### Case Study – GetFit Fitness Centres

*GetFit Fitness Centres* is a small chain of exercise and training centres throughout Ontario. The company was started in 2002 by Ruth Wilder and Debbie Eagan, good friends who saw a market in small, personalized fitness centres. They operate locations that offer weight training, exercise classes such as Zumba, spinning, and aerobics. Of course membership is their most important revenue stream, but they also offer a range of branded merchandise, such as t-shirts, water bottles, and other workout gear.

Ruth manages marketing and sales for *GetFit Fitness Centres*. She works with an outside web development company to manage the company’s website, which right now is very basic, listing locations and general information about the company, with occasional news on the blog. Ruth also helps oversee collaborations within the community, such as providing free classes to those in need, and showing up at local community events to offer promotions and samples.

Each location is managed by a different manager, and sets it’s own schedule, but most are generally open from 5am to 11pm, as there are members who want to work out before work, after work, or even late night! Debbie works with these managers to make sure that locations are running properly, and to help the troubleshoot and solve problems with infrastructure, staff, or members.

Debbie also helps managers hire and manage staff. Generally, each location has, aside from the manager, desk staff and trainers. Desk staff and trainers can be hired on a full-time or part-time basis, as determined by each location’s manager, based on their needs.

Desk staff are hired and given shifts as needed, and they help customers sign up for memberships, sign in and out of the centre, buy merchandise, clean equipment, and provide other general assistance.

Trainers are specialized and are hired based on their skill with their area of expertise (for example, some trainers are better at high-impact aerobics, while others are better at one-on-one instruction) and are scheduled to teach classes as well as offer individual instruction.

Debbie tracks payroll; both full-time and part-time employees are paid by *Ledgers and Associates* on a regular schedule. Debbie only needs to make sure payment information is transferred to them as necessary, and reviews reports.

The desk staff and manager at each location manage their local inventory, but at head office Sam is responsible for designing and ordering inventory to distribute to each location. He uses design software to create t-shirt and other designs, and determines which products to get printed. When necessary, Sam will also work with Ruth to make sure logo design and the marketing message are correct. He also contacts the third-party print companies and orders stock, and oversees their receivership into the warehouse when shipments arrive. These are stored in a general inventory and sent to locations as needed. Sam sets prices, and sometimes may determine that there is too much of a product and sets it to be on sale. All prices for product are set by Sam at the head office, locations are not able to set their own pricing, although they can, of course, make requests as necessary.

All sales are kept track of through the *GetFit* Point of Sale (POS) system. *GetFit* accepts payment through cash, Interac/debit, MasterCard and Visa. Each location manages their sales by using the automated reports from the debit and credit card machines. Every evening after the location closes, they take the daily merchandise sales reports from the debit and credit card machine and scan them into their computers. These reports unfortunately do not include enough information to properly keep track of each item’s sales.

Locations also offer specialized classes. Each location has 1-4 fitness rooms (based on the size of the location), and many members enjoy a focused class on aerobics, Zumba, yoga, spinning, or stretching. These classes are taught by the trainers, and are scheduled by the Manager of the location. Some classes are drop-in, but others that are in high-demand or have limited spaces will require members to sign-up first.

Regarding membership, *GetFit* offers a few different options: Customers can pay for each visit to a centre, or they can purchase a monthly or yearly membership. The daily fee rate is set by Debbie, and may change based on time of year and how busy the centres are. The monthly and yearly memberships are also set by Debbie, but generally only change once a year, to track with inflation. Memberships also allow members to visit any of the centres! There are some difficulties, though; each location manages their own membership list through a spreadsheet, so it can be difficult to renew memberships, change information, and track members.

Gregory is in charge of equipment and repairs. He makes sure that each location’s equipment is working properly and safely. He visits or calls each location at least once a week to ensure that if any equipment has any problems, it’s sorted out quickly. He also trains desk staff and trainers on equipment safety and usage, and encourages them to reach out to him with any concerns about equipment maintenance and safety.

**The 5-year plan: Expansion!**

While all their locations are in the Greater Toronto Area, in the next five years, Ruth and Debbie would like to expand from the few centres they have to at least one in every city and town in Ontario with more than 100,000 residents. This means that they will be opening at least 4 per year, and with this growth, they will need to make sure their system is working effectively to support the business.

**The current methodology:**

The company is running well enough but Ruth and Debbie are starting to notice some problems with their business practices. Head office has a small network set up with PCs running Windows. They share spreadsheets of inventory and memberships, but it has limits, and is not easy to work with or maintain. Each location has it’s own computer as well, but mostly just emails notes and requests to head-office as necessary. The website doesn’t offer any bookings, which customers have asked for, and it is difficult to coordinate sales of merchandise and memberships with locations.

The existing Point of Sale systems can handle sales and returns, but Ruth and Debbie are concerned that the existing store management system (various PCs with Microsoft Office) with all of its manual checks and balances will require too many people to be effective as the business continues to grow.

Ruth and Debbie have realized that this isn’t working as well as they need it to, and with the future growth planned *GetFit Fitness Centres* has decided to look into building a single computerized system that will streamline all of these elements. This will hopefully allow them to run the business through one complete system and reduce a lot of the errors that they find with current methods and make it easier to work with more locations. They would like to invest properly now in a system that will work for many years and provide flexibility and reliability for the foreseeable future.