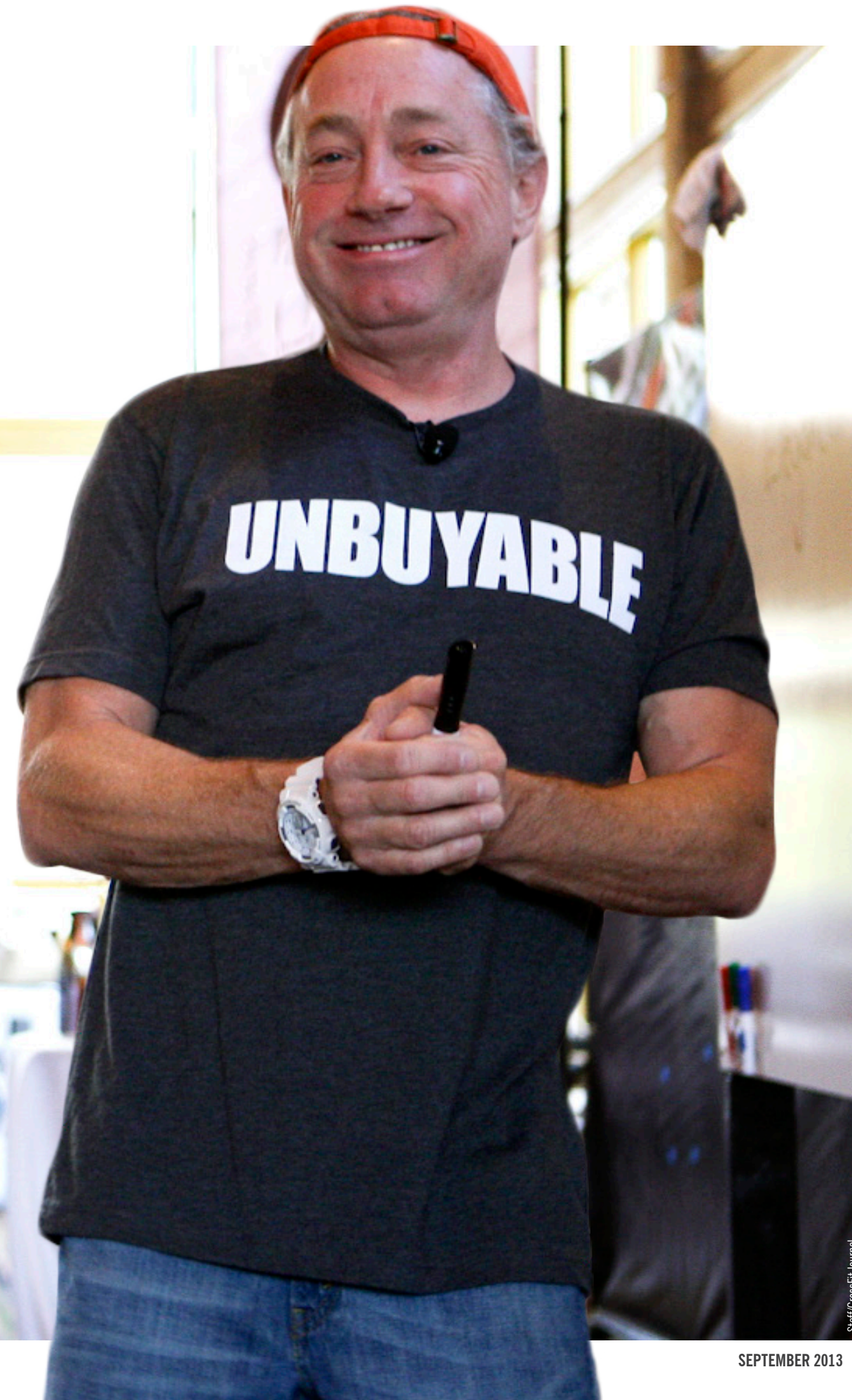

THE RIPPLE EFFECT

CROSSFIT INC. HAS REVOLUTIONIZED THE BUSINESS OF FITNESS, AND
NOW HOSTS OF OTHERS ARE RIDING THE WAVE. CHRIS COOPER REPORTS.

BY CHRIS COOPER

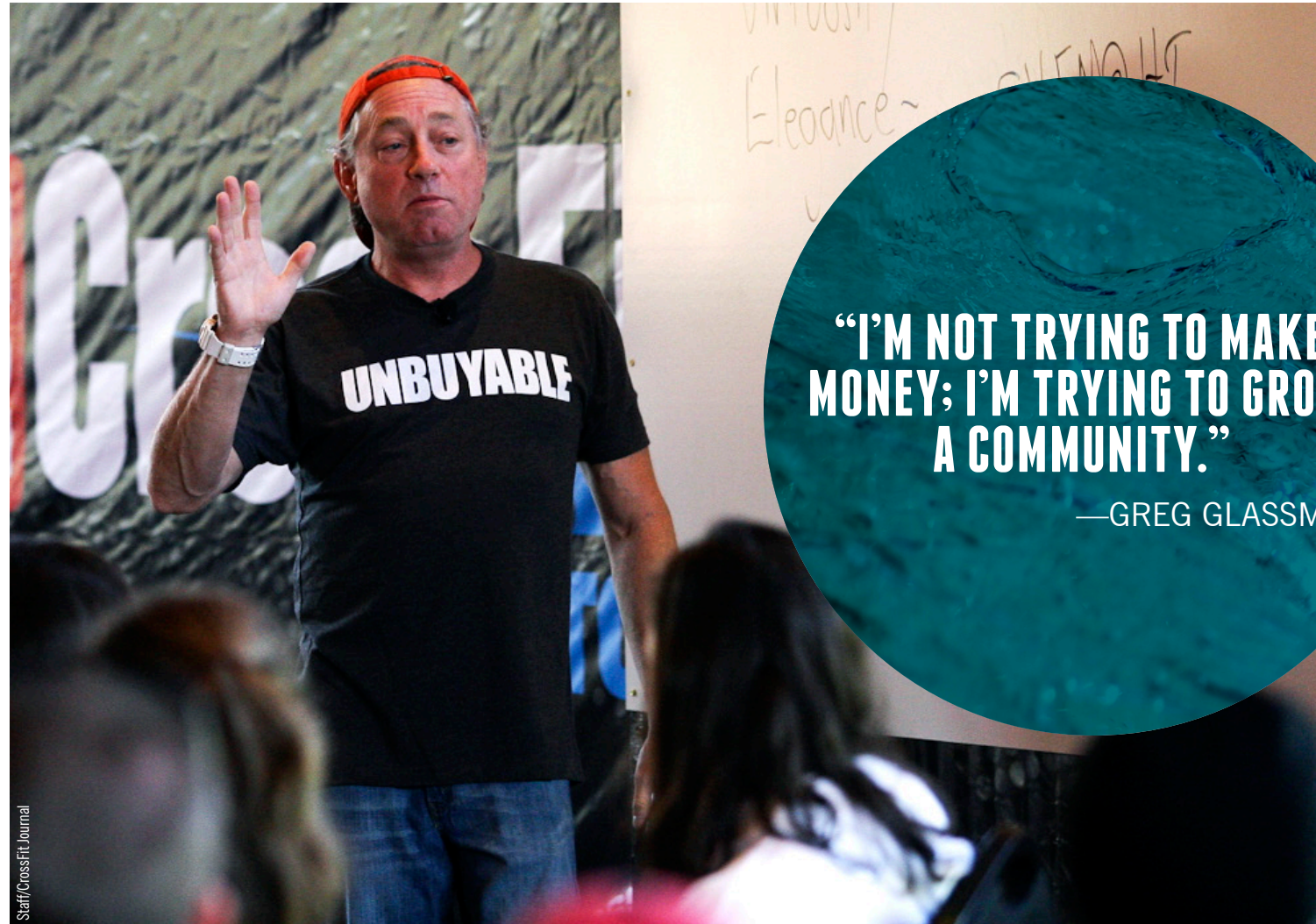


GREG GLASSMAN

INTRODUCED A NEW WAY TO MEASURE FITNESS OBJECTIVELY. WHEN YOUR FRAN TIME DROPS OR YOUR FRONT SQUAT GOES UP, YOU'RE GETTING FITTER.

Harder to measure is the effect that Glassman's ideas have had on the broader fitness community since he launched CrossFit.com in 2001. CrossFit has changed the landscape: powerlifters who have never heard of or done Murph can buy better barbells cheaper than they could have 10 years ago, USA Weightlifting's membership has tripled, and grandma has learned to deadlift. Hundreds of thousands have been introduced to kettlebells, snatches and Tabata intervals thanks to CrossFit.com programming.

CrossFit's open-source business model has produced success in a manner similar to its workouts. Even as the global economy continues to struggle in the aftermath of the worst financial crisis since the Great Depression, the number of CrossFit gyms has swelled, growing to more than 7,000 from 1,500 just three years ago. But the ripple effect—the jobs, innovation, technology, small businesses and hundreds of millions of dollars in revenue not generated directly by CrossFit Inc.—is much tougher to tally than reps.



"I'M NOT TRYING TO MAKE MONEY; I'M TRYING TO GROW A COMMUNITY."

—GREG GLASSMAN



Courtesy of Rogue



Courtesy of Rogue

NO WAY TO RUN A BUSINESS

"Trying to make money is no way to run a business," Glassman told the audience at the State Policy Network 20th Annual Meeting in Florida in November 2012. "Money is essential to run a business, but it's not why you run a business; it's not what makes a business grow. Businesses grow on dreams."

Glassman estimates that the total CrossFit economic ecosystem is worth close to a billion dollars. That number includes the total financial take of all the trainers at all the affiliate gyms around the world.

"And our chunk of this is about 24 degrees of 360, or about \$50 million," he continued, and that small percentage kept by CrossFit Inc. will only grow smaller as the CrossFit community grows.

"This slice of the pie that's within our control is narrowing, and by design, because the circle is growing," Glassman said. "We call this the 'least-rents model.'"

How is the pie expanding? Through independent companies that bolster the value of the CrossFit brand but don't directly bolster CrossFit Inc.'s bottom line.

Equipment manufacturers and suppliers, such as Rogue and Again Faster; software developers who help athletes monitor their progress; business mentors who help gym owners overcome initial hurdles; and sponsorship partners, such as Reebok, all benefit by helping CrossFit athletes.

"I'm not trying to make money; I'm trying to grow a community," Glassman said. "I understand now that what we're chasing is value. I have a real problem with any business activity that isn't about value creation."



Glassman is thrilled companies like Rogue (above) are profiting from CrossFit's growth.

Courtesy of Rogue

BEGINNING IN HENNIGER'S GARAGE, ROGUE GREW FROM ONE EMPLOYEE TO THREE IN 2007. ROGUE NOW EMPLOYS 220 PEOPLE IN THREE FACILITIES.



ROGUE

Though each CrossFit athlete begins his or her journey by identifying and correcting deficits within, many soon look outward and find themselves building new gyms, seeking more knowledge, buying better equipment and finding new ways to track their own progress both as athletes and entrepreneurs.

Bill Henniger knows an opportunity when he sees one, and he saw one in 2006.

He took his Level 1 Certificate Course in Santa Cruz, Calif., that year. It was one of the last three-day seminars at Glassman's original CrossFit gym. By the end of the weekend, he knew what he had to do.

"I couldn't decide where to open an affiliate, so I bought two: one for CrossFit Toledo, which was my garage, and one for CrossFit Columbus," Henniger said.

"I was buying equipment for my garage and realized that the niche was disconnected; CrossFit athletes were buying from different places all around the country," he said. "The

equipment wasn't perfect, but it kinda worked. When I launched my gym in Columbus, I put an e-commerce store on the website.

"At first, we were just drop-shipping everything. But some of the vendors weren't good at fulfilling orders, so we'd warehouse some items. I had a manufacturing background, and when I met Ian McLean we decided to try making the metal rings," Henniger said. "They worked."

Working for General Motors Co., travelling once a month to Michigan to complete his MBA, opening a new gym in Columbus, and coaching free workouts in a park: this was Bill Henniger's life in early 2007.

Then he started manufacturing.

In 2008, Rogue went to the CrossFit Games at the Ranch in Aromas, Calif., as a vendor. The company also sponsored Caity Matter—now Bill's spouse—and two other athletes for the competition.



Rogue had an auspicious start. Its first sponsored athlete, Caity Matter, won the Games in 2008 (top right).



"We took some shoes, our new rings and some jump ropes," he said. "CrossFit bought some bars from us, and Caity won the Games."

It was a good trip for Rogue.

"In 2009, I asked Jimi (Letchford) and Dave (Castro) if we could be the official Games supplier, and they agreed," says Henniger. "We've provided every single piece of equipment since."

Beginning in Henniger's garage, Rogue grew from one employee to three in 2007. During 2009, that number rose to 15, then surged to 40 when the company got more involved in manufacturing in 2010.

Rogue now employs 220 people in three facilities in Columbus, Ohio. Ten more Rogue employees work between Europe and Canada. Close to the epicenter of CrossFit in spirit, if not location, Rogue shipped nearly 80,000 lb. of product to 17 different Regional venues this year. And that kind of demand creates a ripple of its own, says Henniger.

"Look at the brands we touch—like Hi-Temp, Concept2, RopesAsRx, Dynamax ... it goes way out there," he says. "Hi-Temp has 50 or 60 guys making bumpers. There are 10 guys in Logan, Ohio, sewing straps for our rings and making sandbags. The company that makes our cardboard boxes employs another 10 to 15," he says.

"The landlords in Columbus, the restaurants in the area, they know Rogue. I can't fathom how many other jobs we're creating, but in the auto industry it's estimated that every autoworker creates seven other jobs, and I think that's pretty accurate for us, too," Henniger says. "If we have 200 people, we're building jobs for 1,400 others: the guys making the steel, driving it around, painting We have a company that employs six people just to make Rogue stickers."



Courtesy of Again Faster

“I’D FOUND MY PURPOSE IN LIFE. ALL I WANTED SINCE TAKING MY L1 WAS TO BE PART OF CROSSFIT.”

—JON GILSON

Again Faster has moved beyond Gilson assembling pull-up bars by himself; it now distributes equipment in six continents.

GRASSROOTS GROWTH

In 2005, a bank teller in Boston read an article in *Mens’ Journal* that described Murph, one of the earliest CrossFit Hero workouts. Thinking that no workout could be all that tough, he found CrossFit Boston online. Though he couldn’t afford the tuition, he planned to take the proffered free class, learn all he could and take that knowledge back to Gold’s Gym, where he worked out.

The bank teller’s name was Jon Gilson, and that first visit to CrossFit Boston planted the seed for Again Faster, Gilson’s multinational fitness-equipment supplier that generates tens of millions in annual revenue.

Like Rogue, CrossFit Inc. doesn’t own or operate Again Faster. Gilson launched the company to meet the equipment needs of the growing CrossFit community.

After completing his Level 1 Seminar in 2006, Gilson started training clients Sundays in a Boston park.

“We had to invent our first product—the Again Faster portable pull-up bar—because we had 15 people out there and we couldn’t do pull-ups,” he explains.

“I called Lynne Pitts—who was moderating the forums on CrossFit.com at the time—and said, ‘I think other people might need this.’ She said, ‘Sure, we’re all good capitalists.’ So I posted about the pull-up bar, Gilson remembers. “I was selling them for \$100, and they had \$60 in parts and took four hours of work each.”

Within months of taking his Level 1, Gilson was a member of the Level 1 Seminar Staff. He’d also taken over as general manager of CrossFit Boston, he was working full time at the bank, and he had begun producing CrossFit-related videos with his roommate, Pat Cummings. Gilson was also writing a popular blog about CrossFit and building pull-up bars at night.

“I’d found my purpose in life. All I wanted since taking my L1 was to be part of CrossFit,” Gilson says. “The dream came true at that point.”

Gilson was suddenly on the CrossFit fast track but still kept one foot in the banking world until a phone call in mid-2006.

Fitness gear-maker PowerMax Equipment was in Boston to set up an indoor track-and-field event. They needed help unloading a truck, and when they were unable to locate the owner of CrossFit Boston for a hand, they called Gilson.

“They offered to give me a kettlebell and a barbell for helping,” Gilson says. “I said, ‘I don’t want any of that; just make me a dealer.’” They did.

Within that same month, PowerMax signed up two other dealers: Eddie Lugo at GarageGym was one. The other was Rogue.



“WE HAVE ROGUE AND AGAIN FASTER BARS AT CONCEPT2 HEADQUARTERS NOW.”

—GREG HAMMOND

Courtesy of Again Faster

SUPPLYING THE SUPPLIERS

Concept2 isn't a new rowing company, but it found new direction through CrossFit.

“It's the greatest, most fun community to work with,” says Greg Hammond of Concept2. “The excitement that the CrossFitters have for the rowers is much different than what the on-the-water-rowers have for it.”

In 1981, Peter and Dick Driessigacker were both training for the Olympics as rowers. They had been making composite oars since 1975 and were now looking for a way to continue their own training during the winter. They bolted an old bike to the floor, put a sliding seat on a frame and added plastic cards to the front wheel for drag. This was the Concept2 Model A rower, or ergometer.

“The employees would show up at their barn in the morning and feed the cows, stoke the fire, and then go upstairs

and make oars,” Hammond says. “They couldn't give the Model A machine away, but some of the guys started using them at lunchtime.”

Twenty years later, Concept2 met CrossFit.

“One of our reps, Tracy, was at a trade show, and Greg Glassman came up out of the blue,” Hammond recalls. “He said, ‘You don't know me, but I'm sure you'll hear from me.’”

Soon after, Glassman did call. He needed someone to provide rowing instruction for aspiring Navy SEALs during their Basic Underwater Demolition/SEAL training, or BUD/S School.

“I was in the Air Guard for eight years, and I jumped up and said, ‘I'll go!’” Hammond says.

That was 2006. When he arrived to teach, Hammond was invited to try his first CrossFit workout.

“I got wrecked, just wrecked. I came home and went straight to CrossFit.com and started doing it. I got my friends to do it,” Hammond remembers. “Vermont eventually got its first affiliate, and I still drive 45 minutes each way twice per week to train there. We have Rogue and Again Faster bars at Concept2 headquarters now.”

Concept2 is the world's largest indoor-erg company, and it sells the most popular rowing oar in the world. Of its 50 employees, 30 do CrossFit.

“It's changed Concept2,” Hammond says. “One of the founders' wives said that the company's never been so close as it has become since we started working out together.”



Courtesy of Concept2



Courtesy of Concept2

Concept2: from humble beginnings to the CrossFit Games.

CROSSFIT'S ONLINE PRESENCE

Though CrossFit.com has been online for little more than a decade, dozens of other website providers, app developers, programmers, statisticians, graphic artists and other online professionals depend on CrossFit for their livelihood.

CrossFit Kinnick was an early affiliate, and it's famous for spawning multi-year Games athlete Jeremy Kinnick and BeyondTheWhiteboard.com. The latter is an online logbook for tracking workouts.

"We launched a beta version in 2007," says Moe Naqvi, BeyondTheWhiteboard.com's co-founder. "We were all just working out in Kinnick's garage. We thought, 'It would be cool to track these workouts' and posted on the CrossFit Message Board that we had this website. We didn't want to spam anybody. To date that's been all of our marketing. And we've grown every month since."

"EVERY TIME I TALK TO COACH (GLASSMAN), I TELL HIM WE GROW WITH CROSSFIT."

—MOE NAQVI

In its first year, BeyondTheWhiteboard.com had a million workout results posted. They expect to soon hit a pace of one million workouts posted every three months.

"People are working out more. Every time I talk to Coach (Glassman), I tell him we grow with CrossFit. Every time CrossFit adds 10 affiliates, we're going to get one or two," Naqvi says.



Walk around vendor village at Regional competitions or the CrossFit Games and you'll see rows of businesses that exist because of CrossFit.

Naqvi believes the company's growth follows the models of value and excellence espoused by Glassman.

"We link to *CrossFit Journal* articles. We link to (seminar) pages—we make it easy for people to learn more," Naqvi says. "Why? Because if you know more about CrossFit, our site becomes better for you. The more you know, the more you'll CrossFit, and the more you'll respect what we've done here."

CHASING THE RIPPLE

Like Rogue, Again Faster grew quickly from providing a small selection of products. It became a multimillion-dollar business in 2010, tripled in size in 2011, and increased 70 percent again in 2012, according to Gilson.

"What was me screwing together pull-up bars by myself became a global company. We're distributing on six continents, and it's all because of Greg's pursuit-of-excellence idea," Gilson says.

In 2013, Gilson went to the CrossFit Games Africa Regional event in South Africa.

"There are 17 affiliates in the whole country," Gilson explains. "It doesn't make sense to go there as a business move, but it makes a hell of a lot of sense to go there in the pursuit of excellence."

Gilson does notice those on the fringe: business-minded folks who recognize the potential to profit.

"We're seeing the formation of business that's here because of the ripple and not the rock thrown," he says. "They're here for the money. That's not why I'm here. Take it all away, and I'm going to get up tomorrow and do hand-stand push-ups because I wouldn't know what else to do. I'd challenge the consumer to put their money in places that feed back into this movement. What the fuck are you doing with your money?"

Rogue's Henniger says the CrossFit community takes care of its own.

"That's the way things go: if you're fishing and catching a lot of fish, people start standing next to you," Henniger says. "When you see companies that are value-added, that's great. Rob Orlando came up with the Hybrid stone molds, which has a niche—something cool we didn't

think of ourselves. We put in a large order so he could get started. We do a lot with Louie Simmons; we make it the way he wants it. We work with Oly coaches, too."

AS CROSSFIT'S PERCENTAGE
SHARE OF THE GROWING
GLOBAL CROSSFIT-RELATED
ECONOMIC PIE DECREASES,
ITS CORE VALUES BECOME
EVER MORE TRANSPARENT.

He adds: "CrossFit is really good at sniffing out people who are just in it for the money. If you're genuine, you're supported. If you're just trying to extract money from the community, you're found out quickly. I haven't seen those companies thrive."

BeyondTheWhiteBoard.com's Naqvi takes his lead from the community and Glassman's principles as well.

"Every gym is a research-and-development place," he says. "People work stuff out, and it works its way up. If you stop that independence, you stop that evolution."

He continues: "That's why Coach is against giving 'best practices' to affiliates. When he says it, they do it, and CrossFit will stop evolving. To push CrossFit forward, he can't sell equipment, because then you'll stop seeing equipment evolve."

THE REAL RIPPLE

"I'll tell you what the real ripple effect of CrossFit is: it changes peoples' bodies first, and then their minds," Gilson

says. "They can harness that change into the knowledge that 'if I try harder, the world will reward me. If I pursue excellence and virtuosity, the sky is the limit.'"

"It's self-propagating. If you were going to design a pathogen, a virus, you couldn't do any better. Religion, language—they don't matter. I can communicate with Carlos in Guatemala because we have the same love for what Greg's created. Simultaneously, he's layered on top of it an economic system that is incredibly egalitarian.

"I've made a gorgeous living that supports me, 25 employees and their families, and it's because there's this open-source economic system layered on top of this effective fitness program that transcends language. Anyone can say, 'Me, too,'" Gilson argues.

As CrossFit's percentage of the growing global CrossFit-related economic pie decreases, its core values become ever more transparent.

"It shows that CrossFit's more about helping other people make money—and growing the community—than making money for itself," says Naqvi.

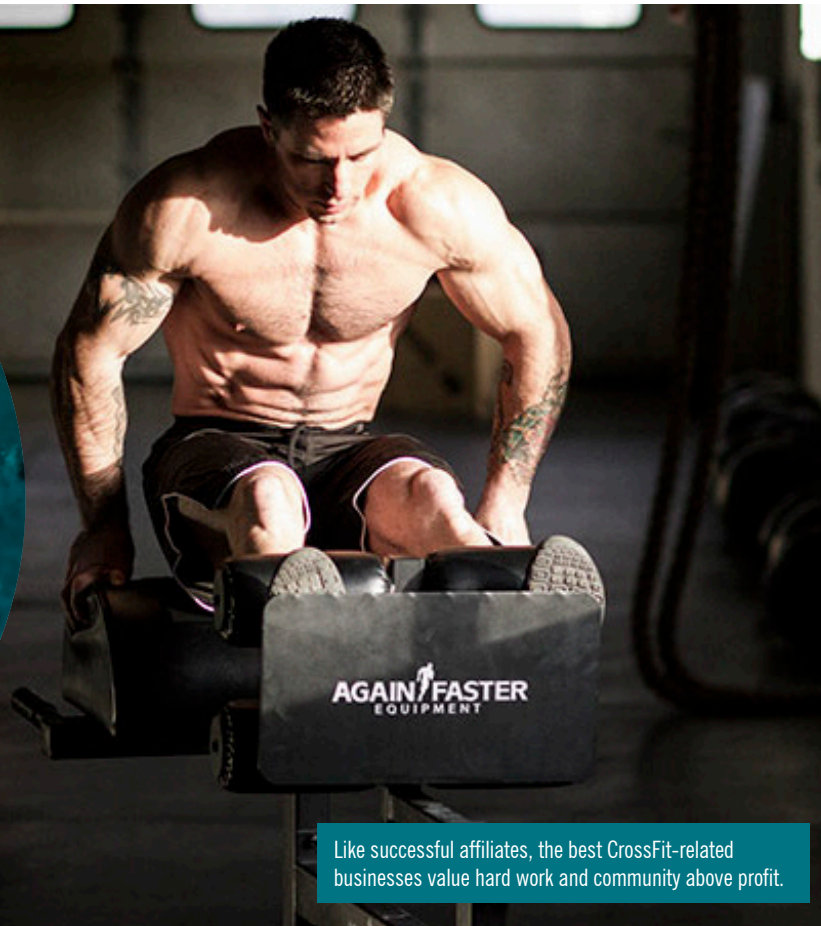
By focusing on its core values and allowing others on the periphery to leverage their own expertise in new, unique and profitable ways, CrossFit presents a powerful, consistent brand and message that have made the company a big fish in the fitness pond. As the ripple effect pushes the boundaries outward, hundreds now seek their fortune as providers to the CrossFit brand and its athletes. ■

ABOUT THE AUTHOR

Chris Cooper is a writer for CrossFit. He owns CrossFit Catalyst in Sault Sainte Marie, Ont.

"CROSSFIT IS REALLY GOOD
AT SNIFFING OUT PEOPLE
WHO ARE JUST IN IT FOR THE
MONEY. IF YOU'RE GENUINE,
YOU'RE SUPPORTED."

—BILL HENNIGER



Like successful affiliates, the best CrossFit-related businesses value hard work and community above profit.