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the academy: evaluating growth alternatives

Pooja Krishen wrote this case under the supervision of Ian Dunn solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In early October 2017, Jordan Sharp, co-owner and head coach for The Academy fitness club was considering how best to expand his facility in Kitchener, Ontario. The Academy had just completed its fifth year of operations, and Sharp was exploring potential expansion opportunities to grow the business and enhance profitability. He wanted to determine if it was a good time to open a second location in another part of the city and was also considering whether The Academy should invest in new equipment at its existing location. Prior to making a decision, Sharp wanted to take a detailed look at current industry trends and the competitive landscape. He also wanted to assess The Academy’s financial performance to determine if now was the right time to make either of these moves. He needed to work quickly to pitch his chosen expansion strategy to the other owners at their meeting in two weeks. He gathered The Academy’s financial statements (see Exhibits 1 and 2) and got to work.

**THE FITNESS industry**

Due to increasing obesity-related health concerns, the gym, health, and fitness clubs (GHFC) industry in Canada was projected to grow at a compound annual growth rate of 3.1 per cent from 2017 to 2022. The industry generated CA$3.1 billion[[1]](#footnote-1) in revenues, 61.4 per cent of which was attributed to fitness and recreation membership fees. Several population factors played a role in the GHFC industry’s success, including per capita disposable income, decreasing leisure time, the number of adults aged 20 to 64, and the adult obesity rate.[[2]](#footnote-2)

Adults aged 20 to 64 tended to have the highest per capita income, making them the target consumer for industry players, particularly as this age group was continuing to increase. Discretionary spending allocated toward health and fitness was increasing, and industry profits were expected to grow from 5.2 per cent to 6.2 per cent. In contrast to traditional gym memberships, services such as personal training and individualized nutrition planning were becoming increasingly popular. Further, per capita disposable income was expected to continue to grow in the coming years.[[3]](#footnote-3)

The decrease in leisure time was another key factor to the industry’s success. As adults were spending more hours on the job or looking after family, fitness activities and other recreational pursuits were becoming lower-priority items. However, the adult obesity rate was expected to grow over the next five years.[[4]](#footnote-4) To help reduce the strain associated with higher healthcare costs, many businesses and health insurance providers wanting to incentivize employees and clients to be more active were subsidizing gym memberships.[[5]](#footnote-5)

The GHFC industry was still characterized by its growth phase, although increasing variable costs in 2017 had resulted in a slightly declining contribution. The majority of operational costs were comprised of facility upkeep and labour costs but despite the high upfront capital requirements, barriers to entry were low. Incumbents were able to increase profits and minimize revenue volatility by offering 12- or 24-month memberships and hiring part-time coaches. Given the low barriers to entry, many new facilities established themselves to benefit from the industry’s rapid growth.

**CrossFit**

Since its founding by Greg Glassman in 2000, CrossFit had become one of the fastest growing global fitness trends. With over 13,000 CrossFit affiliates across 120 countries by 2017, over four million people were participating in the sport.[[6]](#footnote-6)

CrossFit combined various elements of fitness including weightlifting, gymnastics, and cardiovascular endurance. Its aim was to emphasize functional fitness with the goal of improving participants’ health and quality of life. A significant component to CrossFit’s success was in the community it created—CrossFit gyms created a safe space for people of all walks of life to come together to work toward their common goals. Members and coaches were supportive of one another and were often seen cheering each other on to complete workouts. The strong CrossFit community forged through completing challenging workouts together helped the sport gain much of its traction in the GHFC industry.

Competition was another tool used to strengthen the CrossFit community. CrossFit headquarters (CFHQ) held three annual competitions: the Open, the Regionals, and the CrossFit Games. The Open took place over five weeks during February and March and allowed every CrossFit participant around the world to take part. Each Thursday for the five weeks, one workout was released, and all participants were given until Monday night to complete the workout at an official CrossFit affiliate and submit their scores online. At the end of the Open, the top athletes were invited to the next round of competition, the Regionals. There were 18 regions around the world, each hosting the three-day competition. The top 40 men, women, and teams were invited to compete at the CrossFit Games in August, where thousands of spectators gathered to watch.[[7]](#footnote-7) The Open gave all participants the ability to compete directly with the fittest athletes in the world, which was unique to the sport.

In order to use the trademarked CrossFit name, gyms—or boxes, as they were referred to in the CrossFit community—registered and paid annual affiliate fees to CFHQ. CrossFit coaches were certified by the company to administer fitness knowledge in a standardized way, though affiliates were run with complete autonomy. Boxes therefore had vastly different environments—from the difficulty of workouts, to the competitiveness, to number and type of classes offered.

In addition to the strong community fostered in the sport, CrossFit boxes differed from traditional gyms in several other ways including the distinct physical differences in facilities. CrossFit boxes were typically located in large warehouse-style spaces with significant open areas without typical gym equipment. Instead, members could find pull-up bars, squat racks, rowing machines, free weights, sandbags, tires, and a myriad of other functional fitness[[8]](#footnote-8) tools. This allowed for plenty of space to conduct coached CrossFit sessions. The majority of members took part in group classes as opposed to working out alone, which also helped strengthen the local community. Members frequently commented on how a CrossFit box felt like a safe space to work toward personal fitness goals, and this was not necessarily the case for traditional gyms. Finally, boxes offered an element of friendly competition in group classes, which helped push members to perform to the best of their abilities—this form of friendly competition was also not typically seen in traditional gyms.

**Consumers**

CrossFit gym consumers considered several factors when determining which affiliate to join. The priority of each of these factors depended on the type of consumer seeking the training facility. The majority of CrossFit members had an average annual household income of over US$150,000[[9]](#footnote-9) and could be categorized into three broad groups: beginners and casuals, regulars, and competitive athletes.

Beginners and casuals consisted of individuals trying the sport for the first time and those attending once or twice per week. This consumer group valued proximity, cost, and frequency of classes to meet their busy schedules. At most CrossFit affiliates, beginners were required to take part in an initial foundations course, which showcased the quality of the coaching staff and facility. The course was influential in determining whether a beginner would continue with their memberships or try another gym.

Regulars typically attended classes four to six times per week and many of these consumers had experienced attending more than one CrossFit gym, allowing them to be more selective. Knowing what other gyms offered, these members valued the quality of programming, coaching, and facility. They were often willing to travel further away for a gym that met all of their requirements. Community and frequency of classes were also key factors for regulars, as they tended to spend more time at the gym and had busy schedules.

Competitive athletes prioritized facility size, available equipment, and proximity. These consumers were not concerned with programming and coaching quality as they tended to pay for individualized programs and worked out on their own. They did not participate in group sessions and were not concerned about the frequency of classes. They preferred to work out at official CrossFit affiliates, and their gym needed to have enough space and equipment for them to complete their workouts. If multiple gyms in the area offered the same space and equipment, proximity and cost became the next most important choice factors.

Traditional gyms were typically focused on a different type of consumer; however, of consumers falling within the CrossFit niche, traditional gyms competed for the beginners and casuals group. CrossFit gyms tended to focus on beginners, casuals, and regulars as their target consumer groups because they comprised the bulk of revenues. Competitive athletes often did research prior to seeking out the specific gyms they wanted to train at.

**Competition**

**GoodLife Fitness**

GoodLife Fitness (GoodLife) was the largest health club chain in Canada, operating over 385 locations, with seven of these locations in Kitchener, Ontario. Established almost 40 years ago, GoodLife had grown to capture 21.2 per cent of industry market share, making it the largest player in the market.[[10]](#footnote-10) In line with its objective to be the most convenient health club, GoodLife offered two types of biweekly membership options. The first membership was offered at a cost of $29.99 biweekly with a one-time enrolment fee of $179.99. The second membership option cost $34.99 biweekly, waived the enrolment fee, and required members to commit to a full year of payments.[[11]](#footnote-11) GoodLife also owned Fit4Less, a price-sensitive alternative. Goodlife offered a traditional gym set-up in addition to group classes for a variety of different interests including yoga, strength, and cardio. It also offered personal training services for those wanting a more individualized fitness program.[[12]](#footnote-12)

**Planet Fitness**

Established in 1992, Planet Fitness had worked on establishing itself throughout the United States, Canada, Dominican Republic, and Puerto Rico and had over 1,400 locations, 23 of which were in Canada, and one of these locations was in Kitchener, Ontario. Planet Fitness offered a traditional gym setup, similar to GoodLife, although it did not offer coached group classes. Planet Fitness was geared toward beginners and casuals and emphasized its mantra of creating a “judgment free zone.” Memberships started at $10 per month.[[13]](#footnote-13) Planet Fitness had approximately 1 per cent market share in the industry.[[14]](#footnote-14)

**Central Fitness Kitchener**

Founded in 2012, Central Fitness Kitchener (Central) was a local fitness facility offering a variety of coached group classes including those focusing on gymnastics, strength, conditioning, and mobility. A variety of membership options was available and tended to average approximately $160 per month. It was also an official CrossFit affiliate gym. Central Fitness was one of the two largest competitors in the local CrossFit space, the other being The Academy. Central currently operated out of a 15,000 square-foot (about 1,395 square metres) facility and was considering moving to a larger facility a few kilometres away from The Academy as the current facility was only accessible by one bus route in the city. In addition to group classes, Central offered personal training services.

**Other Competitors**

Several other CrossFit affiliates operated throughout the city. These affiliates typically had smaller facilities (less than 3,000 square feet, or 280 square metres, on average) and offered fewer training times, but they were convenient to consumers who lived nearby. Given their limited financial capabilities and differing business objectives, they were not primary competitors of The Academy. Many other traditional gyms also operated in the Kitchener area targeting a different consumer group than The Academy and its direct competitors (see Exhibit 3).

**The Academy**

The Academy began operations in Kitchener, Ontario, in 2012 and was founded by four partners who had a common passion for fitness and improving the health of their community. Over its years in operation, The Academy had expanded to offer 50 group classes per week and was constantly looking to add new classes based on member demand. The gym was open for 52 weeks of the year. The gym’s popularity could be seen by how full the classes were, particularly during weeknight evenings. Coaches offered personal training and were CrossFit Level 1 certified and were, or had been, competitive athletes throughout their lives. Coming from a variety of backgrounds including gymnastics, powerlifting, Olympic weightlifting, and functional fitness, the coaches shared one common goal—to help The Academy’s members improve and work toward their personal fitness goals. The Academy operated in a 5,500 square-foot (about 511 square metres) facility, and was continuing to grow rapidly with over 400 current members.

After graduating from Fanshawe College in 2012 with a diploma in Fitness and Health Promotion, Sharp spent over two and a half years coaching at GoodLife Fitness prior to joining The Academy, where he served as head coach and co-owner for over three years. Sharp spent years competing in athletic disciplines such as martial arts, hockey, and functional fitness before pursuing a career in coaching, and was still a competitive CrossFit athlete. Sharp’s talent for fitness programming allowed him to successfully launch his own personal training business two years ago, through which he personally coached several athletes to compete at a regionals level. Sharp was dedicated to the fitness process and passionate about helping his clients reach their health and fitness goals.

The community aspect of CrossFit was important to The Academy and was embodied through community events, annual intra-gym competitions, and the daily support members and coaches shared when milestones were achieved. These factors led to the gym becoming one of the largest CrossFit communities in the city. It was important to Sharp that any future growth experienced by The Academy fostered the community that had been created.

**The Expansion Opportunity**

With the increasing number of competitors setting up CrossFit gyms within the city, Sharp was keen to implement a strategy that would allow The Academy to continue to grow and remain one of the top training facilities. He believed that opening a second location would allow The Academy to capture a segment of the market that was at present limited by distance and travel time. Sharp also considered that a second location would provide The Academy with a competitive advantage as Central also had only one location in the city. However, Sharp was not sure how successful a second gym would be, and he knew it would require a significant amount of his time. He was concerned that this might affect the quality of coaching at the existing location.

With or without any expansion, Sharp expected The Academy’s sales to grow by the same percentage as the prior fiscal year. He expected the second location would generate 40 to 80 per cent of The Academy’s projected 2018 sales. As with the existing location, he expected all the new sales to be made on credit. Under both scenarios, he expected 5 per cent of the existing location’s projected fiscal 2018 sales to be lost to cannibalization as existing members would benefit from a closer location and transfer their memberships. Sharp located a facility space in the east part of the city, which was available to rent for $40,000 per year. He also planned on hiring a part-time administrative assistant for an annual salary of $30,000. All other cash expenses for the new location would remain at the same percentage of sales as The Academy’s fiscal 2017 expenses, although Sharp expected to realize several cost synergies. Expenses including interest and bank charges, professional fees, meals and entertainment, and conventions and courses would not be incurred by the second location, and 50 per cent of business taxes, licenses, and memberships expenses would be allocated to the new location.

The initial investments required to set up the new facility included renovation and installation of fixtures, totalling $30,000. The fixtures comprised one third of the investment and had a useful life of five years. Sharp was debating between two sets of equipment—one that could facilitate classes up to 15 people, or a smaller set, facilitating classes up to 10 people. These equipment costs were $60,000 and $45,000, respectively, and he anticipated that if sales were on the higher end of his estimate, larger class sizes would be necessary (see Exhibit 4). Both equipment sets would be depreciated on a straight-line basis over five years, after which, each would be donated and replaced. To promote the new location, Sharp wanted to spend $15,000 on a launch event.

Sharp considered that cash tied up in working capital accounts would also change. He projected that the added operations would average 35 days of accounts payable and 10 days of accounts receivable. No initial inventory investment was anticipated. Sharp wanted to ensure the decision met a hurdle rate of 20 per cent.

**THE FACILITY UPGRADE**

The second alternative Sharp considered was upgrading and adding to the equipment at the existing location. He envisioned the facility upgrade would have a positive impact on The Academy in several ways. Given the new equipment, the upgrade would allow the gym to offer additional classes, and the new equipment would also improve the aesthetic appeal of the facility. However, a significant capital investment would be required in addition to increased cost of sales, and he was uncertain of the return. Sharp knew that some members might want to use only the new equipment.

To estimate additional sales arising from the upgrade, Sharp considered that a fair estimate would be to use the same average revenue per class. He expected one to four additional classes to be offered per week and that 80 per cent of these sales would be made on credit. Given the additional classes, he anticipated cost of sales to remain at the same percentage of sales as in fiscal 2017. The new equipment would require repairs and cleaning, and those expenses were also expected to remain at the same percentage of sales as in fiscal 2017. In the event that four classes would be added per week, utilities would increase by $500 annually. Administrative duties would increase due to the greater volume of classes, and Sharp believed that The Academy’s office expense would increase by $40 per month. If only one class was added, this expense would increase by $24 per month.

The cost of the upgrade—equipment and installation—was expected to be $28,000. The new equipment would be depreciated on a straight-line basis over a useful life of 10 years. To advertise the new classes being offered, Sharp was going to put $2,000 toward a media campaign that would run immediately leading up to the launch of the upgraded facility. He estimated the same permanent changes in working capital account estimates as with the new location alternative.

Sharp expected most operating costs to remain at the same percentage of sales as in 2017 except for rent, depreciation, professional fees, meals and entertainment, and courses and conferences, which were expected to remain at the same dollar amount as in 2017. Unless otherwise noted, all items on The Academy’s statement of financial position were to remain at the same dollar amount as in 2017. Sharp was curious to see how much cash The Academy would have remaining on hand at the end of 2018.

**Decision**

Sharp was anxious to implement a growth strategy soon. He needed to decide whether, given the risks involved, The Academy should pursue the facility upgrade or add a new location. He was curious to determine how quickly the company could see a return on its investment. However, he also wanted to evaluate the business environment risks associated with *not* moving ahead with the upgrades. After deciding on the best solution for The Academy, Sharp wanted to project an income statement and balance sheet for fiscal 2018 in order to assess the overall impact on net income and the business’s cash balance. Before presenting his ideas to the other partners, he knew he needed to develop an action plan and contingency plan for any decision he made.

**Exhibit 1: Income Statement (For the year ending September 30) (CA$)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Revenue** | **2017** | | **2016** | |
| Sales\* | 300,323 | 100% | 249,248 | 100% |
| Cost of sales\*\* |  |  |  |  |
| Trainers | 103,234 | 34.4% | 103,785 | 41.6% |
| Purchases including freight | 7,177 | 2.4% | 3,198 | 1.3% |
| Less: Total cost of sales | 110,411 | 36.8% | (106,983) | 42.9% |
| Gross profit | 189,912 | 63.2% | 142,265 | 57.1% |
|  |  |  |  |  |
| **Operating expenses** |  |  |  |  |
| Rent | 59,183 | 19.7% | 59,875 | 24.0% |
| Advertising and web design | 26,862 | 8.9% | 16,709 | 6.7% |
| Depreciation | 12,554 | 4.2% | 15,268 | 6.1% |
| Office | 6,796 | 2.3% | 6,439 | 2.6% |
| Repairs and cleaning | 5,464 | 1.8% | 5,868 | 2.4% |
| Interest and bank charges | 4,895 | 1.6% | 3,923 | 1.6% |
| Utilities | 4,291 | 1.4% | 4,027 | 1.6% |
| Business taxes, licenses, and memberships | 4,087 | 1.4% | 4,056 | 1.6% |
| Professional fees | 2,192 | 0.7% | 1,960 | 0.8% |
| Insurance | 2,170 | 0.7% | 2,091 | 0.8% |
| Telephone | 1,293 | 0.4% | 3,382 | 1.4% |
| Meals and entertainment | 919 | 0.3% | 3,843 | 1.5% |
| Office supplies | 496 | 0.2% | 1,995 | 0.8% |
| Conventions and courses | – | 0.0% | 109 | 0.0% |
| Less: Total operating expenses | (131,202) | 43.7% | (129,545) | 52.0% |
| Net income before taxes | 58,710 | 19.5% | 12,720 | 5.1% |
| Income taxes | 8,412 | 2.8% | 2,176 | 0.9% |
|  |  |  |  |  |
| Net income after tax | 50,298 | 16.7% | 10,544 | 4.2% |

Notes: \* All sales are made on credit. Sales figures do not include personal training revenues. These revenues go directly to the trainer; \*\* All expenses related to cost of sales were paid on credit.

Source: Company files.

**Exhibit 2: Statement of financial position (As at September 30) (CA$)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017** | | **2016** | |
| **Assets** |  |  |  |  |
| Current assets |  |  |  |  |
| Cash | 97,498 |  | 51,591 |  |
| Accounts receivable | 8,692 |  | 7,948 |  |
| Income taxes recoverable | – |  | 2,824 |  |
| Deposits | 4,500 |  | 4,500 |  |
| Total current assets |  | 110,690 |  | 66,863 |
|  |  |  |  |  |
| Long-term assets |  |  |  |  |
| Furniture and equipment | 69,690 |  | 69,690 |  |
| Less: Accum. dep., furniture and equipment | (39,276) | 30,414 | (35,493) | 34,197 |
|  |  |  |  |  |
| Computer equipment | 827 |  | 827 |  |
| Less: Accum. dep., computer equipment | (749) | 78 | (672) | 155 |
|  |  |  |  |  |
| Leasehold improvements | 40,345 |  | 40,345 |  |
| Less: Accum. dep., leasehold improvements | (36,483) | 3,862 | (32,584) | 7,761 |
| Total long-term assets |  | 34,354 |  | 42,113 |
|  |  |  |  |  |
| Total assets |  | 145,044 |  | 108,976 |
|  |  |  |  |  |
| **Liabilities and shareholders’ equity** |  |  |  |  |
| Liabilities |  |  |  |  |
| Current liabilities |  |  |  |  |
| Accounts payable | 10,734 |  | 8,915 |  |
| Accrued liabilities | 10,111 |  | 21,572 |  |
| Income taxes payable | 3,412 |  | – |  |
| Due to shareholders | 68,805 |  | 76,805 |  |
| Total current liabilities |  | 93,062 |  | 107,292 |
|  |  |  |  |  |
| Shareholders’ equity |  |  |  |  |
| Share capital (100 common shares–voting)\* | 100 |  | 100 |  |
| Retained earnings | 51,882 |  | 1,584 |  |
| Total shareholders’ equity |  | 51,982 |  | 1,684 |
|  |  |  |  |  |
| Total liabilities and shareholders’ equity |  | 145,044 |  | 108,976 |

Notes: Accum. = accumulation, dep. = depreciation; \* Authorized to issue unlimited Class A shares, unlimited non-voting common, and unlimited common shares.

Source: Company files.

**Exhibit 3: Competitor Ratios**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Planet Fitness LLC** | | **Industry** | |
|  |  | |  | |
|  | **2017** | **2016** | **2017** | **2016** |
| **Profitability** |  |  |  |  |
| Gross profit to sales | 69.9% | 67.7% | 68.1% | 72.1% |
| Net income to sales | 7.7% | 5.7% | 6.8% | 4.0% |
| Return on assets | 3.0% | 2.1% | 3.7% | 2.7% |
| Return on equity | –18.0% | –16.4% | 9.2% | 6.3% |
|  |  |  |  |  |
| **Investment utilization** |  |  |  |  |
| Fixed asset turnover | 5.2× | 6.2× | 0.8× | 0.8× |
| Total asset turnover | 0.4× | 0.4× | 0.6× | 0.6× |
|  |  |  |  |  |
| **Stability** |  |  |  |  |
| Net worth to total assets | –10.9% | –13.1% | 61.3% | 49.2% |
| Interest coverage | 13.2× | 4.3× | – | – |
| Total debt to total assets | 112.5 | 121.4% | 38.7% | 50.8% |
|  |  |  |  |  |
| **Liquidity** |  |  |  |  |
| Current ratio | 1.58 | 1.10 | 1.00 | 1.80 |
| Age of receivables | 47.6 days | 40.3 days | 21.9 days | 19.0 days |
| Age of inventory | 7.5 days | 5.3 days | – | – |
| Age of payables | 218.1 days | 164.1 days | 88.9 days | 28.4 days |
|  |  |  |  |  |
| **Growth** |  |  |  |  |
| Sales growth | 13.7% | 14.4% | –23.5% | –2.2% |
| Profit growth | 54.2% | 16.1% | 381.1% | 155.2% |
| Asset growth | 9.1% | 43.2% | –19.0% | –2.2% |

Sources: “Plant Fitness, Inc. Common Stock (PLNT) Financials,” Nasdaq, August 2018, accessed September 1, 2018, [www.nasdaq.com/symbol/plnt/financials?query=ratios](http://www.nasdaq.com/symbol/plnt/financials?query=ratios); “Industry Norms and Key Business Ratios: Ratios for SIC 4187,” Dun and Bradstreet, accessed September 1, 2018, [www.mergentkbr.com/index.php/reports/industry](http://www.mergentkbr.com/index.php/reports/industry).

**Exhibit 4: EQUIPMENT PACKAGE ALTERNATIVES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **10-Person Affiliate Package** | |  | **15-Person Affiliate Package** | |
| **Equipment** | **Quantity** |  | **Equipment** | **Quantity** |
| 2,000 lb. bumper plates | 1 |  | 2,000 lb. bumper plates | 1 |
| Barbells | 18 |  | Barbells | 25 |
| 9-Barbell holder | 2 |  | 9-Barbell holder | 3 |
| 500 lb. kettlebell set | 1 |  | 500 lb. kettlebell set | 1 |
| Barbell collars | 15 |  | Barbell collars | 25 |
| Wood rings | 10 |  | Wood rings | 15 |
| Medicine balls | 10 |  | Medicine balls | 15 |
| D-balls | 8 |  | D-balls | 10 |
| Climbing ropes | 2 |  | Climbing ropes | 5 |
| Multi-side boxes | 10 |  | Multi-side boxes | 15 |
| Squat/Press stands | 5 |  | Squat/Press stands | 8 |
| Flat utility bench | 8 |  | Flat utility bench | 10 |
| GHD | 6 |  | GHD | 6 |
| Butchers | 5 |  | I-44 infinity rig | 1 |
| Sleds | 5 |  | Speed ropes | 15 |
| I-24 infinity rig | 1 |  | Ab-mats | 15 |
| Speed ropes | 10 |  | Rower | 10 |
| Ab-mats | 10 |  | Gym timer | 1 |
| Rower | 8 |  | **Total cost** | **$60,000** |
| Gym timer | 1 |  |  |  |
| **Total cost** | **$45,000** |  |  |  |

Sources: “10-Alpha – 10 Person Affiliate Package,” Rogue Canada, accessed September 1, 2018, [www.roguecanada.ca/10-alpha-10-person-affiliate-package](http://www.roguecanada.ca/10-alpha-10-person-affiliate-package); “15-Alpha – 15 Person Affiliate Package,” Rogue Canada, accessed September 1, 2018, www.roguecanada.ca/15-alpha-15-person-affiliate-package.

1. All currency amounts are in CA$ unless otherwise specified; CA$1 = US$0.80 in October 2017. [↑](#footnote-ref-1)
2. “Gym, Health & Fitness Clubs in Canada,” IBISWorld, December 2017, accessed August 18, 2018, [www.ibisworld.ca/industry-trends/market-research-reports/arts-entertainment-recreation/gym-health-fitness-clubs.html](http://www.ibisworld.ca/industry-trends/market-research-reports/arts-entertainment-recreation/gym-health-fitness-clubs.html). [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. Ibid. [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Christine Wang, “How a Health Nut Created the World’s Biggest Fitness Trend,” CNBC, April 22, 2016, accessed August 18, 2018, www.cnbc.com/2016/04/05/how-crossfit-rode-a-single-issue-to-world-fitness-domination.html. [↑](#footnote-ref-6)
7. “About the Games,” Reebok CrossFit Games 2020, accessed August 18, 2018, https://games.crossfit.com/about-the-games. [↑](#footnote-ref-7)
8. Functional fitness refers to the training of muscles to prepare them for real-life daily tasks and activities; “What is Functional Fitness?,” OPEX, accessed August 27, 2019, https://opexfit.com/blog/what-is-functional-fitness/. [↑](#footnote-ref-8)
9. “The Business of CrossFit: An Update on New Market Research,” Rally Fitness, March 13, 2017, accessed August 18, 2018, https://rallyfitness.com/blogs/news/the-business-of-crossfit-an-update-on-new-market-research-2017. [↑](#footnote-ref-9)
10. “Gym, Health & Fitness Clubs in Canada,” op. cit. [↑](#footnote-ref-10)
11. “Gym Memberships: Gain Access to Over 255+ Clubs across Canada,” GoodLife Fitness, accessed February 17, 2019, www.goodlifefitness.com/gym-memberships. [↑](#footnote-ref-11)
12. “Gym, Health & Fitness Clubs in Canada,” op. cit. [↑](#footnote-ref-12)
13. “Memberships: Select the Right Membership for you,” Planet Fitness, accessed August 18, 2018, www.planetfitness.com/gym-memberships. [↑](#footnote-ref-13)
14. “Gym, Health & Fitness Clubs in Canada,” op. cit. [↑](#footnote-ref-14)