

# ***Medical Fitness Centers***

## ***Key Industry Trends and Critical Success Factors***



## ***National Fitness Industry Trends***

- **Obesity is the #1 health issue for all ages**
- **Over 50 and under 18 age groups are fastest growing membership segments**
  - **Boomers are not content with aging**
  - **Families are participating together**
- **More women are joining health clubs than men**
- **Personal assistance/training is desired**
- **Express workout and women's centers are proliferating**

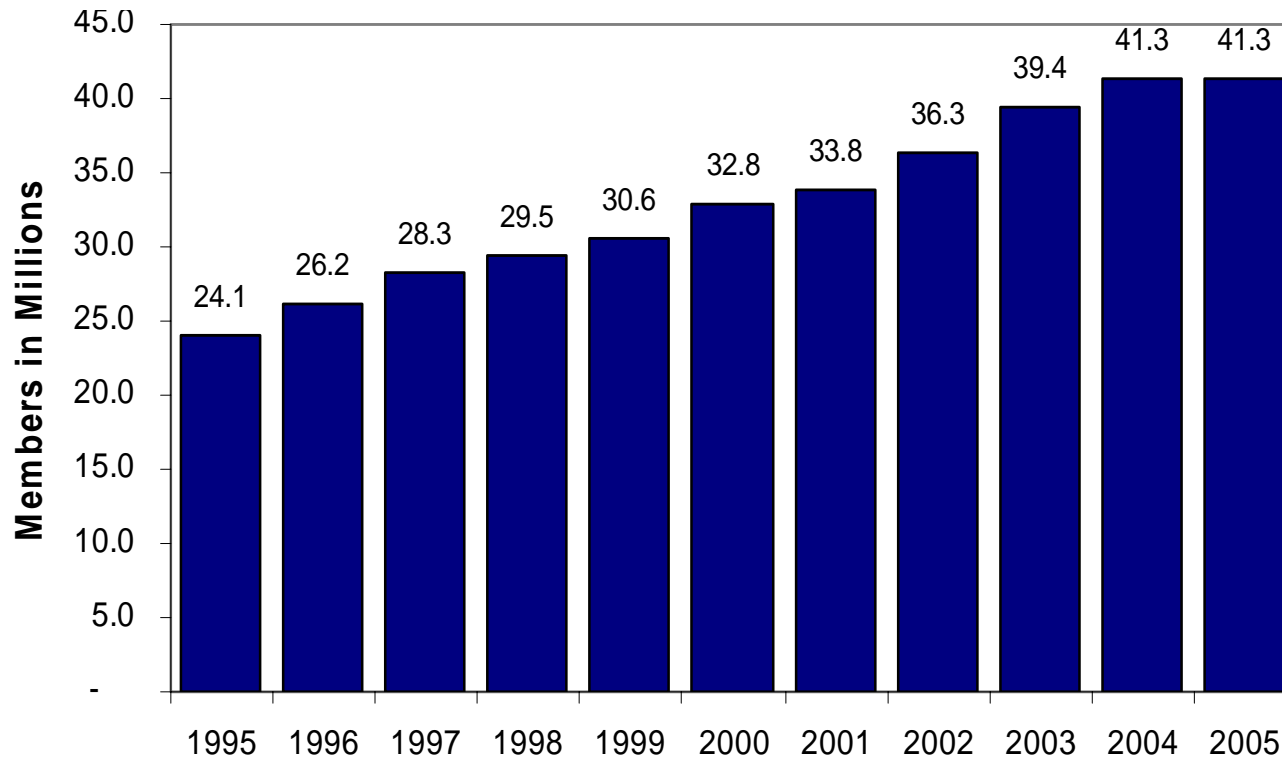


## ***National Fitness Industry Trends***

- **Non-dues revenues are increasing**
- **Complementary retail services are increasing**
- **Medically-oriented programming is increasing**
- **Health club memberships are affordable**
- **Technology is a necessity for management tools and member satisfaction**
- **Fitness industry has been recession-resistant**



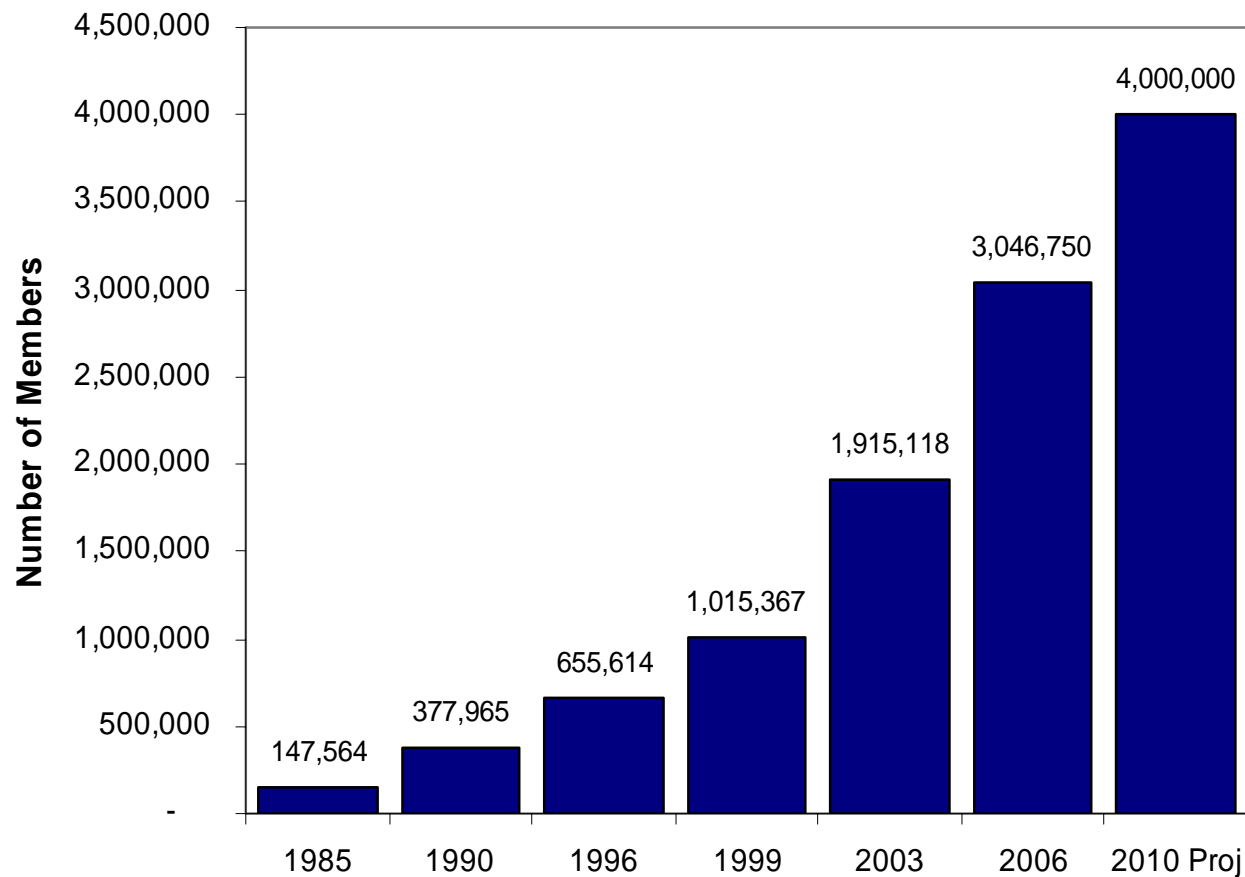
# *Health Club Industry Growth In Membership*



Source: IHRSA, 2006



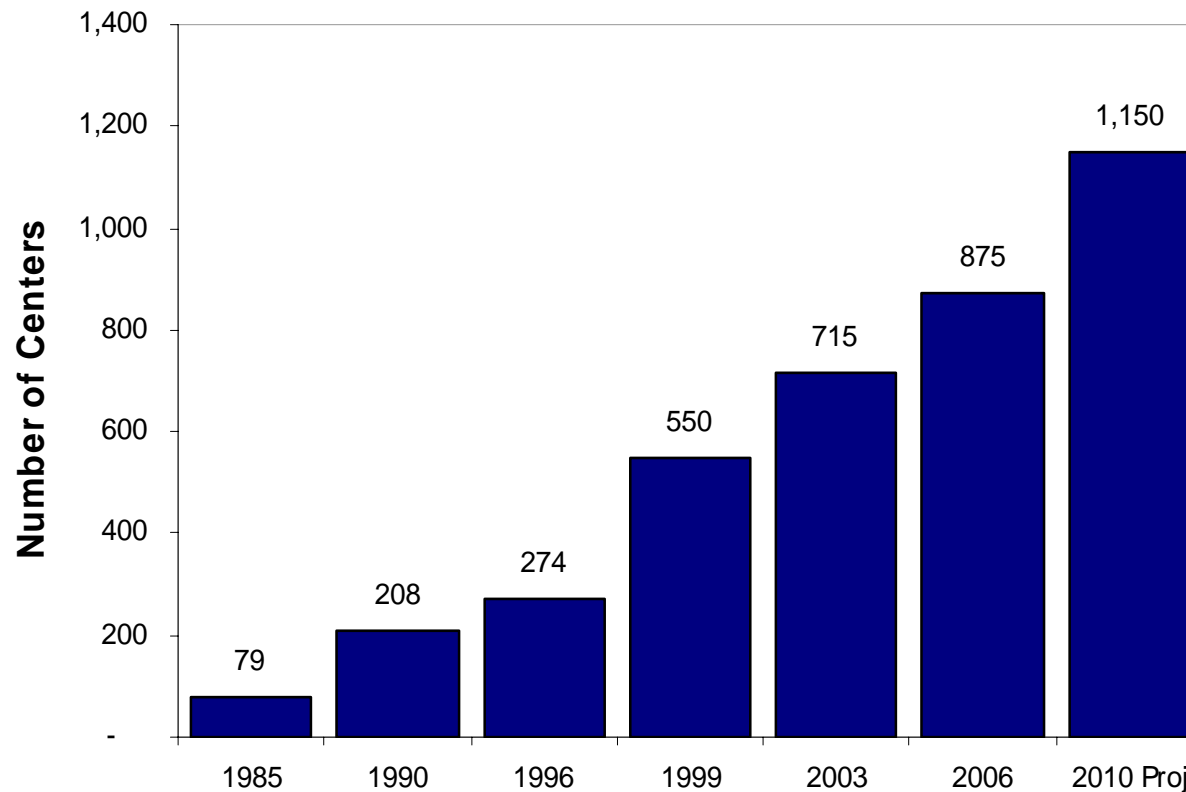
# *Medical Fitness Industry Growth In Membership*



Source: Medical Fitness Association, 2006



# *Medical Fitness Industry Growth In Number of Centers*



Source: Medical Fitness Association, 2006



## ***Why Medical Fitness***

- **Contribute positively to image of hospital**
- **Demonstrate preventive health philosophy**
- **Provide safer, less intimidating fitness option**
- **Provide “step down” programs for patients**
- **Provide a “cash basis” retail service**
- **Create new sources of profitable revenues**
- **Build long term relationships with consumers**
  - **Greater market share**
  - **Greater share of customer**



## ***Top Clinical Services In Medical Fitness Centers***

- **Weight Management**
- **Cardiac Rehab – Phase III/IV**
- **Physical Therapy**
- **Pulmonary Rehab**
- **Sports Medicine Rehab**
- **Cardiac Rehab – Phase II**
- **Occupational Medicine**
- **Work Hardening**

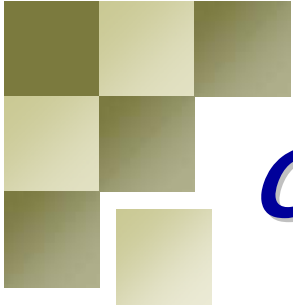
Source: Medical Fitness Association, 2006



## *Typical Non-dues Services In Medical Fitness Centers*

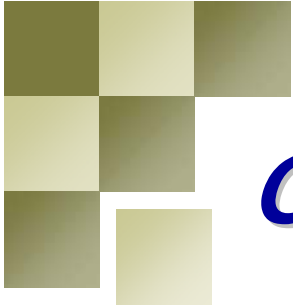
- Personal Training
- Massage
- Pro Shop
- Health Education
- Nutritional Counseling
- Childcare
- Kids Programs
- Food Service
- Spa Services

Source: Medical Fitness Association, 2006



## ***Critical Success Factors***

- **Commitment “at the top” of the organization**
- **Planning before proceeding**
- **Location, location, location**
- **Right-sizing, pricing and financing of facility (design, construction, equipment)**
- **Programming to fit market demographics and needs**
- **Differentiation with integration of clinical programs**



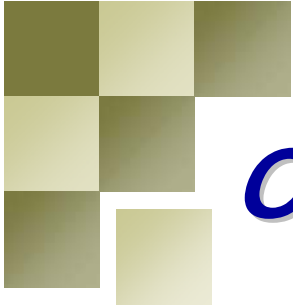
## ***Critical Success Factors***

- **Appropriate price points (dues & services)**
- **Long term commitment to marketing**
  - **Meet pre-sale and first year sales goals**
- **Recruit/train/retain quality professional staff**
- **Unwavering commitment to outstanding customer service**
- **Measure and manage accordingly**
- **Communicate, communicate, communicate**



## ***Other Critical Considerations***

- **Physician champion**
- **“Preventive Health” service line**
- **Ability to take on major project (financially, administratively)**
- **Prioritization of capital**
- **Willingness to partner on project**
- **Competitive pressures**
- **Local “politics” (i.e., YMCA, City Parks & Rec)**
- **Profit – Nonprofit issue**



## ***Our Contact Information***

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