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Beyond \$20 an Hour

Creative affiliate owners find ways to compensate coaches in hopes of creating true fitness professionals.

By Emily Beers

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Courtesy of Jeremy Jones

Most people open gyms because CrossFit changed their lives and they want to use CrossFit to change the lives of others. CrossFit Founder and CEO Greg Glassman often talks about the pursuit of excellence—of virtuosity—as being the foundation of CrossFit.

Providing health is the priority, but achieving some degree of wealth is also important to entrepreneurs. Trainers must buy homes, raise families, travel, save for retirement and so on, and they need to be rewarded for their expertise and their passion for fitness.

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Anyone who does CrossFit and has been coached by a knowledgeable trainer knows strength-and-conditioning coaches are similar to massage therapists, occupational therapists, nurses, chiropractors and others in the wider health-care industry: They provide a professional service.

Affiliate owners recognize this, and many believe it's their responsibility to find creative ways to compensate their trainers as professionals in order to deliver results to clients, retain employees, encourage long-term development and create strong businesses.

Brian Strump, Max Lewin, Jeremy Jones, Ben Bergeron, Darren Ellis and David Paradiso are all affiliate owners interested in turning their CrossFit coaches into true professionals who earn wages that reflect their expertise.

Challenge, Opportunity and a Professional Wage

Strump is the owner of CrossFit Steele Creek in Charlotte, North Carolina.

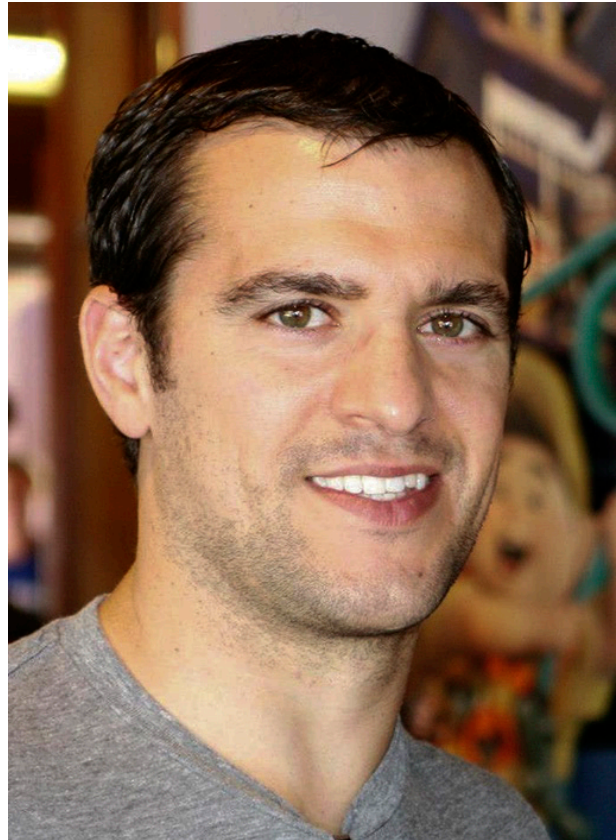
With 11 full- and part-time coaches (including himself) and 215 members at his box, Strump knew he needed to find a way to compensate his coaches for their knowledge and technical proficiency.

“Besides the financial part, the trainer is now driven to learn more about whatever it is he’s going to be teaching.”

—Brian Strump

Once his coaches complete the CrossFit Level 1 Trainer Course and have been groomed in his system, they are compensated US\$20 to \$25 per class. But Strump knew he could offer more than just an hourly wage to his full-time coaches. He wanted to find a way to encourage his trainers to use their specialized knowledge and earn more, increasing revenue for the gym as well.

In November 2013, Strump introduced a new system that rewards his coaches based on revenue they generate in any specialty program they create. The idea is to help his



Courtesy of Brian Strump

Brian Strump of CrossFit Steele Creek.

full-time coaches—those who want to pursue coaching as a professional career—earn more.

It's simple: If a coach begins a specialty program—an Olympic-weightlifting class, a barbell club, a gymnastics class, etc.—the coach receives 44 percent, or four-ninths, of the revenue generated from the program.

Since November 2013, one of his coaches began a CrossFit Kids program, another launched a kettlebell course, while a third hosted a 10-week Wendler strength class. Next up are Olympic-weightlifting and gymnastics programs.

So far, the system has been a win for the coaches, the gym and the clients.

“It incentivizes coaches, yes. And usually we’ll come up with the idea from hearing a member say, ‘I wish we spent more time doing kettlebells,’” Strump explained.

Ultimately, the specialty programs are also a way to give members a chance to work on their weaknesses or aspects of CrossFit they especially enjoy.



Courtesy of Brian Strump

Strump pays his coaches \$20-\$25 an hour but offers them a chance to make 44 percent of the revenue from specialty programs.

The CrossFit Kids program has been the most successful so far. Not only has it given his coach a chance to be an independent entrepreneur, but it also means Strump doesn't have to micromanage the program. This is helping Strump's coaches understand the value of generating their own business: One more kid in the CrossFit Kids program means more money in the coach's pocket, Strump explained.

"And I'm just the check writer," said Strump, whose CrossFit Kids coach earns \$66 an hour for her program, much more than she earns for coaching regular group classes.

Strump also believes incentivizing his coaches based on revenue encourages them to produce a better product as they take ownership of their work.

"Besides the financial part, the trainer is now driven to learn more about whatever it is he's going to be teaching," Strump said, highlighting how the program encourages professional development and high standards.

On top of owning and running his box, Strump is also a chiropractor whose practice is located within his affiliate. As an entrepreneur at heart, he believes a challenge is one

of the best things he can give to his coaches.

"They need to be constantly challenged, and these specialty programs provide both opportunities and challenges," Strump said.

Strump said retaining coaches is one of the most important things for his business as it stems from loyalty and appreciation. So far he's doing well: Five out of 10 coaches have been with him since he opened his doors in March 2010.

"They see and appreciate the growth. They kind of appreciate everything that's gone into it," Strump said.

Like Strump, Max Lewin—owner of CrossFit East Bay in Oakland, California—has a goal of coach retention. He believes retention is at least partially linked to earning a professional wage. He considers a professional wage to be \$75,000 a year for 37.5 hours a week, and he referred to the famous 2010 study from [Princeton University](http://www.princeton.edu/) that states a \$75,000 salary is the magic number for happiness and life satisfaction.

In terms of getting his coaches to the \$75,000 level, Lewin is also paying his coaches 44 percent of the revenue from

any program they create. On top of this, coaches earn 70 percent of the revenue generated from any personal-training clients they have, and they get paid by the hour for coaching group classes.

Lewin's system allows those who want to become full-time professionals to do just that. As at Strump's gym, there will always be room for the part-time coach with another full-time job—the guy who simply loves being a part of the community and coaching a couple of classes every week for \$25 a class. But for coaches who are looking for a professional career, Lewin believes turning them into partial entrepreneurs of sorts will help them reach the \$75,000 goal.

Although he's happy with how things are going since introducing the structure, Lewin has more revenue-generating plans. He's launching a program for his clients that will involve a personal-training session with video analysis and a month of homework.

"If a coach has 100 people doing this video analysis, he'll get a nice little revenue boost. And for the client, it's a bit

of personalized attention to work on what they need to work on," Lewin said.

"By the end of 2017, I'd like this to be a million-dollar-a-year-revenue affiliate (with) coaches being full-time professionals making a six-figure salary."

Trying Something New

"There's a well-established line of research called 'social loafing.' It says that the less directly responsible a person is for the group outcome, the less motivated and the less accountable he is to put in as much effort," said Damien Murray, Ph.D., who is doing his postdoctoral research at the University of California, Los Angeles (UCLA).

Murray added: "When a person's performance is measurable, tangible and attributable to themselves, their performance is better."

This is essentially the philosophy Jeremy Jones is putting to the test at one of four Northern California CrossFit affiliates he's involved in. The biggest gym is the well-known Diablo CrossFit, which Jones originally opened in his backyard in



Courtesy of Jeremy Jones

Some affiliate owners have found that ambitious coaches flourish when given the opportunity to generate revenue by improving the experience for clients.

Courtesy of Jeremy Jones



Jeremy Jones (in green) is currently experimenting with a new payment structure at one of four affiliates with which he's involved.

2005. Later, he got involved with opening three other affiliates—Benicia CrossFit, Diablo CrossFit Alamo and Diablo CrossFit Pleasanton. All four affiliates are all located along one highway, with about an hour's drive between each.

Among four locations, Jones has 1,200 members and 24 coaches, six of whom are full time. Traditionally, Jones' part-time coaches have been paid hourly—between \$22 and \$30 an hour depending on how long they've been coaching and what certificates and certifications they hold, while a handful of his full-time coaches are on salary. All his full-time coaches have other duties as well, such as administrative or facility roles.

Earlier this year, Jones decided to try a new way to compensate some of his full-time coaches. He started with one box—CrossFit Pleasanton—as a test run.

The compensation model pays coaches entirely based on revenue they generate through membership sales. More specifically, three of his CrossFit Pleasanton coaches are earning 50 percent of the revenue they generate from

sales of introductory sessions. At CrossFit Pleasanton, all new clients must go through introductory personal sessions prior to being released to group classes. Once they join group classes, the coach continues to earn 50 percent of the client's monthly fee.

The idea behind this is three-fold:

First, Jones believes people will work harder and care more about bringing in and retaining clients if they're directly responsible for generating business. A lawyer who wants to become a partner in his law firm has to generate his own clients, and Jones said he thinks coaches need to learn how to generate their own business, as well.

Second, the compensation plan is designed to encourage solid client-coach relations, as well as client performance, because coaches take better care of their clients when they're directly responsible for keeping them around, explained Jones. Coaches are expected to cater to their personal clients' needs by helping them adjust to group classes, consistently monitoring their progress or helping

Courtesy of Jeremy Jones



Coaches with special expertise can often create new programs that appeal to many members.

them set new goals. This ultimately forms a lasting relationship that is the hallmark of great coaches and the foundation of great businesses.

Third, it allows the coach to make more money in the long term: There's no ceiling on a coach's earnings.

And as a bonus to the business, a coach who generates his own business is no longer a labor cost for the gym; instead, the coach becomes a revenue generator—ultimately a win for Jones.

“Being able to have a business where people can make a great living while changing people’s lives is important.”

—Jeremy Jones

When Jones introduced the idea to his coaches, he was worried they would be scared of the word “sales” or simply wouldn’t be able to sell expensive personal training. But this hasn’t been the case.

“Everyone is really enjoying it. We’re not having any problems with people having a hard time selling it,” Jones said. “This makes sure the coaches who are going the extra mile are incentivized. And it ensures they can make a living.”

In fact, the very same month Jones implemented the program, two of his coaches immediately made more money than they had been earning before they were paid this way. And today, just a few months into the project, all three of his full-time CrossFit Pleasanton coaches are earning more than they were before.

But it isn’t all about revenue and sales. The biggest win for CrossFit Pleasanton is that clients are getting higher quality of care in a one-one-one personal-training environment. Jones’ coaches have been selling nine one-on-one introductory sessions for \$490.

“It has to do with the first 20 hours of a person’s CrossFit life. It’s the most important. When someone is first getting

involved in the gym, one bad experience can make them quit," Jones said.

The one-on-one environment is facilitating better service, Jones explained.

"It allows for a more controlled environment to make sure they're getting the best experience possible, and one-on-one training tailors to them," Jones said.

Having his three coaches sell nine personal-training sessions to new members has already increased the gym's revenue by a few thousand dollars a month in the first three months. Moving forward, Jones' plan is to push this system into the other gyms—slowly. And by 2015, all the boxes will be set up this way.

He's doing it slowly for a reason: "We want to show some success (with this system) before we bring it to their gyms," Jones said.

It's also a way to iron out any wrinkles in the system.

"Right now all of our coaches are coaches because they're amazing coaches with great personalities, and we didn't really need people with sales skills, so throwing them into this new system, I want to make sure they're capable first," he added. "It's just like teaching a new movement. I wouldn't make them teach a new movement in class unless they were comfortable."

What's happening at CrossFit Pleasanton should give his other coaches ample reason to believe. Jones believes this system will help him achieve one of his biggest goals: helping his coaches earn a good living.

"It's critical to create professional coaches. There's no future in having a revolving door when it comes to coaches, so being able to have a business where people can make a great living while changing people's lives is important," he said.

People First at CrossFit New England

Ben Bergeron of CrossFit New England is one of the most well-known CrossFit coaches in the world. Bergeron, who has been with CrossFit New England since 2008, didn't get into CrossFit for the money, and considering he charges top athletes just \$175 a month for individual programming, his priorities have always been about creating an excellent product.

It's also important to Bergeron to develop quality coaches who stick around, and he knows if coaches aren't being well compensated, it's unlikely they'll stay for years.

Currently, Bergeron pays his coaches \$30 to \$50 an hour, depending on their skill set. The wide range of compensation provides incentive for coaches to become better and to acquire more education or certifications. Bergeron recognizes the value of good coaches: They're better for clients and better for his business.



Courtesy of Ben Bergeron

At CrossFit New England, coaches are given the opportunity to make 80 percent of the revenue they generate with personal training.

On top of coaching classes, Bergeron's coaches are free to do as much personal training as they like. They can charge whatever they want for personal sessions, although most charge \$100 an hour. Of this \$100, coaches take home 80 percent, while the gym takes the other 20 percent.

"So if they're making \$80 an hour, they can do two or three sessions a day and work just three hours that day and make \$240," Bergeron explained.

Bergeron's full-time coaches have other roles and responsibilities on top of coaching to free Bergeron up, and salaries start between \$30,000 and \$35,000. Any income they receive from personal-training revenue is added to their base salary. Some of Bergeron's full-time trainers coach 25 to 35 hours per week, while others coach 10 to 12 hours but have other duties. It depends on who wants to be on the floor more and who enjoys other aspects of the business, Bergeron explained.

Bergeron knows \$30,000 to \$35,000 "isn't a ton of money," but if his coaches are doing personal training on top of their regular hours, Bergeron explained they can make closer to \$50,000 or \$60,000.

Making the Switch

Darren Ellis is the owner of CrossFit New Zealand, the first CrossFit affiliate in New Zealand. Today, the box he opened in 2008 has 180 members.

Ellis used to pay his coaches strictly by the hour, but in December 2013 he switched his full-time employees to a salary, which also includes health insurance and KiwiSaver (a retirement savings plan). His coaches were happy because it provided them with more security, but Ellis admits it was a gamble.

"Oh yeah, I took a risk. Instead of buying a house, I've employed coaches," he laughed.

"The key, of course, is finding enough work sometimes, and not just having it turn into more coaching when you don't have anything else for people to do," Ellis said. "The ideal scenario is finding a situation where coaches can do the minimum amount of coaching (so they don't burn out) and then work on retention and looking after existing clients and bringing in new clients."

While it was a risk for Ellis, it was also a worthwhile investment. He knows his coaches are happier, and it gives him more freedom as the business owner.

"I can call on them for anything now," he said.



Courtesy of Max Lewin

Max and Andrea Lewin of CrossFit East Bay.

And for his coaches, being on salary and earning a decent living means they don't need to rush off and try to do it on their own. Ellis believes many people try to become entrepreneurs in the fitness industry because they think it's the only way they can make a good living.

"It's surprising how many people end up trying to become entrepreneurs. But some people don't want to be. They just want to go from coach to assistant manager to manager and earn a living," Ellis said.

This is the opportunity Ellis wants to provide for his coaches.

That said, Ellis doesn't want to lock them into a salary with a financial ceiling. So on top of their salary, Ellis incentivizes his full-time coaches by rewarding them with a bonus

Courtesy of Max Lewin



At CrossFit East Bay, Max Lewin has set a long-term goal of six-figure salaries for full-time coaches.

based on the gym's monthly revenue. If the gym does well, clients are sticking around and money is coming in, then his coaches are paid one to two percent of the gym's gross monthly revenue. This incentivizes them to care about the health of the company they work for.

Currently, his top full-time coaches make around \$50,000 a year. But he has bigger plans for them.

"I have my goal written down on a little goals board. I want three coaches earning around \$80,000 a year," he said.

Long-Term Approach at Paradiso CrossFit

David Paradiso runs Paradiso CrossFit and Paradiso CrossFit Venice in Southern California, two affiliates with 400 full-time members and 100 part-time members. There are seven full-time coaches, including David and his wife, as well as three part-time coaches, and an additional three coaches who help out from time to time.

Paradiso's entire business has been built on the concept of helping his coaches make a good living. In fact, Paradiso pays himself the same amount he pays his full-time coaches because he sees investing in them as necessary for long-term growth.

Paradiso's priority is security.

"One of the things I am working to change is that our coaches do not have to depend on their private clients to survive," Paradiso said. "I believe this adds additional stress due to the uncertainty and instability and takes away from the coaches working as a team for the good of the community and the gym as a whole."

Instead, Paradiso is providing his coaches with a steady, stable income—including medical benefits and vacation pay—that allows them to save for retirement, all the while ensuring they're working manageable hours.

Currently, Paradiso pays his hourly coaches \$25 to \$30 an hour, and those on salary earn \$4,500 a month. Salaried coaches earn an additional \$1,000 to \$2,000 for any private training they do.

The opportunity to avoid a ceiling on earnings is also important to Paradiso. One of his coaches, James McCoy, also runs and manages the Venice Barbell Club, and another one of his coaches has a full-time personal-training service, from which he keeps 100 percent of his earnings.

"This allows him to keep his prices low and ... us to increase the value of our membership," Paradiso said.

Paradiso also has coaches involved with nutritional services, a program for competitive athletes and a functional-movement-screening service.

“We want to change the status quo for how trainers make a living.”

—David Paradiso

Like Ellis, Paradiso had to take a risk by putting his coaches' pay ahead of his own, but he knows it's what he needs for long-term stability and growth.

“When we sat down and thought about the future, we saw that we would very quickly run into limitations (if we didn't invest in our coaches enough),” he said.

“We want to change the status quo for how trainers make a living. I come from the restaurant industry and have often used the analogy of bartenders vs. managers for our long-term approach,” he said.

He explained bartenders can make several hundred dollars cash a night working just four or five hours, while the manager makes considerably less in the short term.

“The bartender scoffs at the thought of being a manager. There is no way he is going to give up the cash for that deal,” he continued. “But years go by and all of a sudden the bartender is getting a bit older, getting burned out. He hasn't acquired any new skills, and the thought of continuing to bartend and hustle into their 50s becomes a scary thought.”

This is the concept Paradiso is applying to the lifelong fitness coach. He wants to create a place for the 50-year-old fitness coach.

Right now, in Paradiso's experience, most trainers are focused on the short-term “hustling” lifestyle, and they



Investing long term, David Paradiso (in red) of Paradiso CrossFit pays his coaches the same salary he pays himself.

Courtesy of Brian Strump



The ultimate goal for any affiliate is excellence, which results in fitter clients and financial success for affiliate owners and their trainers.

don't always get involved in the "non-fun, non-coaching" side of the business, Paradiso said. By offering salaried coaches benefits, vacation pay and an opportunity to do more than just coach, he has his coaches' future in mind. The message is simple: "Commit to your profession, and to Paradiso CrossFit, and you will find that it gives back," he said.

Part of this commitment to the profession as a lifelong career involves education and certifications—staying ahead of the curve.

"I believe CrossFit is doing the most important thing, which is changing the cultural attitudes toward the need for strength-and-conditioning training and adding a need for professional trainers," he said.

And on the coaches' end, Paradiso thinks it's important for them to start their education early, go through years of training and apprentice work, and learn more about anatomy, exercise physiology and programming. The resulting knowledge and expertise warrant a professional wage—Paradiso's ultimate goal.

"(In five years), all of my current coaches will be working in some type of management role, (with) a lot of money in the bank and a plan for retirement," he said.

Experiment to Create Excellence

Affiliate owners can find a host of ways to compensate staff members. Hourly rates or trading coaching for a membership are perhaps the simplest, but affiliate owners are always experimenting to find out what works best for their businesses, and many have developed more creative ways to pay staff members.

The overall goal, of course, is to create and retain a strong group of coaches who can improve human movement and produce fitter clients. When that happens, the financial success of the business is almost certain to follow.



About the Author

Emily Beers is a CrossFit Journal staff writer and editor.