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# CLASS ACTION

Affiliate owners share the various ways they've tailored the group-class model to create strong businesses that produce fitter clients.

**BY HILARY ACHAUER**





Brian Alexander chose to go big with his affiliate, CrossFit Illumine near Chicago. He trains over 300 members in 17,000 square feet of space.

Johnny DiGregorio opened CrossFit Pasadena in 2008. What started as a small community grew into a group of more than 240 members training in a 5,600-square-foot gym. Membership fees were about US\$175 a month. By 2013, most classes had more than 30 people.

DiGregorio staffed each session with three coaches, but he still felt clients were falling through the cracks and weren't getting the attention they deserved. He was overworked and unhappy.

This was not what he dreamed of in 2007, when, after attending a Level 1 Seminar, he quit his job as a personal trainer and opened CrossFit Pasadena on the advice of CrossFit Founder and CEO Greg Glassman.

"It was a really big machine to operate," DiGregorio said. He hired a consultant to help him figure out how to fix things, and the consultant told DiGregorio it sounded like he didn't want to own that gym anymore. DiGregorio's heart sank. He thought it was the end, but the consultant saw a different path.

"He said the beautiful thing about being a CrossFit affiliate owner is you have the freedom to make whatever business you want," DiGregorio said.

Instead of the end, it was the beginning of something new.

DiGregorio closed CrossFit Pasadena in 2014 and opened the 900-square-foot CrossFit Alhambra in Alhambra, California, with a membership cap of 130. An unlimited membership costs \$250 and no class has more than eight people. Members receive highly individualized attention, and DiGregorio rediscovered what he loved about owning an affiliate.

At the same time, Brian Alexander of CrossFit Illumine outside Chicago, Illinois, hit his groove running a 300-plus-member, 17,000-square-foot gym. He feels connected with his members and has a profitable business.

Alexander and DiGregorio are running different versions of the same basic business—a CrossFit affiliate built on the group-class model—and demonstrating the freedom CrossFit affiliate owners have to solve the problems of retention, staffing, welcoming new members, managing overhead and so on. There's no one formula for running a CrossFit affiliate, which is what makes owning one so liberating.

Here, successful affiliate owners talk about what's worked for them in optimizing the group model for business, community building, and the overall health and wellness of their members.

## The Beginning

Glassman started out as a personal trainer. As detailed in "Learning to Breathe Fire: The Rise of CrossFit and the Primal Future of Fitness," he bounced around from gym to gym, often leaving because he objected to the cut the large gyms would take from his personal-training sessions. His last place of employment, Spa Fitness in Santa Cruz, California, kicked him out when one of his private clients dropped a bar with steel plates from overhead.

In the first CrossFit gym in Santa Cruz, Glassman had personal-training clients and ran group classes. The former created the latter when demand for Glassman's time increased to the point that he was forced to use small groups to accommodate everyone. More athletes paid lower rates to train together but generated more total income for Glassman, who skillfully held the groups together by ensuring no client felt a reduction in attention from his or her coach. It was a classic value proposition.

Training several people at once was better financially for Glassman, and he discovered the clients benefitted from the structure as well. Glassman tracked everyone's performance and asked athletes to report their scores, so healthy competition arose among his group clients. As those who've played a team sport or served in the military know, people form strong bonds when they sweat and suffer together. Enduring Fran at 6 a.m. creates a connection between people. Repeat that experience multiple times a week for a year, and the bonds grow stronger. Add a few friendly rivalries and suddenly you have built-in retention and motivation—two elements the traditional fitness industry has long struggled to provide.

Glassman wrote about his business model in the 2006 CrossFit Journal article "[Scaling Professional Training](#)." In it, he identified two potential problems with the group model: lack of space and dilution of professional training standards. The latter can be mitigated by skill and relentless pursuit of excellence in training clients, while the former requires expansion if demand exceeds space.

Around 2003, Glassman took over the space next to his original 1,200-square-foot gym on Research Park Drive, removing the wall between the two. The situation was not ideal—the two spaces were mirror images of each other, with staircases on the end of each space leading to a loft—but Glassman used the environment to his advantage, making members run up one staircase, across the loft and down the other staircase.

More clients mean more income, but more space means more overhead. Large numbers of clients also create a need for staffing, management systems and so on. It's all business: Offer an excellent product and find a way to maximize profits by serving the

Courtesy of Brian Alexander





Scott Brayshaw

At the first CrossFit gym, Greg Glassman found that training athletes as a group provided built-in motivation as clients developed friendly rivalries. That tradition continues today in affiliates all around the world.

greatest number of clients and keeping costs down.

Glassman’s model succeeded, and it spread. The first CrossFit affiliate, CrossFit North in Seattle, Washington, opened in 2002. Many more followed. Glassman has said he envisioned an affiliate model that would eliminate everything he found frustrating about his experience with globo gyms, putting the power in the hands of the affiliate owner. He described it as “a low-threshold, loosely structured business model that has you in control—you’re in charge. You get to decide hours of operation and the color of your shirts and the music that’s on and what decorations go on the wall—it’s all of your choosing, and remove everything between you and your success that isn’t essential,” he said in 2012 in the CrossFit Journal video [“The Founder’s Views Part 1: The Affiliate Model.”](#)

The original CrossFit model or a variation thereof is still used in most affiliates, with the goal being to fill the right space with the right people, maximizing wealth for the owner and health for the clients. The exact details of how this model is implemented around the world vary greatly according to the preferences of the owner—just as they should. Success or failure is entirely in the hands of the entrepreneur.

## One Size Doesn’t Fit All

When DiGregorio realized his business model at CrossFit Pasadena wasn’t working for him, he took what he’d learned and started over.

He realized he missed the feeling of his gym in 2008, with a tight community of 100 members. He couldn’t go back in time, but he could create a business that aligned with his goals. The smaller CrossFit Alhambra space is much cheaper to rent than the CrossFit Pasadena space was, and it’s closer to DiGregorio’s house.

“With CrossFit Alhambra, I designed a smaller boutique business where the cost was manageable and the profitability was as high for the members as it was for the business,” he said, meaning he provides a one-on-one feeling for members for less than the cost of daily personal-training sessions.

He continued: “CrossFit is for everybody, but my gym is not for everybody. I want to make sure I build the right culture of people in my gym and protect that culture.”

With no more than 130 members on the roster, he can make sure each member gets a weekly text message and phone call from him or one of the coaches. Recently, he’s started using Snapchat to keep in contact with members. He encourages members to send

him a Snapchat of what they are cooking so he can give them feedback on their nutrition.

“They deserve that kind of follow-through, and that’s what I would have loved when I started,” DiGregorio said.

“Remove everything between you and your success that isn’t essential.”

—Greg Glassman

For DiGregorio the answer is a more intimate setting, but he’s well aware others are choosing a different path and finding success.

“That’s not to say a bigger-group-class model doesn’t work,” he said. “I’ve seen some gyms that do a very good job running 20 people per class.”

He said he thinks large gyms with big classes can be effective, profitable and fun.

“It just doesn’t work if you’re not ready for it,” he said.

Alexander of CrossFit Illumine was ready for it—but he had to roll the dice, as all entrepreneurs do at some point. He opened his gym in May 2013 in a 2,000-square-foot space. He kept his full-time sales job and paid a year’s rent up front, but six months after opening, the gym was bursting at the seams.

“We started growing exponentially,” Alexander said. With 10 to 15 new people joining the gym every month, Alexander went hunting for a 5,000-square-foot facility, but the only available space was 17,000 square feet—many times bigger than his original facility.

“We bit the bullet: We took a big gamble believing in what we were doing and that we were going to continue to grow,” Alexander said.

Two and half years later, the space is full and the gym is thriving. Alexander left his corporate job a little over a year ago, and he just renewed his lease.

“It’s nice to have a lot of space and programs and options. We can run a group class, an Olympic-lifting program and one-on-one (sessions) all at once. I’ve had like seven programs running at once within this 17,000 square feet; it’s just something you can’t accomplish in a smaller space,” Alexander said.



# Overcoming Challenges With Creativity

Owning a CrossFit affiliate is not without its challenges. Affiliate owners can run the business how they please, but this also means there’s no manual. It’s often a trial-and-error process, especially if the owners don’t have experience managing a business—but that freedom to experiment is exactly what affiliate owners signed up for.

Jake Adams opened CrossFit High Road in Chino, California, in early 2014. He had been doing CrossFit for two years and was working as a personal trainer and a strength-and-conditioning assistant at the University of California-Irvine.

Adams owns his gym’s building, which is 7,500 square feet, including 4,500 square feet of usable gym space. CrossFit High Road has four coaches, plus Adams and his business partner, Josh Baumgarten. One of the coaches is full time, and they also employ a general manager.

Adams is of the opinion that some affiliate owners get ahead of themselves, letting the membership base expand without having systems in place to manage those new members.

“As gym owners, there is a tendency to think we can do anything and everything. We can—just not alone,” Adams said.

Adams said it’s essential to put together a solid team of coaches who are knowledgeable and dependable. Then put in place efficient systems to manage introductory or on-ramp classes and arrange class times to accommodate the demographics of the area.

“The concept of interdependency, relying on our strengths and abilities combined with the strengths and abilities of others—hopefully filling the gaps of our weaknesses—far outweighs that of independence or trying to accomplish everything on our own,” Adams said.

From Day 1, Adams had member-management software, a billing system, a pricing structure and an introductory program set up and ready to go.

“This may seem like common sense, but I have come to learn that many places are jumping the gun, and their eagerness sets in and they are forgetting one or more of these crucial steps,” Adams said.

Just as important, he said, is making sure everyone on the team understands the gym’s core values and communicates a consistent message to the members. Adams said he makes sure the coaches focus on creating a positive and healthy environment for everyone.



Naomi Chu Photography

**Skilled coaches can handle larger groups and ensure all athletes feel like they’re receiving a great deal of attention. The learning curve for coaches likely involves working with individuals and small groups before tackling bigger crowds.**



The final piece of the puzzle, which may be the most important, is a willingness to put in the hard work.

“Long hours. Long days,” Adams said. “Forget the if-you-build-it-they-will-come mentality or the get-rich-quick thoughts.”

He said it takes hard work to make a CrossFit gym successful.

“The successful group model isn’t an anomaly. If thousands of others can do it, so can you,” Adams said.

For Alexander of CrossFit Illumine, the key to his gym’s success is avoiding complacency. He’s always evaluating and adjusting, looking to improve his systems and practices.

Early on, Alexander discovered that although 10 to 15 new members joined the gym every month, Illumine had a major problem with retention. After the on-ramp and the first month of classes, members would start to drift away. CrossFit Illumine retained only 65 percent of its members at the six-month mark. Alexander said he knew the problem was in his system, not with CrossFit or the group-class model.

To solve the problem, Alexander implemented a quarterly one-on-one goal-setting session with each member. He tried managing these appointments with spreadsheets and manual processes but found it time consuming and frustrating. After a year of searching for an automated solution, Alexander found an automated web-based goal-setting and tracking software called **Lifetick**. He used that in tandem with **ScheduleOnce**, which athletes use to book their appointments. Once automated, the one-on-one sessions were easy to track and schedule.

The other problem Alexander saw was the different needs of members with varying degrees of abilities in the same class. He implemented a two-track system for the workouts: fitness and performance. This helped both beginners and more experienced athletes meet their goals.

“Since the move to the new system we have a much better retention rate and morale is through the roof,” Alexander said.

Another challenge with the group model is some class times will be more popular than others. If a person prefers to work out at 5:30 p.m., you can’t make him work out at 8 a.m. Alexander’s expansive square footage makes it possible for him to run multiple classes during the same time slot, which accommodates demand at popular times but also ensures coaches aren’t overwhelmed trying to give individual attention to a class of 20 people.



In 2014, Jake Adams planned well ahead to have all systems in place when he opened CrossFit High Road in Chino, California.

“The successful group model isn’t an anomaly. If thousands of others can do it, so can you.” —Jake Adams

“All in all, the group model has worked tremendously for us from a business perspective but more importantly a community perspective. It is part of our culture—from on-ramp to regular classes—and our athletes appreciate what they get here at Illumine,” Alexander said.

Software was the saving grace for Alexander, but it’s not a solution for everyone. Mark Lin of CrossFit 858 in San Diego, California, is involved in operating three affiliates. Lin was clear about his hatred

of all software solutions, proving that what works for some won’t work for others.

“Line up all the software next to each other and you have a wide array of different types of shit sandwiches. Dog-shit sandwich, cat-shit sandwich—they are slightly different, but all shit,” he said.

Lin keeps retention high by staying on top of his members’ achievements and making a point to acknowledge even small accomplishments. Two affiliates are home to about 200 members each, and Lin expects the third—which he just took over—to reach that level in less than a year.

“I routinely have athletes write their PRs (personal records)—no matter what they are or how big or little they are—on the PR boards. It allows their accomplishment to shine in front of me, the staff and their fellow athletes. It’s one of many ways you can reach out and touch someone and make them feel like you acknowledge them as an individual. This I feel is the most important part to retention,” Lin said.

Lin also arranges regular social events in and out of the gym, which he said encourages a feeling of community and intimacy.

“Also, I think it’s important to use social media as an extension of your gym, your operating hours and you as a person,” Lin said. “There is just as much online banter, sometimes more, that goes on (during) off hours as there is in the box itself.”

For Lin, the final piece of the puzzle is staffing.

“Although we are CrossFit affiliates and not franchises, I think it’s important to ‘franchise’ yourself and the way you operate, coach and interact with athletes in your staff. In other words, you must duplicate your output and methods via your staff as they are an extension of you and your brand when you aren’t there,” he said.

Lin trains all new coaches himself. Before a coach takes on a class, he or she shadows Lin and learns only from him. Once they are “imprinted,” as Lin describes it, they shadow other coaches.

“I think it’s important to find the balance between making cookie-cutter coaches and having wildly different coaching styles,” Lin said.

## Getting Personal—or Not

While group classes are the foundation for most affiliates, one-on-one coaching has a place in CrossFit: It’s how Glassman started out, and he retained some private clients even after he moved to group classes. He even said that one-on-one work is the first step to becoming a skilled group coach. Personal training is also a great way for coaches to make money and for athletes to benefit from some extra attention.

CrossFit High Road offers personal training as a supplement to the regular classes, and Adams thinks everyone can benefit from the sessions.

“However, I do not believe that’s the bread and butter of the business. I truly believe in the group model,” Adams said. “Coming from coaching sports and working with people in a group environment, watching people thrive in that environment is unlike any other. If executed properly and with the same attention to detail, it can be just as effective as working with somebody one-on-one.”

Adams said he thinks personal-training sessions can add value to an existing group model, but he doesn’t think it works the other way around.

“There’s a reason why I no longer personally train. You also have the power to affect more people’s lives. From a personal stand-





Excellence is obvious to everyone, and excellent affiliates find success regardless of the size of the gym or its classes.

point, I like being able to communicate with 100 people a day versus only being able to touch 10 or 12 in a day,” Adams said.

When Andrew Bueno first tried CrossFit in 2007 he was immediately intrigued. Bueno, who was 21 at the time, was working as a personal trainer at a globo gym when he worked out at CrossFit North (now known as CrossFit Seattle).

“Seeing what (owner Dave Werner) was able to build in a warehouse was weird to me, seeing as how I got into the business thinking I was going to be doing personal training: wearing polos, hanging out with bros,” Bueno said. Inspired, Bueno opened his own affiliate, Foundation CrossFit (also in Seattle), in 2007.

Much has changed since 2007. But Bueno, who still owns and operates Foundation CrossFit, said the fundamentals of running an affiliate have stayed the same. Bueno offers both group training

and personal training at his gym.

“Personal training (is) less than 10 percent of our business,” Bueno said. “We made the product the CrossFit classes and made those really popular.”

DiGregorio said one-on-one training will yield results, but not everyone wants to pay \$120 an hour for that individualization. He also thinks it’s possible to get very close to private-training results in a group setting.

At CrossFit Illumine, Alexander estimates personal-training fees will be 5 percent of projected annual revenue of about \$800,000.

“We are doing really well with the group model. It’s part of our culture,” he said. “People are so bought into this group thing.”

For Lin, personal training is not part of his business model, although he said he believes in it.

“There’s too much demand for us to create a bottleneck of personal training only. Although we don’t rely on a high-volume/low-cost model like a globo gym, we do need to sustain ourselves on higher volume due to the market and overhead,” Lin said.

He offers personal training to his members but pushes for them to join the group classes first.

### Above All, Hard Work

Glassman has said the pursuit of excellence guided his every move as a gym owner, and that excellence ultimately created success for his business.

“It becomes obvious that the most effective business plan comes from achieving excellence and letting the market bring the money to you,” Glassman wrote in “Scaling Professional Training.”

“The pursuit of excellence is the heart of our business plan.”  
—Greg Glassman

Pursuing excellence, of course, includes providing quality coaching as the foundation, but it also includes sound management of all aspects of running a gym.

Some owners, like DiGregorio, prefer a smaller gym, where members pay a higher monthly fee for individualized attention and smaller classes. Others, like Alexander, want a large gym with multiple classes and coaches that can accommodate large groups at the most popular class times.

What all successful affiliate owners share is a relentless work ethic and a focus—above everything else—on the health and happiness of their members.

“This is where working your butt off comes in,” said Adams of CrossFit High Road. “If you want to have a successful gym with the group model—do it.” ■

**About the Author:** Hilary Achauer is a freelance writer and editor specializing in health and wellness content. In addition to writing articles, online content, blogs and newsletters, Hilary writes for the CrossFit Journal. To contact her, visit [hilaryachauer.com](http://hilaryachauer.com).