TODAY’S PARENTS’ NEEDS AND WANTS:

Customers today expect to save time by attending a single location and fulfilling multiple needs for their children’s activities. The concept of a Children’s Activity Center (CAC) with a wide variety of Sports, Education, and Entertainment programs is well-established.

Parents want and require a safe, clean, professional environment with consistent quality and customer service. Top tier operators are steadily gaining enrollment and revenues, while those who lag behind will miss today’s outstanding opportunities! Let’s examine some of the driving forces for success today.

RESPONDING TO CUSTOMER NEEDS AND WANTS:

Most CAC’s have an “anchor program”, such as full-service gymnastics, dance, cheerleading, swimming, martial arts or child care, etc. From that “base”, many add additional sports, arts, education and entertainment programs, especially in small town or “middle America” sized towns. Others, especially those in high-density population centers, stick to their “base” activity and thrive in that manner.

Currently, there is a wave of “Ninja-based” programs (martial arts, gymnastics, tumbling, free running, Parkour, other emerging concepts, etc.) that have emerged from the American Ninja Warrior phenomenon. In the immediate future two additional programs, Perceptual Motor Development and Special Abilities, will help fill facility down times and add new revenue streams. Professional curriculum and instructor training programs in these two areas will be available to CAC businesses in 2017.
MARKETING TRENDS:

The 2016 Olympic Games and the radical success of the USA gymnastics teams had a mixed effect across the country. Some businesses experienced a 20% or more increase in enrollment, others a more modest 5-10% gain. There are many factors that account for these differences, among them:

- Customers already understand the benefits of gymnastics, due to the level of quality of everyday programs, facilities and staff across the country.
- Customers are more “immune” to “hyped marketing”, even of Olympic caliber.
- Customers are more conservative with their hard-earned dollars.
- Customers (Parents) are having few children, and later in life –possibly reducing the total market for customers.

In any case, the myth that gymnastics-based businesses only thrive during the two (2) years following the Olympic Games is thankfully gone.

To compete in your local marketplace, or even for a place in the family’s overall budget, we must develop professional marketing plans. The elements include:

- Specific **Strategic Goals** for your marketing efforts, i.e., achieving a 20% increase in recreational students;
- **Campaigns**, i.e., Character Traits developed by gymnastics;
- **Tactics**, i.e., Facebook ads, Ecoupons, Open House, 2:1 offers, etc.
- **Return on Investment (ROI)** measurement tools.

STAFFING TRENDS:

- Move to more Full Time staff – fewer people with more responsibilities. This of course includes owners, administrators, program and office managers.
- Division of Part Time Staff Avatars, into those that are “engaged and want to align strongly with the company”, and those that are “transitory by circumstance or nature”. This help us determine and solidify the “next wave” of key players.
- Education – featuring both professional and personal development. Check out [www.SmartMoves.co.nz](http://www.SmartMoves.co.nz)
TECHNOLOGY TRENDS:

- For Company Strategic Development – www.SuccessDash.com
- Operational Efficiencies – the Customer Relationship Management databases on the market continue to improve at a rapid rate.
- Consistent Quality and Delivery of Service
- Protect Assets.

FACILITIES – CUSTOMER EXPECTATIONS AND EXPANSION PLANNING:

- Consideration for your Space Allocation, Space Production and Space Maintenance are now a priority item each year.
- Interior design (customer ambiance – think “spa” environment) and exterior “drive-up appeal” are now definite competitive advantages.
- Be proactive with respect to your future space and location planning.

RISK MANAGEMENT ESSENTIALS:

- Documented and consistent equipment checking, and associated maintenance.
- Documented and consistent incident/accident reporting and monitoring.
- Exterior and interior premises Risk Assessment tools.

You have built up the business – now protect those valuable assets – an industry standard application is www.RiskAssure.net

FINANCIAL PERFORMANCE TRENDS:

Financial results vary widely according to the marketing, technological, human resource and financial skills of the ownership or administration.

**Gross Revenues** are consistently up year-over-year across the industry, however, **Net Revenues** are only up incrementally, estimated at 5-8% of Gross Revenues. This is largely due to a chronic lack of financial discipline on the part of owners or administrators to carefully analyze their monthly Balance Sheets, YTD Income Statements, Rolling 12 Income Statements, Cash Flow Statements, Budget Comparisons, and other business metrics.
**SUMMARY:** There has never been a better time to be in the Children’s Activity Center industry! The future is bright with prospect for new programs, revenues and profits while decreasing risk.

**About the Company:** 3rd Level Consulting is an internationally-recognized expert in the business development, expansion, valuation and sales of Children’s Activity Centers. 3rd Level provides business improvement tools and applications for gymnastics schools in North America and globally.

**About the Author:** Frank Sahlein is the founder and CEO of 3rd Level Consulting. A former competitive gymnast and coach, he dedicates his time to individual clients and associations, as well as his team of expert consultants.

**What’s New:** 3rd Level Consulting memberships can now be customized to your company, including the Best Practices Library, the Success Solutions Dashboards, private consultations (online or on site), RiskAssure Solutions, Smart Moves Teacher Training, and The Transformations Institute.

**Contact:** Free 30 minute consultation on any topic in this article, as it relates to your company, at [www.3rdLevelConsulting.com](http://www.3rdLevelConsulting.com)