

# Can CrossFit Affiliates Handle the Competition—from Themselves?

As CrossFit gyms begin to crowd each other—rocketing from 35 locations to nearly 1000 in the last few years—one vocal affiliate encourages his anxious peers to "Embrace Their Inner Capitalist"

# **Russell Berger**



**CrossFit is thriving.** Ask an owner from one of nearly a thousand CrossFit affiliates worldwide what they thought they would be doing for a living five years ago, and running a CrossFit gym probably didn't make their short-lists. Some affiliate owners, myself included, hadn't even heard of CrossFit five years ago. What started as a grass-roots fitness movement has quickly developed into an international wild-fire.

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Unfortunately, not everyone sees this as a good thing. As trainers, we owe our livelihood to the efficacy of CrossFit. Functional training is no longer reserved for our military warriors and law enforcement officers —John Q. Public is clamoring for the practical, effective fitness of CrossFit. On the other hand, higher demand means greater competition—even among ourselves. Some affiliate owners are waking up to find new CrossFit boxes setting up shop right across the street, theoretically stealing current and future clients. Sometimes, that new box is being opened by someone that affiliate trained, which leads to a host of other complaints. The grumbling has turned into a roar as some affiliates turn to CrossFit HQ, desperate for answers. Some wish to establish "affiliate territories" with proximity rules — as in no two CrossFit gyms within, say, 5 miles of each other. Others have proposed an affiliate-rating system that would acknowledge a hierarchy of CrossFit gyms. Thus far, CrossFit has simply insisted that all affiliates will thrive if they provide excellent training, leaving many business owners feeling hung out to dry.

I could have written this article to promote CrossFit business ethics. All of us would love to have the "Ten Commandments to Prospective Affiliate Owners" passed down from CrossFit HQ to clear up our confusion. After all, it is human nature to want someone with power to step in and fix your problems. The truth, however, is that intervention rarely comes without a price. "Thou shalt not directly compete with a veteran affiliate" may sound like a good notion, but telling someone they can't act in their own best interest is futile, and inevitably leads to more problems.

Instead, I wrote this article as an expression of my opinion. In my gym, if you expressed this sort of mentality during a workout, I would tell you to, *"quit feeling sorry for yourself and keep working."* This advice doesn't end with the workout. As affiliates, you can pretty much expect this sort of thing to happen, and when it does, it is your job to deal with it. In fact, how you deal with it can have an enormous effect on the future of your business. If you expected your life as a professional trainer to be easy, you are in for some unpleasant surprises, the least of which is this little lesson in economics from me. Territorial protection, rating systems, and stricter requirements for affiliation might appear to help your affiliate in the short term, but they would eventually hurt everyone involved, including you.

# What's good for CrossFit is good for you

Let's take a look at what really helps your business: its existence. The only reason you have an affiliate is because there is a great demand for the product you sell. Your clients have found your gym, or have been primed for it, but the public demand for authentic fitness is growing. That demand is the consequence of thousands (millions?) of articles, websites, videos, testimonials, and conversations that inspire newcomers to try CrossFit. As long as new clients continue to stream into our facilities, we can assume that demand, and the perception of CrossFit as a whole, are healthy. If the perception of CrossFit changes, even on the scale of a single suburb, demand will change accordingly: **What is good for CrossFit is good for you.** 

So ask yourself, "What is good for CrossFit?": Not CrossFit T-shirt sales, not CrossFit HQ, not even your own CrossFit affiliate. "What is good for the promotion and development of functional exercise that increases work capacity across broad time and modal domains?" This is our singular goal. Keeping people interested, aware, and intrigued by the quality results our methodology provides.

Does reducing and restricting the number of venues with which the public can access these ideas do anything for that goal? It might allow you to monopolize a certain amount of high-intensity functional training in your area, but until CrossFit HQ starts deploying tactical units to arrest people for doing thrusters at local gyms, your "protected" affiliate would just be an endorsement of mediocrity. Without competition, you have no incentive to improve your product. This complacency would eventually dull the constantly-alive, open-source revolution that is CrossFit... and when that happens, it will hurt CrossFit– and that would hurt us all.

## Look in the mirror and ask:

#### "What can I do Better?"

Affiliation doesn't mean you have a parent organization to protect you from competition or grant you special entitlements. Because I love to steal lines from the novelist Chuck Palahniuk; being a CrossFit affiliate does not make you "a unique and beautiful snowflake". In the eyes of everyone that matters, you are just a gym, and a gym is just a business. You have to fight for your share of the market just like everyone else. How you conduct this fight could be the difference between your success and failure.

Clients and memberships may be our livelihood, but every good trainer I have ever met is fueled by passion for his or her work. If you wake up in the morning and ask yourself, *"How can I make more money today?"*, you will find that

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your memberships and the quality of your gym plateau. If you ask yourself, "How can I make my product better?", you will quickly find a laundry list of improvements you know you could be focusing on. The most crowded CrossFit gyms in the country aren't raking in profits because of Cable TV ads, flyers, or marketing gimmicks. Customers come to them because the product, facility, and quality of training are worth paying for (see the Glassman videos: Opportunities).

Just as aesthetic gains are a side effect of intense, productive training, wealth is a side-effect of quality and consistency. CrossFit itself has become a fitness revolution simply because it produces results. Why would your business be any different?

# CrossFit itself has become a fitness revolution simply because it produces results.

We have all had the experience of driving a little farther out of our way to go to a grocery store with more variety, or a post office with shorter lines. It's obvious that our clients will do the same or they would never have left the comfort of their "fitness spas" to do burpees in a garage. What will keep them coming back; however, are the relationships that develop between a trainer and his or her clients. The effect of quality, professional, personal training is stronger than any brand-loyalty. If the dynamic between you and your customers is good, expect them to drive past a dozen gyms on their way to workout. If you feel concerned that you might be losing clients, ask yourself "What can I do better?"

The answer could be as simple as replacing some bad GHD benches or fixing a broken squat rack, but it could also involve creating better client-trainer relationships. Do you know if your trainers could flip through a name-less workout journal left in your gym and immediately identify the owner? Do you know if your clients have kids or grandkids? Do you know what goals or aspirations brought them to you in the first place? If you can't forge the kind of bond with your client that would protect you from losing them to another location, you aren't doing your job.



# Franchises are not the answer

If you are still convinced you would want special protection, we have left the realm of affiliate and have begun talking about something else: a franchise. If CrossFit were interested in answering the question, "How can we bring in the most revenue?", enfranchisement would be the answer. The long-term effect it would have on CrossFit's growth, however, would be devastating. Forcing affiliates to enfranchise does nothing to answer our question "What is good for CrossFit?"

In fact, CrossFit's relatively lax requirements for affiliation give us the opposite: Variety— and that's a good thing. Some have suggested that stricter requirements and attempts to implement "consistency" among the affiliates would "protect CrossFit" from alteration. Sorry sweetheart, but when your local affiliate starts teaching "Cardio-CrossFit" classes devoid of Olympic or Power lifts, take a deep breath, reign in your ego, and realize that the universe is still in balance. CrossFit hasn't been stopped by the well-entrenched fitness industry; a few weak affiliates aren't going to end it all.

In fact, what you may view as a watered-down threat to CrossFit is actually still helping to spread CrossFit. The affiliate model allows for individuals to continually adapt, improve, and experiment with our product— even if they are completely wrong. Free information and relatively inexpensive requirements for affiliation help to create

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Subscription info at http://journal.crossfit.com Feedback to feedback@crossfit.com more interest, a broader community, and most importantly, higher demand. For the same reason, multiple affiliates can not only co-exist in a small area, but they can thrive.

Now, I know that some cities are smaller than others, and competition can become fierce with fewer fish in the pond, but even if your affiliate was granted its own city, you would still be competing with every garage-gym and aspiring affiliate in the area. Whether you were aware of it or not, your competition would find a way to exist. Because CrossFit is an open-source concept, being able to control who can and can't teach it would be impossible. Limiting the density of affiliate locations will only limit legitimate affiliates. A CrossFit black market would be an inevitable consequence of this sort of intervention. If you think others are undercutting you on price now, jut wait until your competition has no affiliation or certification expenses.

### Forget about Non-Compete clauses

Occasionally, an affiliate becomes so distressed with the possibility of a trainer becoming a competitor, that he will introduce a non-compete clause into his employee contracts. Most non-compete clauses involve an employee agreeing not to pursue a similar line of work that could be in direct competition with the current employer. Trade-secrets, client lists, and business practices could give your competition a competitive advantage if leaked. But do they work?

Every state varies in its acceptance of non-compete clauses, with a handful refusing to enforce them at all. It would be wise to review how similar cases were handled in your area before putting too much faith in the system.



Even if your state allows non-compete clauses, how well this type of case will hold up against rebellious employees in court is yet to be determined. Considering our product is free online, your affiliate effectively rents the CrossFit trademark, and your employees were certified by CrossFit HQ, I would suggest you forget about it.

If you like to use contracts like this as a "deterrent," you run the risk of coming across as insecure and callow to both your clients and your trainers. If you are going to spend this amount of time and energy trying to curb your competition, perhaps you should do something to make yourself better rather than debase the CrossFit community with territorial cat-fights. Think of how much better your time and money could be spent improving your facility instead of trying to suppress the initiative of your trainers.

### **Rice bags and Shit-bags**

Regardless of how accepting you may be of the local competition, dealing patiently with imposters can be extremely frustrating. Unaffiliated trainers trying to leech off of the CrossFit trademark is an unavoidable problem of our business. Everyone wants a share of the "functional training" market. Finding people who will lie to get a piece of the pie isn't hard. Affiliate owners have reported trainers taking workouts directly from the CF main-site and charging much less than they can. Some even go as far as calling what they do "X-fit."

Unfortunately, there isn't much we can do to rid the world of people like this. CrossFit HQ has some ability to root out businesses attempting to use the trademark "CrossFit", but a great deal of this flies under the radar, and can hurt legitimate CrossFit affiliates. Not surprisingly, the best course of action for dealing with imposters is the same as dealing with friendly competitors. If you think someone claiming to teach CrossFit-like fitness classes is costing you potential clients, you must make sure you have the best product. Brand names go a long way in the fitness industry, and CrossFit is no different. When health, money, and safety come together, clients want the reassurance that they are making the right choice, and seeing a trademark like CrossFit creates both recognition and high expectations.

Before I opened my affiliate, I trained at a university fitness center. One day I brought one of my favorite cheap training tools with me: a 50-pound sack of rice. This didn't go over well with the woman in charge of the weight room, who frequently complained about my workouts anyway. Not a week later, however, I learned from my wife that she had "adopted" my idea. She had apparently started teaching the movement I had been doing and had purchased her

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Subscription info at http://journal.crossfit.com Feedback to feedback@crossfit.com own sacks for the daily cardio-circuit class she taught. Initially, I was pissed, but then I watched what she was doing. She had bought the wrong type of rice bag. They were too light and had no sandbag-like effect. These were more like soft bricks. She wasn't teaching or implementing the movement well, and her class is stagnant and routine to this day. She had no experience or interest in getting it right; she was just imitating something that looked like it worked. I realized then that I could try to impart on her every training secret I knew and she would still be teaching bicep-curls with elastic surgical tubing.

What may look like unfair competition is far more likely to be a birthing ground for your future clients. Every client that our "X-fit Boot Camp" trainer recruits on false pretenses is another potentially dissatisfied customer who will check the CrossFit HQ website to find their next training facility. As for the clients that love his program? I think we can all agree that anyone who is completely satisfied with a watery pseudo-CrossFit program probably has no place in a CrossFit gym anyway. CrossFit imposters will always have clients, just as step-aerobics classes will never reach extinction. If you offer CrossFit, however, you will be offering something that he cannot. Clients can and will recognize this, and they will find you and your product if you make it worth their time.

You've probably already made up your mind about competition. Whether you feel that it is good or bad is really not important. Until something changes, it simply is. If you embrace it, it will fuel your business. In most circumstances it improves revenue and client bases for every party involved by providing greater choice to clients and increasing awareness and demand. Even if you are competing with unaffiliated imposters, your goal is product superiority. Clients can and will see the subtle differences between good and bad training, and will always go to the gym that serves their desires best. If you feel CrossFit HQ should protect you from legitimate competition, there is a good chance you're not doing your job. As I said before, "Quit feeling sorry for yourself and keep working."

## About the Author

Raised in Atlanta, Russell Berger spent four years in 1st Ranger Battalion and saw numerous combat deployments. After starting Crossfit in 2004, he left the military, moved to Alabama and opened Crossville Huntsville. Currently he splits his time between work, school, and arguing politics.

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