



The deep breath you take as you sign off on the cheque for that new gym kit can be made easier by investing just a small amount of time in calculating the return of investment on the equipment.

Return of investment from equipment

The large equipment purchased in most instances is a necessary service to the club members – treadmills, steppers, stationary bikes, rowers and elliptical trainers amongst others. You need them, people expect them and without them you're not the norm in terms of cardio provision for the masses.

The problem is, they are and always will be a write-off in terms of capital expenditure. Outside of membership fees – which get eaten up very quickly in basic services – and payroll, there isn't much coming back on your outgoings for equipment hardware, until now.

Sourcing equipment that has a chargeable aspect to it is a no-brainer. You make the initial outlay secure in the knowledge that within six months the return on investment will have paid off that outlay and the profit from it can then be reaped. GRAVITY is one such example of a complete turn-key business model for private individuals as well as small businesses and major health club operators in both the private and public sectors.

Case study: Cannons City Health Club and Spa – Central London

Number of GTS units: five
Initial financial outlay: £12,000 (five GTS units inc. VAT) + £2,000 (training) = £14,000
GRAVITY first implemented: October 2007

No. of instructors teaching GRAVITY: four
Programmes featured at the club: GRAVITYGroup Strength with the club currently undertaking GRAVITYPilates training

Number of classes/sessions per week by type:

- Group strength: 10
- Small Group PT: five
- 1-1 PT: 20

Class/session rates:

- £20 single session for Group Strength and Small Group PT (discounts for block bookings)
- £50 single 1-1 PT session (discounts for block bookings)

Cost per class (instructor/trainer fee): £40

Average weekly revenue: £2,000

Average weekly cost: £1,400

Projected yearly revenue: £90,000-£100,000

Projected yearly cost: £63,000

Estimated 12-month profit: £27,000-£37,000


Estimated time for return on investment: six months

For any health club operator, the time to return on investment really is the bottom line. Being able to calculate how long it will take for the equipment to effectively pay itself off is important in addition to providing a service or experience that is unique to you or your club. Whilst clubs struggle to find the "next big thing" to set them apart from their competitors, they should be looking instead at something that is going to be the next big thing that will be a safe bet for their money. These are two completely different concepts.

A product being hailed as the next big thing in the UK fitness market is GRAVITY, a product of efi Sports Medicine based in San Diego, USA. With fitness and innovation awards on three continents, the GTS (GRAVITY

Training System) and GRAVITY programmes are able to provide a strong differential through a versatile piece of equipment that can be used across a variety of disciplines. The beauty of a product such as the GTS is its ability to replicate several pieces of machinery in one (there are over 120 exercises that can be performed on one unit) including a Pilates Reformer, to allow clubs to offer chargeable sessions and classes in niche formats where they were previously unable to do so.

That's where the money is within the gym. That's why most health clubs push (sometimes to their detriment) their PT businesses beyond everything else. Why not find programming that can be used not just by the PTs, but now can also include your Pilates, group fitness and gym instructors to get cohesive buy-in from all fitness staff (which would probably be a first). Good for you, good for them, and most importantly good for the members.

You do the maths. 

For more information visit www.gravityuk.net