

Business

Expanding into a Multi-Purpose Facility–Part 1

By Frank Sahlein
WINGS Center/AOCFF

Key Strategic Factors: What you must have to succeed!

Personal Traits

These necessary entrepreneurial Traits may be natural, or developed through experience! Either way, if you desire to succeed in the Children’s Fitness Industry, you must acquire the following characteristics:

An eye for opportunity—this means “see a need and fill it.” This can involve old, new, or a mixed bag of services. Don’t rely on just your own vision for this; involve your staff—the more brains, the better.

An appetite for hard work and the need to achieve—almost compulsive desire to succeed; the long hours now will pay off in shorter hours and more free time later!

Discipline—do what is most essential first. Focus on real priorities and tough problems. In most cases, there is no way around, you must go through the “uncomfortable” situations that arise. Fortunately, once you solve a problem, it makes your future operations much easier.

Independence—a strong personal drive is a necessity, but the ability to work as a member of a management team is important, too. You must be able to inspire teamwork among the various programs. You set the tone; you can be neither too “lone wolf” nor too “chummy” with your staff—find the balance.

Self-Confidence—this characteristic can help overcome enormous obstacles, which you and your company will certainly come across. Remember, though, that false self-confidence backfires; let people know when you don’t know—contribute energetically when they feel that they are really helping by using their creative or specialized skills. None of us have all the answers, so be objective about your weak areas.

Adaptability—adjust to changing demands of growing business. The natural cycle of a business changes from growth to: expansion, maturity, and finally disposition or transfer to new owners. There are different management skills needed at each one of these stages. You will either need to acquire or hire these skills to stay in business. Also, changing local, regional, and national economies and demographics will alter the way you present your services.

Judgment—being able to manage others’ work and synthesize their contributions; being able to make decisions; and being able to correct mistakes quickly.

Ability to Tolerate Stress—crises will occur! You will need the support of your family, at least one hobby, some physical release or sport activity, and a spiritual foundation upon

which to base your life work.

A Focus on Profits–understands the need to make a profit; sales do not equal profits; need real profits (ROI) to grow or expand the business.

Access to Space

You will need to evaluate the “location versus square footage cost” issue. Although you can always take more square footage than you need, this makes you a temporary landlord until you are ready to expand into other programs. This can be accomplished if:

- your city has a reasonable vacancy rate
- you charge only the going rate for space
- you can handle landlord stress!

Access to Capital

You will need access to money to expand, unless you inherited a fortune or you have saved obsessively! You may finance growth through cash flow alone–this takes longer, but is safer. We usually try to be the “first to market” with a new product or program, so obtaining additional funds and paying interest becomes acceptable risk. The usual “mix” of financial resources include:

- cash flow
- personal funds
- relatives
- bank funds
- SBA funds

Consistent and Enthusiastic Staff–Energy and direction are transmitted by owners to their staff! You’ll be AMAZED at their versatility when permitted to exercise their own unique talents and creative energies!

Quality Programming and Curriculum–Insist on attention to these areas from your people. It will help them, the students, and future staff training.

Commitment to Convenient, Quality, and Esthetic Facilities–You can raise your standards over time–have a picture in mind of what you’d like your facility to ultimately look like! Improvements over time are probably preferable to an “all at once” shot, because then your customers and your staff can see that you are constantly re-investing in the business.

Annual and Quarterly “Strategic Plans” for Each Activity–How, specifically, are you going to grow each program in terms of marketing, numbers, and dollars?

Ongoing Creativity and Innovation–Your management team(s), however defined, need to realize that business is never static; you may think your operation is stable, but it is not. Each client, staff member, community, and industry is in constant change. You must find a way to stay abreast of the current and future changes. This is the strength of the Association of Children’s Fitness Facilities (AOCFF); membership in this organization will allow you to

anticipate and adapt to changes ahead of the curve.

Frank is the owner of a 35,000 square foot multi-purpose facility that combines gymnastics, preschool motor fitness, swimming, dance, cheerleading, self defense, indoor rock climbing, indoor playground and party center, sports day camps, aerobics, a preschool, miniature golf, and more. He is the founder of the Association of Children's Fitness Facilities, which offers consulting seminars and mail order programs for companies who wish to expand their program offerings. He has been in the gymnastics business for 25 years. He can be reached at (208) 376-3641, or AOCFF 1875 Century Way, Boise, ID 83709.

This article appears in the October 1995 issue of *Technique*, Vol. 15, No. 8, p. 4.