding. This will make employees feel more connected to the company during the onboarding process.



Engagement Campaign: To increase awareness of Gold's Gym's job opportunities for young adults, a **social media campaign called "Go for Gold" will be launched**. A series of advertisements will be released via Instagram and TikTok, where young adults have a higher chance of seeing them. This will improve the recruiting process by informing, persuading, and reminding young adults of the benefits of working at Gold's Gym.

RISE Campaign Timeline:



Proposed Budget and ROI: The RISE Campaign is predicted to cost approximately \$68,114. With an annual revenue of \$3.1 million between the four locations, this budget will consume 2.2% of the company's annual revenue. This campaign is predicted to attract eight employees per location. By their third year with the company, each of them will be bringing in \$21,705 in memberships. After accounting for campaign expenses, there is a projected investment gain of \$277,200 within the first three years. This is a **127.2% ROI over three years** or a **42.4% annualized ROI**.

ACTIVITY	SUBTOTAL
Refer-A-Friend Incentive	\$7,950
Individual Development Plan	\$23,720
Supervisor's Toolkit	\$444
Engagement Campaign	\$36,000
Total	\$68,114

Key Performance Indicators (KPIs): By December 2024, we anticipate a **30%** referral rate. We also project **30%** employee participation in the IDP with completion of at least one certificate. **New employees will also receive a questionnaire to provide campaign feedback**. When asked, "Did you know about the IDP before working at Gold's Gym?", we anticipate a **50%** affirmative response. When asked, "How much did the Supervisor's Toolkit make you feel connected to the company?", we project **75%** of respondents will select "4-Connected" or "5-Very Connected." When asked, "Did the 'Go for Gold' campaign influence your decision to apply to Gold's Gym?", we project a minimum of **50%** "Yes" responses. If any metrics fall short of these standards, we will make the necessary adjustments.

II. INTRODUCTION

A. DESCRIPTION OF THE BUSINESS OR ORGANIZATION

Gold's Gym has served as a popular commercial gym franchise globally for decades. First established in Venice Beach, California in 1965, the private multinational corporation has since expanded to 740 locations, which serve 3 million customers in 27 countries. In total, Gold's Gym has an estimated 13,000 employees, with the majority falling between 16 and 30 years old.

In this study, we have designed our plan around four Gold's Gym locations in the Portland-Metropolitan area (Figure 2.1). These are the

Vancouver, Hazel Dell, Camas, and Tigard locations. They are dispersed between Southern Washington and Northern Oregon in what is known as the "Portland-Metro" area. Every location is owned by Mike Williams and is understaffed because of the national talent crisis.

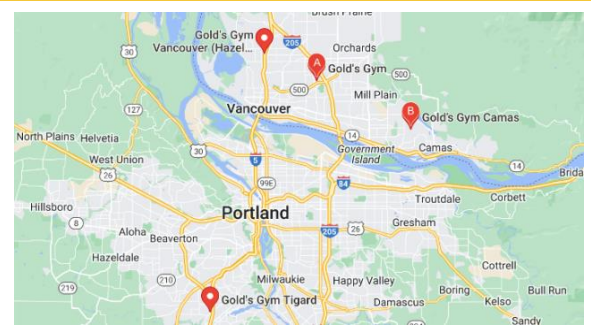


Figure 2.1: Portland-Metro Locations



Figure 2.2: Tigard Location

According to the Gold's Gym website, the company's goal is to, **"deliver a dynamic fitness experience focused on strength and performance"** through a variety of amenities. This includes access to gym equipment, weightlifting spaces, personal trainers, group fitness classes, and state-of-the-art facilities (Figure 2.2). These services have built the company's brand image as a space for general fitness with an emphasis on bodybuilding. These also provide a competitive advantage over their local competitors, 24-Hour Fitness and Cascade Athletic Club.

Additionally, Gold's Gym is known for its affordable prices. Membership pricing varies, with an average low of \$35 per month and a high of \$60 per month, depending on the contract. Lower prices require a year-long binding contract, while higher prices are on a month-to-month basis for new members.



Figure 2.3: Gold's Gym Promotion

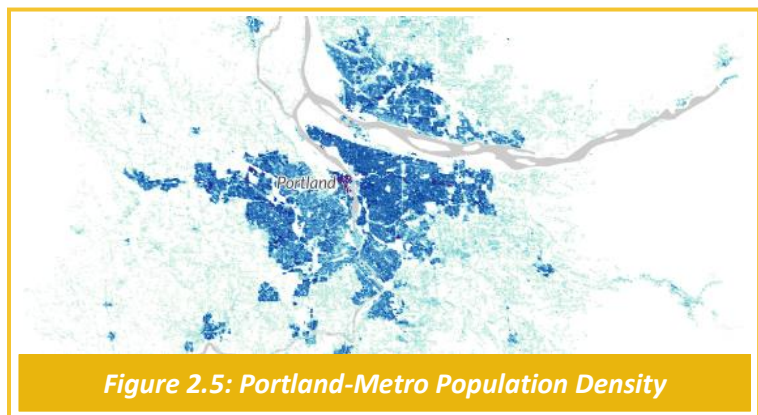
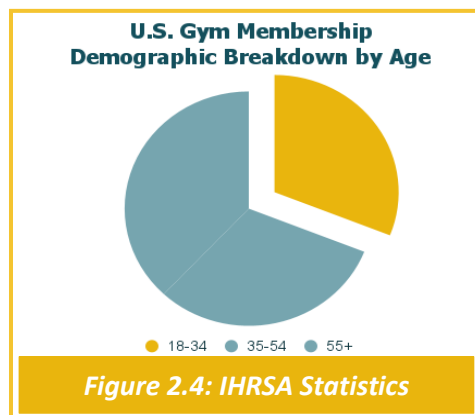
Gold's Gym maintains engagement with its customers through online advertising and involvement in the fitness community (Figure 2.3). Their primary channels of promotion include Instagram, email, and word-of-mouth. These have all proven successful in maintaining a strong customer base. Finally, the company communicates its core value of health through donations to youth sports charities and partnerships with fitness apparel brands. **These activities have helped Gold's Gym cultivate a thriving community of athletes, bodybuilders, powerlifters, and fitness enthusiasts.**

B. DESCRIPTION OF TARGET MARKET

To better understand the hiring practices for Gold's Gym, it is important to identify the client base employees will be serving. For this reason, we've collected the following data on the demographics and psychographics of the target market.

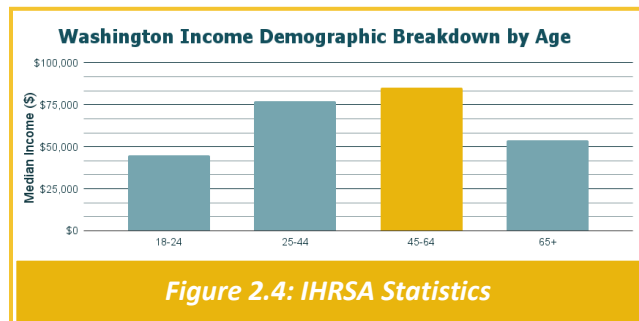
Primary Target Market: Through extensive research into Portland-Metro demographics, we have identified the company's primary target market as **young adults ages 18 to 24 with an annual income of \$38,000. Many of them live in Portland and Vancouver.**

Demographics: According to a 2021 study by the International Health, Racquet, and Sportsclub Association, **people ages 18 to 24 make up 31% of gym memberships in the United States** (Figure 2.4). Additionally, the U.S. Bureau of Labor Statistics reports that the median annual salary of this age group is \$38,324. With little discretionary income for a gym membership, many young adults turn to Gold's Gym for their affordable prices and quality amenities. These customers can be found across the Portland-Metro area, but many are concentrated in two major cities: Portland and Vancouver. The U.S. Census reports there are 88,931 people ages 20 to 24 in Portland and 29,176 in Vancouver (Figure 2.5).



Psychographics: With the rise of fitness influencers on social media, the number of 18 to 24-year-olds joining Gold's Gym is increasing. Psychographically, this demographic exercises for aesthetic purposes and as a social activity. Famous bodybuilders like Arnold Schwarzenegger brought Gold's Gym to the forefront of the bodybuilding community. As a result, these young customers are drawn to the company for building strength and muscle through weightlifting. They also use the gym to socialize with friends.

Secondary Target Market: Further research indicates that the ideal secondary target market of Gold's Gym is **55 to 65-year-old retirees with an annual income of \$85,000. Many of these customers live in the suburbs of Camas and Hazel Dell.**



Demographics: Research shows that many retirees live in the suburbs. According to the U.S. Census, **27% of the Camas population and 24% of the Hazel Dell population are 50 to 70 years old.** Additionally, the median household income for a 45 to 64-year-old in Washington is \$85,269. With more disposable income, this market can pay for services such as Aqua Fit classes, fitness classes, and personal trainers.

Psychographics: Psychographically, this demographic uses the gym to preserve their health as they enter late adulthood. They aim to improve two areas: cardiovascular health and joint mobility. This stems from a greater focus on maintaining good health as they age.

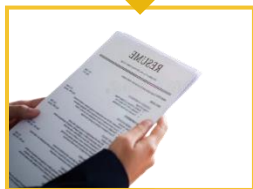
C. OVERVIEW OF THE BUSINESS OR ORGANIZATION'S CURRENT PROCESS FOR RECRUITING, HIRING, ONBOARDING, AND RETAINING EMPLOYEES

Between the four Portland-Metro locations, **there are 140 employees and 11,000 memberships, which is a 1:79 employee-to-customer ratio.** Most Gold's Gym employees are high school and college students. A young workforce often means there is a high turnover rate, with employees staying for an average of two years. With the national talent crisis, Gold's Gym is struggling to fill these empty spots.*

There are several steps for recruiting, hiring, onboarding, and retaining that all frontline employees go through. Through interviews with multiple employees, we gathered valuable information about these four processes. We learned that Gold's Gym is struggling most with recruiting, onboarding, and retaining employees.



Recruiting: Gold's Gym attracts employees to their company through job postings on Indeed and Zippia. Prospective employees can express interest online or in person. They are then invited to fill out an application form for consideration by the department manager. Typically, Gold's Gym does not push promotion for new job openings, they wait until people find them. **We aim to make this stage more efficient so Gold's Gym can bring in more prospective employees.**



Hiring: Employers will conduct an extensive background check on applicants and review their certifications. From there, individuals have a one-on-one interview with a hiring manager. Finally, employees must take an ability test or demonstrate the skills required for the job they are applying for. After passing these three steps, they can be hired.



Onboarding: Once employees are officially hired, they go through a four-week onboarding process. This process begins with a tour of the facilities and comprehensive training on emergency procedures. After this training, the employee goes through a shadowing phase, where they work alongside someone in their department or position.



Retaining: All employees have certain benefits for their work with Gold's Gym. Some of these include a free gym membership and discounts on storefront products. There are also employee holiday parties and social events to improve workplace culture. Finally, location managers must have quarterly meetings to communicate with staff. **We aim to lengthen this stage of the cycle.**

CURRENT EMPLOYEE LIFE CYCLE



TARGET EMPLOYEE LIFE CYCLE



**It is important to note that Gold's Gym is not struggling to fill managerial positions like department supervisors. These are filled by more committed, older employees who stay at the company for 10+ years.*

III. RESEARCH METHODS USED IN THE STUDY

A. RESEARCH AND RATIONALE OF RESEARCH METHODOLOGIES SELECTED TO CONDUCT THE RESEARCH STUDY

To address the talent crisis affecting the Portland-Metro Gold's Gyms, we have researched their recruiting, hiring, onboarding, and retention processes. With this information, we will design strategies that increase hiring rates and lengthen the employee life cycle.

To better understand how Gold's Gym recruits, hires, onboards, and retains its employees, we collected data from primary and secondary sources. Primary research helped us learn how these four processes can be improved within the Portland-Metro Gold's Gyms. Secondary research helped us contextualize these issues in relation to the national talent crisis. By combining all of our findings, we could identify strategies that improve the employee life cycle and address the talent shortage at Gold's Gym.

PRIMARY RESEARCH



Employee Interviews: Employee interviews were conducted to gain insight into how the company is trying to address this talent shortage internally. The goal of these interviews was to understand how Gold's Gym's current strategies translate into their employee's experience with recruiting, hiring, onboarding, and retention.



Focus Group: A focus group was organized by bringing together six working Portland-Metro community members. This gave us qualitative information about their experiences with recruiting, hiring, onboarding, and retention at their respective companies. We took helpful advice from this focus group and applied it to our campaign.



Competitor Interview: We organized a competitor interview to understand how Portland-Metro Gold's Gym's local competition, Cascade Athletic Club, is addressing the talent crisis. We could also identify the advantages that Gold's Gym has against its competitors. From our findings, we identified what strategies do and do not work for addressing the talent shortage.



Survey: A survey was designed on Google Forms and released to Portland-Metro residents to gain quantitative data about their company's recruiting, hiring, onboarding, and retention strategies. Since these were employees outside of Gold's Gym, it gave us general information about these four processes. Our main goal was to identify any trends in employee expectations.

SECONDARY RESEARCH



Article Research: We conducted article research to frame the talent shortage affecting Gold's Gym in a national context. The goal of this research was to compare Gold's Gym to other gyms and identify strategies used by other companies to address the talent crisis.



Website Research: Website research was used to better understand how Gold's Gym is promoting its career opportunities and how employees can apply for these jobs. The goal of website research was to identify what is making the recruiting process so long at Gold's.



Online Reviews: Online reviews were used to gain insight from former Gold's Gym employees on their experience while working with the company. The goal of this research was to identify any patterns in complaints around the company's recruiting, hiring, onboarding, and retention strategies.

B. PROCESS USED TO CONDUCT SELECTED RESEARCH METHODS

PRIMARY RESEARCH	METHODOLOGY	PROCESS
	Employee Interviews <i>Date: Sept. 18-20, 2023</i>	<ul style="list-style-type: none"> • Arrange meetings with four Gold's Gym employees (one department supervisor, two current, and one former employee) • Prepare open-ended questions about their experiences with recruiting, hiring, onboarding, and retention at Gold's Gym • Inform interviewees of anonymity to guarantee objective responses • Conduct in-person interviews and take notes for review
	Focus Group <i>Date: Oct. 17, 2023</i>	<ul style="list-style-type: none"> • Send invitations via email to six Portland-Metro residents • Compile a series of introductory, exploratory, follow-up, and closing questions about the current talent crisis • Host focus group in person and ask for permission to record the discussion • Take notes that can be referred to later
	Competitor Interview <i>Date: Sept. 22, 2023</i>	<ul style="list-style-type: none"> • Arrange meeting with a Cascade Athletic Club employee • Prepare open-ended questions about Cascade's recruiting, hiring, onboarding, and retention processes • Inform interviewee of anonymity to guarantee objective responses • Conduct in-person interview and take notes for review
	Survey <i>Date: Oct. 2-20 2023</i>	<ul style="list-style-type: none"> • Design a 15-question survey on Google Forms with multiple choice, scaled response, ranked choice, and open-ended questions • Send the survey to 260 Portland-Metro residents and receive 147 responses • Review survey responses and identify any data trends

SECONDARY RESEARCH	METHODOLOGY	PROCESS
	Article Research <i>Date: Sept. 10-13, 2023</i>	<ul style="list-style-type: none"> • Conduct a targeted research approach, beginning with the big ideas (talent shortage) and narrowing into specific topics (recruiting, hiring, onboarding, and retention in fitness companies) • Take notes about the national talent crisis and potential strategies to implement • Review notes and identify key takeaways
	Website Research <i>Date: Sept. 13-14, 2023</i>	<ul style="list-style-type: none"> • Navigate Gold's Gym website as if we are prospective employees • Identify job opportunity resources, making note of accessibility • Explore each job opportunity page as if we are prospective employees, making note of information we cannot find
	Online Reviews <i>Date: Sept. 13-14, 2023</i>	<ul style="list-style-type: none"> • Find a range of reviews on Indeed and Glassdoor addressing Gold's Gym's recruiting, hiring, onboarding, and retention processes • Separate the reviews into a positive and negative category • Read through every review and track recurring themes

TIMELINE



IV. FINDINGS AND CONCLUSIONS OF THE STUDY

A. FINDINGS OF THE RESEARCH STUDY

From our primary and secondary research, we gathered valuable information that was summarized into some key findings. These results can be used to address the talent crisis that is currently affecting the Portland-Metro Gold's Gyms.

PRIMARY RESEARCH

Employee Interviews: All the Gold's Gym employees we interviewed found their jobs on Indeed or Zippia. None of them visited the Gold's Gym website, were referred to the company, or saw an advertisement that prompted them to apply. One employee even stated,

"I don't know why I chose Gold's Gym. I just wanted something on my resume, stumbled across the opportunity, and took it."

Every employee was satisfied with the hiring process and thought that it was efficient. However, throughout their onboarding experience, they did not feel connected to the company. One employee explained that they did not engage with their department supervisor during onboarding, which made them afraid to ask questions. Regarding benefits, they appreciated the free gym membership and store discounts. The department supervisor was very satisfied with the company-provided health insurance. However, interviewees felt that these benefits were standard. They wanted **more personalized and performance-based benefits**. Specifically, **they wanted benefits for referrals**. Finally, the former employee revealed that they did not resign for any negative reasons. They simply left because they were ready for the next step. **They viewed Gold's Gym as a jumping point to a long-term career.**

Focus Group (Figure 4.1): Our focus group provided valuable information about how other companies have tackled the talent crisis. We also gathered opinions from employees across the Portland-Metro area on various recruiting techniques, onboarding requirements, and company culture. They observed that Gold's Gym's young workforce may have been influenced by their parents when selecting a job. This means that our campaign must appeal to prospective employees and their parents. They also expressed **how important it is that Gold's Gym expands its onboarding resources and includes supervisors more in the process**. Finally, some members of our focus group discussed why employees are not referring their peers to Gold's Gym. One member stated,

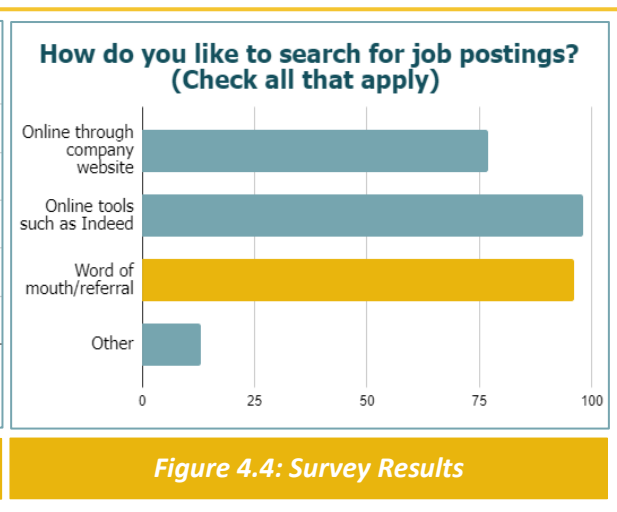
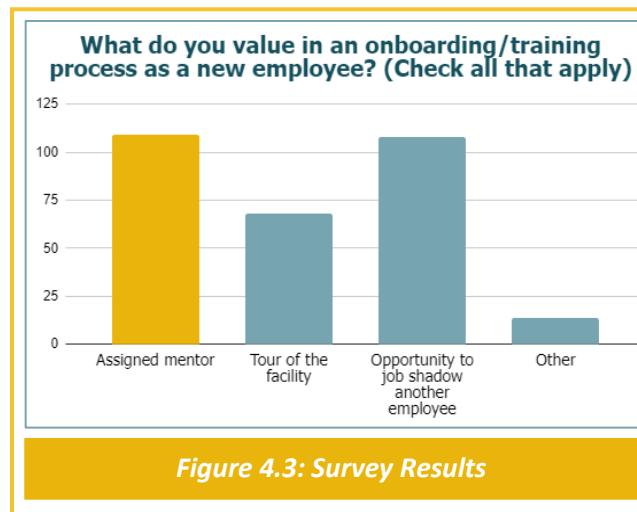
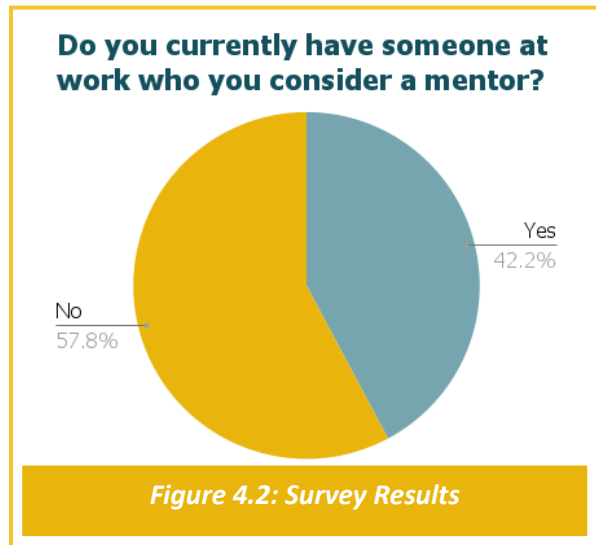


Figure 4.1: Focus Group

"Employees don't stay committed to a company vision unless they get something out of it. Employees need incentives."

Competitor Interview: From our interview with a Cascade employee, we learned that while Cascade Athletic Club offers similar employee benefits, their strong recruiting tactics help them maintain a consistent influx of employees. For example, our interviewee described how **Cascade frequently posts career opportunities on social media**. They also occasionally host recruiting events to attract qualified candidates. They also highlight their current employees online and in person to demonstrate their strong workplace culture.

Survey: From the survey, we drew quantitative information about employee attitudes toward recruiting and onboarding. We discovered that when going through the onboarding process, **109 out of 147 respondents** value an assigned mentor (Figure 4.3). However, when asked if they had someone they considered a mentor, **57.8%** of people said no (Figure 4.2). In terms of recruiting, when asked how they liked to find job openings, **98 out of 147 respondents** selected online tools such as Indeed. This indicates that job postings are effective for recruiting. However, **96 out of 147 respondents** also selected that they like job referrals, demonstrating that word of mouth is a valuable tool that Gold's Gym is not fully taking advantage of (Figure 4.4).



SECONDARY RESEARCH

Article Research: Through article research, we learned about employee benefits and the financial implications of the talent shortage. ResearchGate article, "Employee Benefits as One of the Factors of Work Motivation," divided employee benefits into three categories: **social, work, and novelty**. Social benefits support an employee's personal life (i.e., health insurance). Work benefits are directly tied to the company (i.e., store discounts). Novelty benefits entertain employees outside the company (i.e., free iPad). Since Gold's Gym's employees are young adults, they are more likely to spend money on experiences over practical products. **They are seeking novelty benefits.** Older employees prefer social benefits like healthcare. We also learned about the cost of losing an employee. According to a study by the Society for Human Resource Management, **the average turnover cost per employee is equivalent to 50%-60% of an employee's salary (Figure 4.5).** As the Portland-Metro Gold's Gyms are struggling to fill empty positions, they are losing this money.



Online Reviews: Online reviews indicated three employee concerns: onboarding, job advancement, and benefits. Many employees reported that there were little to no opportunities for job advancement within Gold's Gym. One employee stated,

“It’s an okay side job, but there’s no room for career advancement.”

Many employees reported that they are not interested in creating a career with the company, especially in low-level positions such as lifeguards, daycare workers, and personal trainers. Many employees reported that their benefits were free memberships and discounted merchandise, but they wanted more personal benefits. At least **four complaints were made about employees not being connected to their department supervisors.** This likely ties back to their lack of involvement in the onboarding process.

Website Research: Through website research, we determined that although the Gold's Gym website has helpful resources, there is minimal promotion of career opportunities. After a thorough search of the website, we found **a portal that searched for Gold's Gym job opportunities across the US**, including the Portland-Metro Gold's Gyms (Figure 4.6). This had every job opportunity in the Portland-Metro area and how long it was posted. Although this resource was helpful, it was extremely difficult to find. The website also redirected us to the Gold's Gym Instagram page, where we found no promotion about career opportunities.

ZIP CODE: 98607 LOCATION: WA - Hazel Dell

Find Jobs

Your search returned 12 jobs Reset Search

Area Group Exercise Coordinator
Location: Vancouver-WA
Post Date: 03-27-24

Child Care
Location: Vancouver-WA
Post Date: 03-27-24

Front Desk
Location: Vancouver-WA
Post Date: 03-27-24

Front Desk Associate Opening Shift
Location: Vancouver-WA
Post Date: 03-22-24

Front Desk Gold's Gym PNW
Location: Vancouver-WA
Post Date: 03-22-24

Child Care
Location: Vancouver-WA
Post Date: 03-27-24

Figure 4.6: Careers Page

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT) ANALYSIS



B. CONCLUSIONS BASED ON THE FINDINGS

From the previously mentioned findings, we were able to draw four key conclusions about what the Portland-Metro Gold's Gyms can do to address the talent crisis and lengthen their employee life cycle.

1

Conclusion #1) Gold's Gym employees are seeking more meaningful benefits.

Although Gold's Gym employees receive free gym memberships and store discounts, these benefits are expected. In fact, Cascade Athletic Club has the same benefits. Employee interviews and online reviews indicated that employees want more unique, company-specific benefits. Article research indicated that young employees are seeking novelty benefits since they already have social and work benefits. Focus group members also expressed that incentivized benefits would motivate employees. The reality is **generic benefits do not capture the attention of prospective employees**. The Portland-Metro Gold's Gyms must create meaningful benefits that attract new employees and motivate employees already there.

2

Conclusion #2) Young employees work at Gold's Gym for experience on their resumes.

Gold's Gym at the managerial level is a long-term career, but many of the departments impacted by the talent crisis are lower-level jobs worked by young adults. Employee interviews revealed that these high school and college-age employees view Gold's Gym as a "jumping point" to their future careers. In other words, **they are working at Gold's Gym for an experience that enhances their resumes**. Online reviews cemented this idea that many young employees do not make a long-term career out of working at Gold's Gym. Focus group discussions highlighted the influence of parents on a young adult's decision to find a job and put work experience on their resumes.

3

Conclusion #3) Gold's Gym employees feel disconnected from their supervisors during and after the onboarding process.

The survey results placed a heavy emphasis on the value of mentors during the onboarding process. However, employee interviews revealed that new employees rarely interact with their department supervisors. This lack of connection acts as a barrier that keeps employees from asking questions. The focus group also discussed how **employees feel more established in a business when they can create a connection with leadership**. This makes them feel more welcome and prepared.

4

Conclusion #4) Gold's Gym is struggling with recruitment because they do not promote career opportunities.

Employee interviews revealed that many employees stumbled across Gold's Gym job opportunities via Indeed and Zippia. **There was no promotion encouraging them to apply**. Website research revealed a job search portal that finds Gold's Gym job opportunities, but there was no promotion directing prospective employees to this site. This means that potential employees are unaware of this very helpful resource. There are also no incentives for referring peers to the company, which could easily expedite the recruitment process. Meanwhile, Cascade Athletic Club deliberately uses promotion to recruit employees. This is giving them a competitive advantage over the Portland-Metro Gold's Gyms.

V. PROPOSED STRATEGIC PLAN

A. OBJECTIVES AND RATIONALE OF PROPOSED STRATEGIC PLAN

From our conclusions, we were able to identify four objectives that will improve Gold's Gym's recruiting, hiring, onboarding, and retention strategies. These objectives will help us create a comprehensive business plan.

Objective #1) Incentivize employee referrals with novelty benefits.

Conclusion #1 highlighted that employees feel their benefits are not meaningful. Specifically, **they do not receive benefits for referring their peers to the company**. By simultaneously tackling these issues, Gold's Gym can improve both employee recruiting and retention. Referrals expedite the recruitment process with word-of-mouth promotion. By incentivizing this, Gold's Gym can use its current employees to attract new employees. Additionally, working with coworkers they referred can increase employee satisfaction and retention.

Objective #2) Brand Gold's Gym as an impressive resume builder for young employees.

As described in Conclusion #2, young employees work at Gold's Gym to gain work experience. It is viewed as a "jumping point" to future careers. By creating programs that support employee career development, **Gold's Gym can stand out as an impressive first job**. This can target recruiting by making a job at Gold's Gym more attractive to young prospective employees and their parents. This can also target retention by supporting employees' future career goals.

Objective #3) Establish a stronger connection between employees and department supervisors.

Conclusion #3 described how employees do not feel connected to their supervisors during the hiring and onboarding process. The first ninety days determine whether a new employee will stay with a business, so making them feel welcome in that window is crucial to lengthening the employee life cycle.

Reinforcing this connection will give employees greater confidence in their role within the company.

This will improve the hiring and onboarding experience, which will increase employee retention. This will also make the idea of working at Gold's Gym less intimidating, increasing recruiting abilities.

Objective #4) Create more recruiting advertisements that target young adults.

Conclusion #4 outlined how the talent crisis within Gold's Gym is especially tied to **a lack of awareness of the jobs available within the company**. This is because Gold's Gym is not promoting career opportunities as much as its competitors. By creating hiring advertisements that target young adults, Gold's Gym will cement itself in the minds of young prospective employees, increasing recruiting rates.

B. PROPOSED ACTIVITIES AND TIMELINES

After considering these objectives, we have determined that the **RISE Campaign** is the best way for Gold's Gym to address the national talent shortage. This will improve the company's recruiting, hiring, onboarding, and retention processes.





REFER-A-FRIEND INCENTIVE

To fulfill Objective #1 and increase referral rates, Portland-Metro Gold's Gyms can launch a new incentive called, "Refer-a-Friend."

When employees refer a peer to the company, they will be entered into a **raffle for two Portland Trailblazers season tickets**. Since they are a major NBA team, the Trailblazers are a large part of the Portland-Metro community. Many young adults want to attend these events but cannot afford it. These tickets allow the employee and their friend to attend twenty games for free. By working with a sports team, Gold's Gym can build its brand image as, "the place for serious fitness." Regarding logistics, the hiring manager will clear any referral as a viable candidate for employment before the employee is entered into the raffle. All Portland-Metro locations will participate in the same raffle, so an employee from one of these four locations will win. Ranging from lifeguards to managers, employees of any level are eligible. Regardless of the raffle outcome, **any employee who refers a friend to the company will receive a 10% salary bonus for that month**. The raffle drawing will be held as an employee social with all locations in December. This raffle will address recruiting and hiring by using current employees to attract like-minded candidates to Gold's Gym. It will also address retention by keeping Gold's Gym employees active in the company and invested in its success.

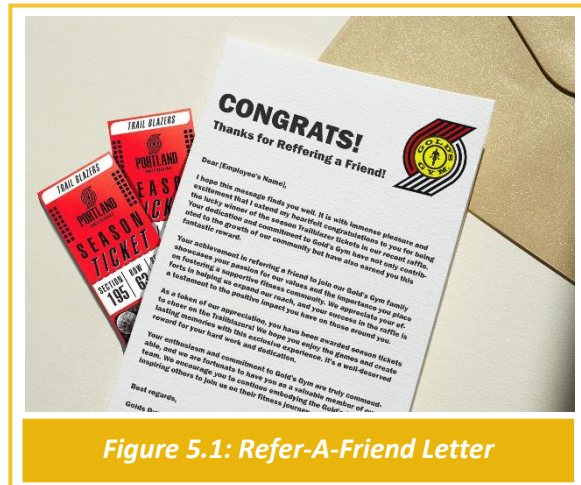


Figure 5.1: Refer-A-Friend Letter



INDIVIDUAL DEVELOPMENT PLAN (IDP)

To achieve Objective #2, Gold's Gym can launch the Individual Development Plan, or IDP for short. The IDP is a collection of **online certificate courses that**

employees can take for free through Gold's Gym. Employees must work at Gold's Gym for at least six months to be eligible. These courses will be provided through the website, EdApp. EdApp is an online professional development course library, where Gold's Gym can work with an account manager to purchase pre-made courses, customize them, and share them with employees. Gold's Gym will offer three courses: "Creating a Positive Customer Experience," "Effective Problem-Solving and Decision-Making," and "Communication and Interpersonal Skills at Work." This selection can be expanded over time. Each course is self-paced, but typically takes two to three weeks. Once the employee has completed a course, they will meet with their department supervisor and receive the official certification. To encourage employees to take these courses, **there will be a 1.5% salary increase for each course they take**. To account for potential course expansion, a cap will be set at a 7.5% increase, which is five courses. Despite this limit, employees can pursue as many certificates as they want. The IDP will benefit Gold's Gym because a more skilled workforce increases productivity. The IDP

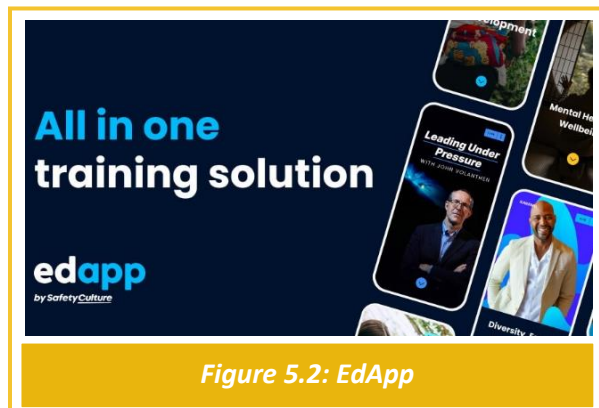


Figure 5.2: EdApp

will benefit employees because these courses will strengthen their professional skills and resumes. This will target recruiting by giving Gold's Gym a competitive advantage, since most other fitness companies do not provide these opportunities to their employees. Additionally, this will target retention by giving employees a greater sense of purpose and commitment to the company.



SUPERVISOR'S TOOLKIT

As stated in Objective #3, there needs to be a stronger connection between employees and department supervisors. To strengthen this relationship, department supervisors at the

Portland-Metro Gold's Gyms will be more involved in the onboarding process. This will include personally taking new employees on a tour of the entire facility and answering any questions. At the end of the tour, **they will receive a welcome packet called a Supervisor's Toolkit.** This packet will include three sections: a welcome message from the department supervisor, frequently asked questions with responses, and encouraging messages from current Gold's Gym employees. Each department (aquatics, fitness, and operations) will have its own packet; the main difference being the one-page welcome message written by each supervisor. To collect information, a Google Form will be released to employees asking for the questions they had during the onboarding process and an encouraging message. For the FAQs section, responses will be compiled into a document and supervisors will write answers to each question. **This packet will be updated annually.** The Supervisor's Toolkit targets the onboarding process by helping new employees feel more welcomed by their supervisors and co-workers. They will also feel more secure in their position within the first 90 days, thus increasing retention.



Figure 5.3: Sample Handout



ENGAGEMENT CAMPAIGN

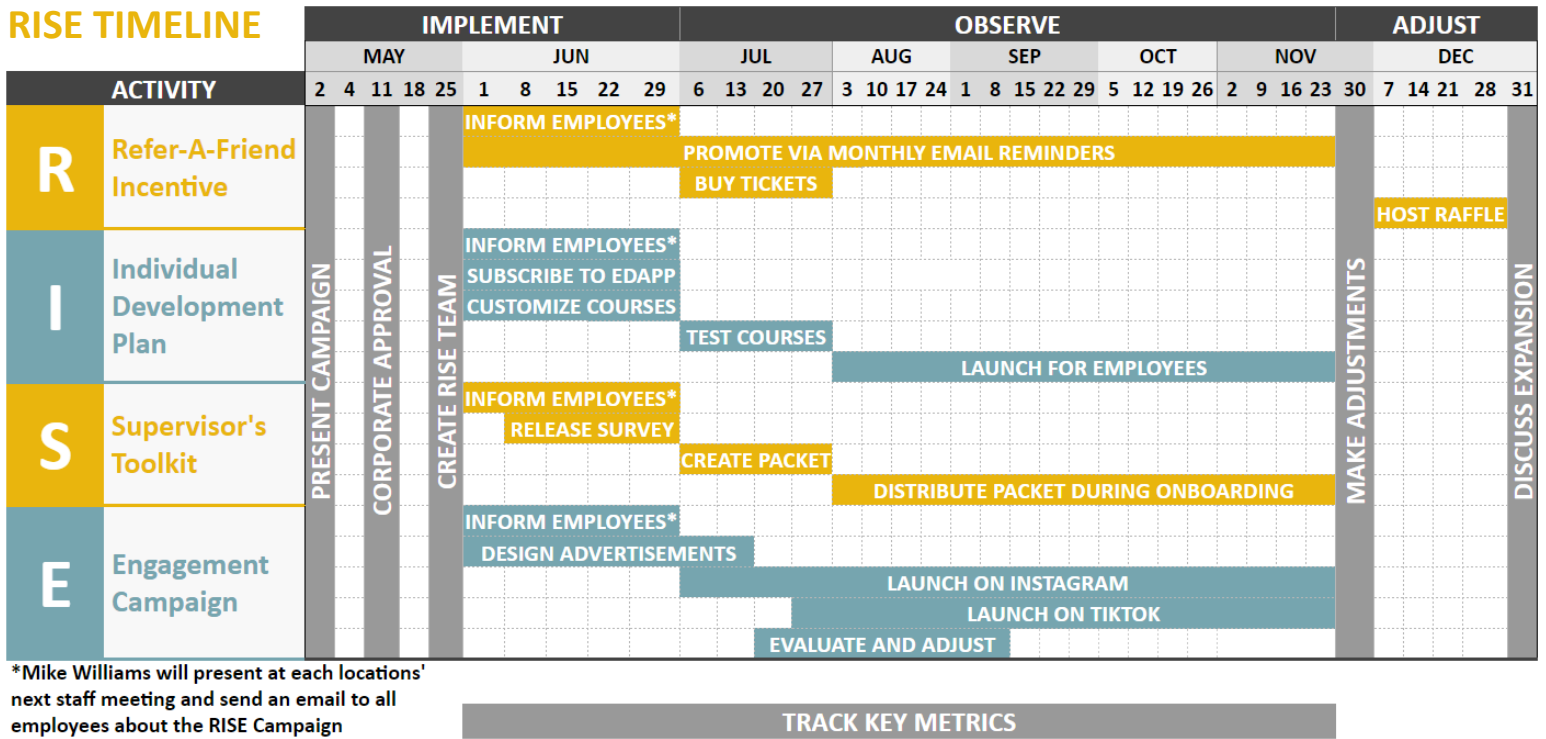
As stated in Objective #4, Gold's Gym needs to create more hiring advertisements that target young adults. For this part of the RISE Campaign, the Gold's Gym marketing team

will design promotional materials that target young adults in the Portland-Metro area. The campaign will be called **"Go for Gold"** and will highlight Gold's Gym job opportunities. Promotion will direct viewers to the Gold's Gym career search page. These promotions will be **launched on Instagram and TikTok.** On Instagram, these paid advertisements will be shown on users' Feeds, Stories, and Reels. On TikTok, paid advertisements will appear on the "For You Page". These advertisements will be pushed heavily leading into the summer when young adults are looking for jobs. This will improve the recruiting process by increasing awareness of the job opportunities available at Gold's Gym.



Figure 5.4: Sample Promotion

RISE TIMELINE



C. PROPOSED METRICS OF KPIS TO MEASURE PLAN EFFECTIVENESS

To ensure that all changes made to Gold's Gym benefit the business, we created key performance indicators (KPIs) for each activity. These can be used to determine areas of success and areas of improvement in the RISE Campaign.

RISE

By the end of July, we expect that 15% of employees (five per location) will refer a friend to the company. Each subsequent month, we will see a 3% increase. By December, we expect that **30% of employees (ten per location)** will refer a friend. We also predict that **60%** of the people referred to Gold's Gym will be hired, which is six new employees per location.

By December, we expect **30% of employees (10 per location)** to complete one certification. We will then ask for feedback. To track recruitment, we will release a questionnaire in November asking new employees if they were aware of the IDP before applying to Gold's Gym. If over 50% say no, we will increase awareness through the "Go for Gold" campaign.

In the questionnaire, we will also ask new employees how the Supervisor's Toolkit made them feel during onboarding. This will be on a scale of "1-Very Unsupported" to "5-Very Supported" with space for feedback. We estimate that **75% of respondents** will select "4-Supported" or "5-Very Supported." Supervisors will then review feedback and adjust toolkits.

By December, we expect a **20% click-through rate** on Instagram and TikTok and **15 young adults** to contact each location about job openings. In the questionnaire, we will also ask employees if the "Go for Gold" Campaign influenced their decision. We expect that **50% of respondents** will say yes. If less than 50% of respondents say yes, then the "Go for Gold" marketing team will re-evaluate outreach efficacy and make the necessary adjustments.

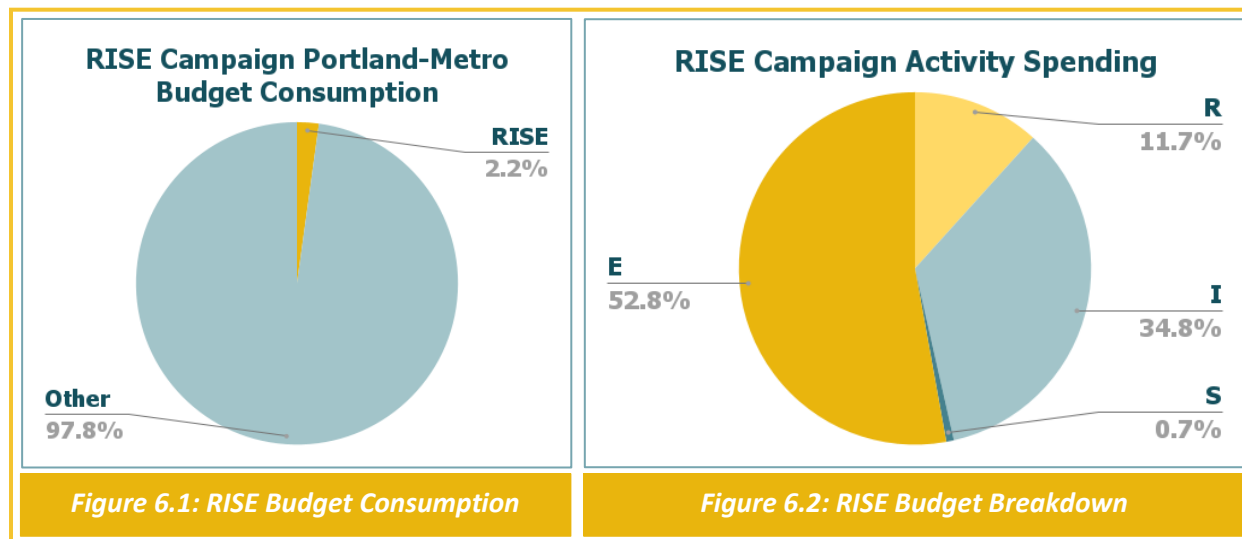
VI. PROPOSED BUDGET

To ensure the success of the RISE Campaign at the Portland-Metro Gold's Gyms, we anticipate some financial sourcing at the corporate level. To create a reasonable budget, we researched the average cost of the components of each activity. **The total cost of the RISE Campaign will be approximately \$68,114.**

ACTIVITY	COMPONENT	COST TYPE	TIME SPENT	UNIT COST	QUANTITY	SUBTOTAL
Refer-A-Friend Incentive	Trailblazer Season Tickets	Recurring (annual)		\$1,375	2	\$2,750
	Employee Social: Food and Beverage	Recurring (annual)		\$200	1	\$200
	Salary Bonuses	Recurring (annual)		\$100	50	\$5,000
Individual Development Plan	Projected Employee Raises	Recurring (annual)		\$500	40	\$20,000
	EdApp Subscription	Recurring (monthly)		\$250 x 12mos = \$3,000	1	\$3,000
	Course Customization Time (IT Person)	One-Time	40 hours	\$18 x 40hrs = \$720	1	\$720
Supervisor's Toolkit	Toolkit Creation Time (3 Supervisors)	One-Time	6 hours	\$18 x 6hrs = \$108	3	\$324
	Toolkit Printing	Recurring (annual)		\$2	60	\$120
Engagement Campaign	Boosted Ads: Instagram	Recurring (monthly)		\$1,500 x 12mos = \$18,000	1	\$18,000
	Boosted Ads: TikTok	Recurring (monthly)		\$1,500 x 12mos = \$18,000	1	\$18,000
Total						\$68,114

INVESTMENT ANALYSIS

According to Gold's Gym's financial report, the corporation's annual revenue is \$580 million. Between the Portland-Metro Gold's Gyms, their net revenue was \$3.1 million in 2022. The RISE Campaign's total budget of \$68,114 will consume 2.2% of the Portland-Metro Gold's Gyms' annual revenue (Figure 6.1). For the entire company, it will consume a mere 0.012% of its revenue.



Refer-A-Friend Incentive: The Refer-A-Friend incentive will **improve employee motivation and attract more qualified applicants to the company.** Word of mouth is the most effective form of free promotion, and this activity incentivizes that. By investing in quality tickets and salary bonuses, Gold's Gym can demonstrate their commitment to their employees, while also making the prize desirable.

Individual Development Plan: According to our key metrics, we project salary raises for the 40 employees who become certified. Gold's Gym should allocate \$20,000 to ensure they can fulfill these pay raises with some latitude. According to the quote we received for an enterprise membership, the EdApp subscription is \$250 per month. This payment includes **customizable integrations, a blended learning plan design, an account manager, onboarding support, and scalable production support.** These will be very valuable tools for Gold's Gym as they work towards campaign expansion.

Supervisor's Toolkit: Since the Supervisor's Toolkit will be updated annually, the department supervisors will spend most of their time on the project at the beginning of the RISE Campaign. The initial creation of the toolkit will take approximately six hours. Most of this time will be used to develop the survey, write the welcome message, and create quality responses for the FAQs page. After this task, they will print the packets on high-quality paper and begin using them during onboarding.

Engagement Campaign: To effectively advertise to the target audience, resources allocated towards the engagement campaign will be spent over the course of one year. The most expensive component of this activity is social media team salaries. If a four-person social media team dedicates 60 hours per month to the "Go for Gold" project with \$18 per hour salaries, this will total to \$51,840 every year. This expense is not unique to the RISE Campaign, though. Their salaries are already baked into Gold's Gym's annual budget; "Go for Gold" is just a new project for them. Regarding boosted promotion, Instagram costs \$4.00 per 1000 impressions, so **spending \$1,500 on Instagram will guarantee 375,000 views.** TikTok costs \$10.00 per 1000 impressions, so **spending \$1,500 will guarantee 150,000 views.**

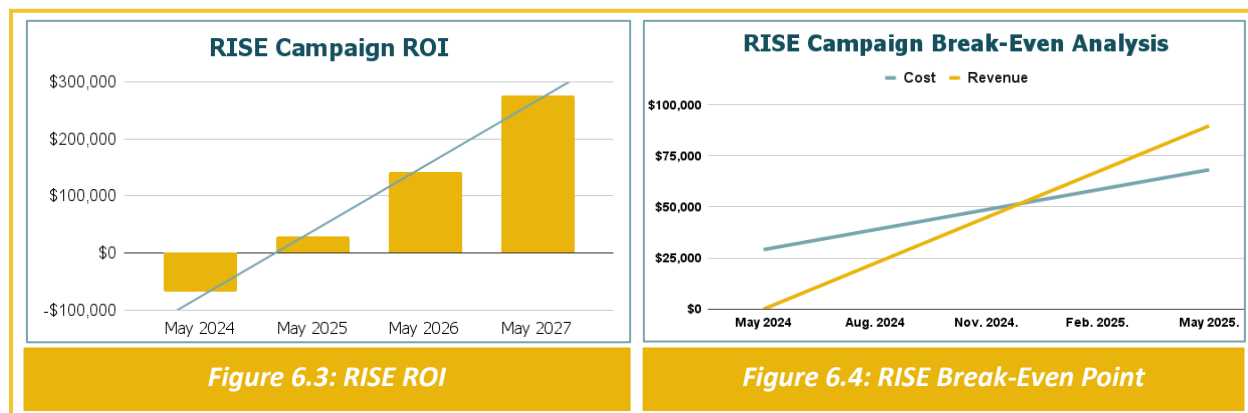
RETURN ON INVESTMENT

Since Portland-Metro Gold's Gym has a net revenue of \$3.1 million and there are 11,000 members, each member accounts for \$281 every year. Additionally, with 140 employees, there is a 1:79 employee-to-customer ratio. These numbers can vary for each employee based on factors such as gym location and role within the company. However, they are a solid baseline for our calculations.

The RISE Campaign is **predicted to add eight new employees to each location by May 2025. That is 32 employees in total.** This larger workforce will increase Gold's Gym's capacity, thus leading to an increase in hour flexibility. This will attract more members and, in turn, more revenue.

In their first year, each employee will attract 20 members, which is \$5,620 per employee in memberships. If they attract an additional 25 members the following year, this revenue will increase to \$12,645. By the third year, if they attract 30 more members, this will be \$21,075 per employee per year on memberships alone. If 32 employees do this, there is \$674,400 in net revenue before we account for membership attrition.

According to Livestrong, 50% of gym-goers cancel their membership in the first six months. Additionally, Gold's Gym will spend \$60,000 annually to maintain the RISE Campaign. These costs leave them with an **investment gain of \$277,200 within the first three years.** This will become an annual stream of revenue through memberships. This is a **127.2% ROI over three years or a 42.4% annualized ROI** (Figure 6.3). The company will break even within the first year of the RISE Campaign (Figure 6.4).





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We look forward to working with the Portland-Metro Gold's Gyms throughout the implementation of the RISE Campaign. Following campaign success, we are excited to discuss regional, national, and global expansion. Thank you for your time and consideration.