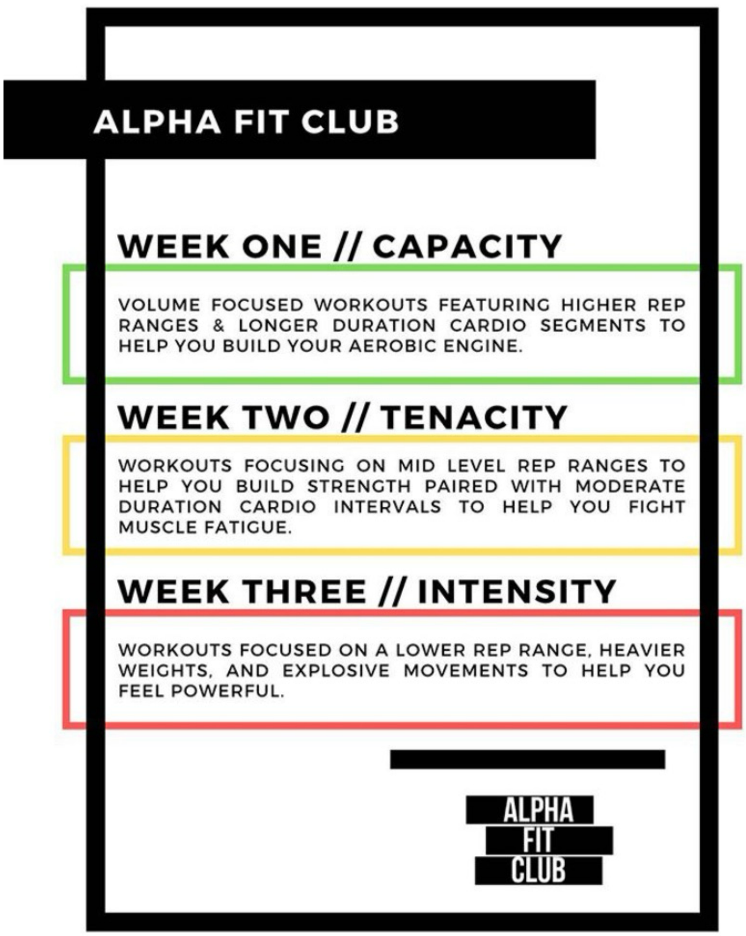
CHAPTER 5 BUSINESS OPERATIONS

GENERAL BUSINESS OPERATIONS INFORMATION

The more consistent and organized your facility is, the more profitable it will be. In order to help you run your facility in a consistent manner, we have developed operational checklists to help you and your employees maintain our high standards of customer service.

Franchise owners and managers must use the operational checklists to assist employees and contract workers in completing necessary operational duties and tasks in a timely manner.

CORE WORKOUTS



Workouts will be provided to trainers from the corporate office.

INBODY SCANNER

Franchisees must purchase an InBody scanner and train coaches how to use it.

BUSINESS OPERATIONS INFORMATION AND CHECKLISTS

Checklists are an excellent training tool for new staff members. More importantly, they help all staff members and managers to understand one another's responsibilities and hold them accountable for their assigned tasks. As a franchise owner, you are responsible for ensuring that important operational tasks are consistently completed every business day, resulting in a safe, clean and efficient facility.

The following daily operational checklists have been created to assist studio managers, staff members and teachers in completing necessary operational duties and tasks in a timely manner.

Each employee should initial in the box when he or she has completed each task.

Copies of these checklists can be found in the Forms chapter.

GREEN STAR MEMBER CHECKLIST

"Green Stars" are first time class takers. In MINDBODY, any time someone is taking class for the first time, a green star will appear next to their name. This will never appear again after they have taken their first class. Green stars need to be handled in a very specific way.

Example : At the close of business on Monday, the front desk staff member should look through each and every class for Tuesday. Any class that has a client with a green star next to a name(s) needs to be written down in such a fashion:

- Class time
- First and last name
- Phone number

After the staff member has gone through all classes for Tuesday, the staff member uses ring central to text each of these new potential clients. In this text, remind them of their specific class time, advise them that they need to come at least fifteen minutes early to learn the equipment and meet the coach in order to take the class, and to bring sneakers and a water bottle. Let them know that you are looking forward to seeing them.

It is important to note that this process should also take place multiple times throughout the day as new clients can sign up at any time.

GENERAL MANAGER CHECKLISTS

General Manager Daily Checklist

- ☐ Ensure cleaning tasks (included in Front Desk Daily checklists) are being completed
- ☐ Ensure all emails have been responded to
- ☐ Ensure all voicemails have been returned
- ☐ Check contracts and forms for accuracy
- ☐ Address equipment and maintenance issues (if needed)

General Manager Weekly/Biweekly Checklist

- ☐ Ensure daily revenue goal is reached
- ☐ Place retail order on Monday (if needed)
- ☐ Order new marketing materials (if needed)
- ☐ Print forms (if needed)
- ☐ Send weekly receipts and financials to accountant (if needed)
- ☐ Perform weekly social media audit to make sure required postings have been completed
- ☐ Perform weekly review site (Yelp, Google, etc.) audit, respond as needed
- ☐ Reach out to at least one potential strategic partner per week

General Manager Weekly/Biweekly Checklist

- ☐ Run payroll
- ☐ Check employee time clocks against schedule
- ☐ Adjust for any discrepancies if necessary
- ☐ Send to payroll for processing

General Manager Monthly Checklist

- ☐ Monthly phone meeting with corporate
- ☐ Attend at least one community event per month (Chamber of Commerce, special event, partner event, etc.)
- ☐ Send reports and Profit and Loss statements to corporate
- ☐ Employment taxes may be due monthly, quarterly or annually (check with your CPA to determine specific requirements)
- ☐ Pay sales and use taxes as required
- ☐ Reconcile balance sheet accounts

General Manager Quarterly Checklist

- ☐ Quarterly Financial Statement review with accountant and corporate office
- ☐ Pay sales and use taxes as required

FRONT DESK CHECKLISTS

Front Desk Daily Duties (AM & PM shifts):

Opening:

- ☐ Arrive half an hour before the first morning class
- ☐ Turn on lights (color will depend on week's theme)
- ☐ Set room lights to correct color
- ☐ Login to MINDBODY, clock in
- ☐ Ensure lobby, bathrooms, lockers/cubbies, and studio are clean and appropriate for use
- ☐ Ensure the desk and lobby are neat
- ☐ Make sure bathrooms are cleaned and stocked of the following:
  - Toilet paper
  - Paper towels
  - Men's/women's deodorant spray
  - Tampons
  - Hair and body wash
  - Hand soap
  - Make sure wipes are stocked

For each class:

- ☐ Print the sign in sheet for upcoming class
- ☐ Check to see if there are waters in the fridge, if not during class run to store and grab a case
- ☐ Check to see if there are any towels in the wash or dryer. Make sure there are towels ready and set up for the upcoming class. There should be 24 towels available before each class.
- ☐ Display towels neatly by studio entrance before each class
- ☐ **Check to see if there are any newbies (first time visitors) in upcoming classes, if so, do the following:**
  - Write the newbie's name on the board, and let whoever is coaching know there are newbies
  - When the newbie comes in, talk to them to make them feel comfortable and welcome
  - Prepare waivers and health history forms for them to sign when they come in
  - Once they sign the papers, scan and save them to the file on the computer and initial them
  - Create a MINDBODY profile for the newbie (if they have not done so)
  - Assign their files to their MINDBODY profile
  - Take a photo using the webcam for their profile

  - Get some background on what they're doing and why they're here, relay this information to the coach
  - Show them where the bathrooms and cubbies are
  - Five to ten minutes before the start of class, Introduce them to the coach who will then take over
  - After class, thank them for coming and congratulate them on their hard work
  - Talk to them after class to see what they liked
  - Ask when they will be back
  - Inform them on the limited offer for which they are eligible
  - If they are not ready to sign up, try to book a second free class for them there and let the Front Desk Manager know to follow up
- ☐ Greet all clients with a focus on member/client experience
- ☐ Make sure everyone who came in signed in on the sheet
- ☐ Then log that information on MINDBODY
- ☐ If there are no shows, select retail option in MINDBODY and apply late cancel fee and make a contact log of it
- ☐ Copy and paste text from new members into MBO in "Alerts" on their profile
- ☐ Scan day's sign in sheets
- ☐ Enter signed-in attendees in MINDBODY
- ☐ Late cancel no shows in MINDBODY
- ☐ Manually enter attendees into Ring

At the end of every class:

- ☐ Take picture at the end of every class
- ☐ Save picture under the class time and date, then go on ring central and send the picture out to all those who were in the class with a message from whoever the coach was that day (do this for all classes)

Ongoing/Cleaning:

- ☐ Check bathrooms once an hour, clean as needed
- ☐ Vacuum entire studio (including bathrooms)
- ☐ Wash/dry towels in between classes to ensure there is no shortage
- ☐ Maintain cleanliness of equipment in between every class
- ☐ Scan and shred new member paperwork as needed
- ☐ Check texts, emails, voicemails, respond or forward as needed
- ☐ Take out garbage if full
- ☐ Clean glass and windows

Closing:

- ☐ Once all classes are finished, scan all sign in sheets for the day and save it onto the computer with the date, time, year, and initials (if not already done by opening staff)
- ☐ Empty all trash and dispose in proper dumpster
- ☐ Vacuum bathrooms, lobby, rugs, and studio
- ☐ Mop or Swiffer bathroom floors
- ☐ Mop rubber floors in studio
- ☐ Wipe down countertop surfaces
- ☐ Clean out cubbies/lockers
- ☐ Clean bathroom sink and mirrors
- ☐ Place all towels in the wash
- ☐ Clean any equipment that needs to be cleaned
- ☐ Wipe down mirrors in studio
- ☐ Help trainers organize and neatly put away equipment in studio
- ☐ Restock waters if needed
- ☐ Turn off music
- ☐ Turn off TVs
- ☐ Shut down computers
- ☐ Once all classes are done and all the cleaning is finished, turn off the fans and lights, clock out and lock up.

FRONT DESK MANAGER CHECKLISTS

Front Desk Manager Daily Checklist:

- ☐ Monitor all web leads of the club, respond as needed, set follow up tasks in MINDBODY
- ☐ Check email, respond as needed
- ☐ Check social media messages, respond as needed
- ☐ Check voicemail, respond as needed
- ☐ Follow up with respect to any inquiries
- ☐ Send out daily birthday emails and ask for playlists if the member is coming to class on their birthday
- ☐ Inquire of current clients on experience – log all feedback and report to management
- ☐ Network with members, business community, potential members, etc.
- ☐ Check in on classes and front desk staff when appropriate; example: when multiple newcomers are in the same class
- ☐ Monitor social media for comments, responses, tags, etc. and respond/repost as needed
- ☐ Make daily social media posts (see Social Media chapter)
- ☐ Check equipment maintenance log, take appropriate actions as necessary
- ☐ Ensure birthday emails for playlist are being sent out
- ☐ Send out email announcements as needed

- Repost all appropriate tagged Instagram stories to main page.
- Look for green star members at the end of the day

Front Desk Weekly Checklist:

- Generate Past Due Member Reports and contact members
- Generate and print the following reports in MINDBODY to give to the General Manager:
  - Total memberships sold
  - Membership sales by level
  - First time visitors
  - Membership conversions
  - Five packs
  - 2nd class free
  - Website/pricing inquiries
  - Registered for first class
  - Drop ins
  - Late cancels
  - Membership cancellations
  - Referral Type

Front Desk Manager Bi-Weekly Checklist:

- Create front desk schedule (ideally at least two weeks in advance)
- Check time logs
- Send payroll to general manager for approval

Front Desk Manager Monthly Checklist:

- Conduct monthly front desk meetings (topics should include upcoming changes, events, etc.)
- Ensure birthday emails for playlist are being sent out
- Send out monthly email newsletter

TRAINER CHECKLISTS

Trainer Daily Checklist:

Opening:

- Arrive 45 minutes before class
- Turn on the lights
- Turn on the fans
- Turn on the TVs and select the workout file for the day
- Populate the other TVs with the week's theme (capacity, tenacity, intensity)
- Set up the room and stations accordingly

Before each class:

- Make sure that equipment is all operational and in working order
- Check class roster to see if there are any new clients
- Check roster for any clients who may need modifications

For Newbies:

- Show prospect around the facility to get them acclimatized to the space.
- Ask questions such as:
  - "What brought you in today?"
  - "What is your current exercise routine?"
  - "What are your looking for out of your workouts?"
  - "What do you want to accomplish in the next 6-8 weeks?"
  - "What type of workout are you looking for?"
- Introduce newbie to equipment:
  - Skillmill
  - Skillrow
  - Skiers

The goal of these questions is to make them feel comfortable and is also used to gather information to use when class is over.

During class:

- Pre workout clap up
- If there is a newbie:
  - Announce that there is a newbie in the class and state their name. Then have the class clap it up for them to show them some encouragement
  - Pair them with a veteran if the newbie came to the class alone

Newbies:

- Give them a little more attention and call them by their name
- Help them adjust weights if need be
- Correcting their form if needed
- Give them encouraging words

At the end of each class:

- Make any important announcements
- If there is a newbie, have the class give them a round of applause and say "Welcome to the Pack"
- Take group photo

- ☐ Write up a one to two sentence note for the front desk staff to send with the class picture
  - o Example: "Thanks for putting in the work this morning! Today's workout was the perfect way to focus on building strength with those mid rep counts."
- ☐ Make yourself available to members who may have questions
- ☐ If there is a newbie:
  - o Ask them what their favorite part of class was and congratulate them on their performance
  - o Walk them to the front desk so the front desk staff can explain their membership options

After each class:

- ☐ Re-rack weights in the correct order (lightest to heaviest)
- ☐ Set up room for next class
- ☐ After the final class of the day, write up reflection
- ☐ Closing:
  - o Turn off televisions
  - o Turn off fans
  - o Turn off music
  - o Turn off lights

A Daily Trainer Reflection Form can be found in the Forms chapter.

LEAD TRAINER CHECKLISTS

Lead Trainer Daily Checklist:

- ☐ Check with Front Desk Manager for trainer-related emails or questions
- ☐ Onboard and train new trainers as needed
- ☐ Evaluate trainers as needed
- ☐ Make sure trainers are filling out their post-class reflection forms

Lead Trainer Weekly Checklist

- ☐ Send out weekly class schedule
- ☐ Program TVs with the weekly theme
- ☐ Read trainer reflection forms, identify any issues/patterns
- ☐ Run weekly trainer meeting, addressing any client issues or issues from trainer reflections
- ☐ Hold vote on "leader of the pack" member (this will be discussed in further detail in the Marketing chapter)

- Participate in grassroots marketing efforts as needed
- Onboard and train new trainers as needed
- Evaluate trainers as needed

Lead Trainer Bi-Weekly Checklist

- Collect trainer invoices, check for accuracy
- Send invoices to general manager for payroll

Lead Trainer Monthly Checklist

- Conduct monthly one-on-one trainer evaluations

SIGNING UP A MEMBER

Signing up a new member starts the second that they walk in the door. In addition to the standard greeting and tour, it is vital that all of the following steps are completed for each and every membership sale.

- Fill out health history and waiver form
- Create MBO profile (if applicable)
- Prospect attends class
- Make sale
- Fill out membership agreement (double check their credit card entry)
- Scan forms
- Upload to folder
- Upload to member profile
- Shred paper forms

Membership agreement and health history and waiver forms can be found in the Forms chapter.

EQUIPMENT MAINTENANCE AND REPAIR

Recognizing broken equipment is the responsibility of each and every employee. If any equipment appears unsafe or defective, all employees must do the following:

- Put a sign on it rendering it out of order
- Alerting the front desk manager on duty
- The front desk manager should then log it in the equipment maintenance log
- The front desk manager should inform the general manager of the faulty equipment

- You should notify the equipment company immediately or take the necessary steps to fix it yourself before members are allowed to use it again

Note: the email for techno gym support is technicalsupport@technogym.com

REPORTING DEFECTIVE EQUIPMENT TO TECHNOGYM

When a piece of Technogym equipment fails or goes out of order, Technogym needs to be contacted as soon as possible. Upon lease or purchase of multiple pieces of equipment, the location should be given a reference number to be included on the initial email. Your email should include the following:

- The specific piece of equipment
- The reference number
- The serial number
- Detailed description as to what is wrong with the piece.

You should also follow up with a call to Technogym's service team to ensure they received the inquiry.

Technogym has a response window of 2-5 days to fix the issue.

A blank equipment maintenance log can be found in the Forms chapter.

ACCOMMODATING MEMBERS WITH SPECIAL NEEDS

In compliance with the Americans with Disabilities Act (“ADA”) and other applicable state and local laws, we provide reasonable accommodations for qualified individuals with disabilities. Every effort should be made by trainers to accommodate members who have special needs or physical limitations. Trainers should be informed how to modify exercises for individuals who may need it.

MUSIC SELECTION

Each trainer is responsible for choosing his or her own playlist. While there are no rules, the music selection should be upbeat and energetic. Music should be the “edited” or “clean versions” of all songs and not have any overt sexual language or racial commentary. It is also expected that each trainer regularly updates his or her playlist so that members do not hear the same songs. If members complain about the music, management should do their best to address it.

Please display the playlist feedback sign near the front desk.

A printable version of the playlist feedback sign can be found in the Appendix.

CUSTOMER SERVICE

CUSTOMER SERVICE PHILOSOPHY

Go out of your way to be positive, pleasant, and grateful. People are naturally attracted to an upbeat and happy person, and they will reciprocate. A fun and smiling employee is a pleasure in the workplace. Likewise, a difficult boss will result in difficult employees who will not treat customers well. Both you and your employees should greet every customer who walks through the door with a smile and personal greeting. Always remember, your employees will follow the example you set, so make sure you always greet customers properly, and your employees will do the same.

STAFF ATTITUDE

Our customers the most important thing to us at Alpha Fit Club. They should always be treated with respect and courtesy. Both you and your staff must always maintain excellent customer service.

REPLYING TO CUSTOMER INQUIRIES

It is important to respond to customer inquiries as promptly as possible. The Front Desk Manager is responsible for all general inquiries whereas the General Manager should handle serious complaints or more complex questions.

Example: The Front Desk manager would respond to an inquiry asking about the last day to sign up for the 10 Week Challenge.

Example: The General Manager would respond to an inquiry from somebody who claims that a trainer insulted them during class.

TELEPHONE ETIQUETTE

When answering the phone, the greeting should be as follows:

Thank you for calling Alpha Fit Club, this is [name], how can I help you?"

Please do not give out any personal numbers of any of our trainers, staff, or clients.

If someone would like to get in contact with someone, take a message with their name, phone number, and a brief explanation for the nature of their call.

Please also take messages from any voicemails that were left in between class sessions and either respond/address the issue or forward the appropriate point of contact.

HANDLING COMPLAINTS

Complaint Resolution Process:

Having a process to resolve complaints helps ensure that we deal with the emotional and practical aspects of the issue.

Greet: Always answer the phone or greet people in person as though you are happy to hear from them. Begin in a friendly way. This is easy to say, but can be difficult to do.

Listen: We often get the same kinds of complaints, so it becomes challenging to really listen to clients. Give them an opportunity to vent some of their frustration. Be empathetic. Listen for facts and feelings. Resist the temptation to start responding too quickly. Show signs of active listening using brief interjections or clarifying questions.

Questions: Ask questions to clarify the concern. Again, we need to resist responding until we understand clients and their issues.

> Elementary questions capture the basic facts of the problem. This gives us an opportunity to take some of the emotion out of the complaint.
>
> *Example: Can you tell me what date and time this took place?*
>
> Elaborative questions gather more details. This gives the client a chance to expand on their issues and feelings. These questions should be relatively short to encourage the client to talk more.
>
> *Example: Can you tell me exactly what was said?*
>
> Evaluative questions help us gain an understanding of the severity of the issue in the client's mind. This is also where we evaluate what will satisfy the client.
>
> *Example: Can you tell me what occurred before this? What did you say next? Was there anyone else present?*

Empathize: Find a point of agreement with the person. This does not necessarily mean that we agree with the complaint. This is where we show the client that we heard and understood their concern, and we recognize that it is important to them.

Address the Issue: Now that the emotional issues have been addressed, do everything in your power to resolve the practical aspects of the complaint. This is your opportunity to turn a lemon into lemonade. People who have their problems successfully resolved tend to continue to do business with you.

Test Questions: Ask questions to test how well you have resolved the emotional and practical sides of the complaint. Give the client another opportunity to talk. Be a good listener.

Offer Additional Help: Ask what else you can do for this client. This allows an opportunity to turn the conversation away from the complaint, which makes it easier to end on a positive note.

Follow Through: Often, complaints cannot be resolved completely on the first point of contact. If you need to get back to the client, do so quickly and thoroughly. Even if the complaint has been resolved, create a reason to contact the client again. For example, find a way to give added value. Also, look for ways to solve the root causes of problems within your organization.

Resolving Customer Complaints:

- Don’t take it personally
- Listen empathetically
- Use the client’s name
- Show respect for their point of view
- Avoid citing policies unless necessary

Keeping these principles in mind will help us to improve, rather than deteriorate the situation with the client.

- **Stay calm.** Try to remain diplomatic and polite. Getting angry will only make the client angrier.
- **Try to see things from the client’s point of view**. Perhaps you would feel as upset as they are given the situation.
- **Thank the person for raising the concern and do it sincerely.** Emphasize the importance of satisfied clients to you and Alpha Fit Club. (*This is extremely important*.)
- **Listen for understanding**. Sometimes the irate client just wants someone to listen to their story, even if you are unable to help them.
- **Ask questions to get their facts and feelings.** Listen to learn rather than just preparing your response. Don’t respond too quickly.

- **Find points of agreement with their concerns**. Establish common ground to show the person you are listening.
- **Always show a willingness to resolve the problem or conflict**. Make the resolution seem as easy as possible.
- **Be genuine and show your personality.** Respond as an understanding friend rather than citing policies.
- **Be firm but understanding with your answers**.
- **As a last resort, offer to have the General Manager talk to the client**. The manager may say the same things as you, but sometimes hearing it from someone else has a positive effect on the client.

EMPLOYEE CLASS POLICY

It is recommended that all staff/trainers take two (2) classes per week. Staff and trainers are able to take classes at no cost. HOWEVER, PLEASE NOTE THAT NO STAFF OR TRAINER IS ALLOWED TO TAKE A SPOT IN A WAITLISTED CLASS. If the staff/trainer has signed up for a class and it becomes wait listed after the fact, the staff/trainer must remove themselves from the class. If a staff member or trainer would like to bypass this rule, they can pay for a membership at a discounted rate, no more than 25%. Also note, there are never to be more than three (3) trainers and or staff members in a single class.

CLIENT TRANSFER POLICY

Clients can transfer memberships from one location to another. Please speak to the corporate office as to how to do this.

REFUND POLICIES

Generally speaking, we do not issue refunds. In the event of a serious emergency, the Front Desk Manager should pass along refund requests to the General Manager. Serious emergencies should be determined at the discretion of the General Manager.

CANCELLING A MEMBERSHIP

In the event that a member needs to cancel his or her membership, he or she must do so within 30 days of their next billing cycle. **Memberships must be cancelled in person**. Steps to cancel a membership are as follows:

1. Have the member complete a membership cancellation form.
2. Look up the client who wants to cancel their membership using the search bar in the upper left-hand corner of MINDBODY.
3. Go to the client's Account Details screen.

4. Scroll down to the "Contracts" section.
5. To the right of the contract's details, click Terminate.
6. Select Termination Code.
7. Enter Termination Date. This is the last day they can use the gym. Set it to 30 days after their final billing.
8. Enter comments as to reason for cancellation.
9. Click Terminate.
10. If need to undo or cancel termination, select Terminated From under "Contracts" on client's Account Details.
11. Click Cancel Termination.

A Membership Cancellation Form can be found in the Forms chapter.

FREEZING A MEMBERSHIP

The following are the requirements for freezing a membership in certain circumstances:

1. Pregnancy freeze: freeze is good for 11 months.
2. Injuries: Doctor's note is needed beyond 30 days and is at management's discretion as to the length of the freeze.
3. College students who are unlimited: 4 month suspension only
4. College students who are 4x & 8x/mo members: 30 day freeze only
5. Other miscellaneous requests for a freeze will be at management's discretion.

How to Freeze Membership

1. Look up the client who wants to pause their contract using the search bar in the upper left-hand corner of your screen.
2. Go to the client's Account Details screen.
3. Scroll down to the "Contracts" section.
4. To the right of the contract's details, click Suspend.
5. Select a suspension type. This menu selection is optional but helps with records.
6. To learn more about suspension types, click here.
7. Select a start date for the suspension.
8. Enter the number of days the client would like to suspend the contract. (Our maximum freeze is typically 30 days.)
9. Enter notes.
10. Click Add Suspension.
11. The suspension details will appear at the bottom of the screen.

12. If they're correct, click < Back to head back to Account Details.
13. If you'd like to un-suspend or delete the suspension, click the corresponding buttons.

SELLING A GIFT CARD

How to Sell Gift Card:

1. Click the Retail tab and look up the client who is buying the gift card.
2. Click Payments/Gift Cards in the Add Item box on the far right.
3. In the Item drop down menu, choose the prepaid gift card the client wants to buy.
4. Use the Generate Random link to have the system create a random 12-digit number for you.
5. If the client is buying a gift card for a custom amount, you can change the price of the card before adding it to the ticket. This is the amount of real money the client is giving you.
6. If you allow staff members to change the value of the card, they can enter a different value as well (e.g., a $100 value for a card that costs $75). Otherwise, the price and value will match one another.
7. Click Add Item on the bottom right.
8. Choose the payment method the client wants to use, and save the sale.

PAST DUE MEMBER REPORTS

MINDBODY will produce a list of members who have a declined credit card payment. To find this list:

Click reports > membership > Generate.

Declined members will under a category as per their membership category. The Front Desk Manager should be reaching out to these members on a weekly basis to get updated CC's so they can continue their membership.