

## The Story Behind the Success

CrossFit Central is a great success story, with membership over 500 and revenue approaching \$100,000 per month. Jeremy Thiel explains how he was able to use passion, commitment and great service to create a profitable business—and a community.

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**Jeremy Thiel**

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Courtesy of CrossFit Central and Dave Re-Photography



I founded CrossFit Central along with my sister, Carey Kepler, back in 2006. We were the 150<sup>th</sup> affiliate, and we were starting from scratch—no clients, no box and no credibility. But we had a mission: to build a fit community and affect people's lives.

Since affiliating in 2006, CrossFit Central has grown from zero paying clients to over 500. We are profitable and remain debt-free in a time when our economy is failing. We have 22 coaches and a staff of four people earning incomes ranging from \$35,000 to \$85,000. On average, 20-30 new people sign up each month, and we are changing lives daily. Our clients are getting fit, losing weight and hitting PRs. In addition, our clients are transforming their mindsets to tackle projects in the workplace and go after their dreams.

I don't believe there's only one right way to run and operate a CrossFit affiliate, and that's the beauty of this business. The systems we've developed work and are the best for us and our clients. That said, our route to success might help you find your own.

### The Business of Fitness

If you're getting started as a CrossFit affiliate, the first thing you have to ask yourself is this: "Am I running a business or is this a hobby?" Answer that question first. Either way, great things will come, but it helps to frame your endeavor from the outset.

For us, CrossFit is a business, and we take it very seriously—it is not lacking in service, structure or systems. We only hire trainers who are serious and desire to be full-time coaches. We have a commitment to our product, which we believe brings financial prosperity.

Here are three key factors to success when starting up a business:

1. Make alliances.
2. Model successful people.
3. Become consistent and relentless in customer service.

When I decided to create my business, the initial step was to form important strategic alliances, the first of which was with Carey, who is the co-founder of CrossFit Central. At the time, Carey had eight years of experience working as a personal trainer in Austin and had developed many personal relationships in the local fitness community. I then partnered with another personal trainer in Austin who had a large network of people he worked with.



*In 2006, Jeremy Thiel teamed up with his sister, Carey Kepler, a personal trainer working in Austin. Kepler finished third at the 2009 CrossFit Games.*

I started collecting e-mails and studying other affiliates I thought were successful in the community. In particular, I modeled my affiliate after CrossFit L.A., CrossFit Ann Arbor and Mt. Baker CrossFit. Using the e-mail addresses we had collected and the network of people we now had access to, I sent out e-mail promoting bring-a-friend discounts for our bootcamps (we still do so to this day).

We ran our bootcamps in a park with little-to-no overhead. Starting off, we didn't have a gym, and our equipment consisted of some med balls and dumbbells. We were able to start the company debt-free and have remained that way over the last four years.

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I updated our blog, answered e-mail, manned the phone, tracked expenses and profit on an Excel spreadsheet, instructed 75 percent of our group classes, and sent out group e-mail promoting our programs. By choice, I worked roughly 80 hours a week. I was 23 and single and able to live off \$1,000 a month. My sister was married, and she was soon pregnant with her first child. She maintained enough personal-training clients to sustain a stable income while growing and developing our group classes, which would later become the CrossFit Central we now know.

Roughly 16 months into running bootcamps, we were profitable enough that I felt comfortable looking for a gym. I found two personal trainers with a private space, and I leased a 1,500-square-foot space on a month-to-month basis. For me it was ideal: it was safe, and if anything were to happen we could get out of it. We started running CrossFit programs, and in the first few months only had 5-10 paying CrossFit clients. We used the same marketing and development plan as we did with our bootcamps. Less than one year later, we were busting at the seams. Most of our classes were nearly full, and we had to utilize our parking lot for training space. It was time to look for a new location.

As we grew, the need for more coaches also increased. Any time I hire someone to work at CrossFit Central, I look for one of two things: I see if they are they drinking the Kool-Aid and I evaluate the person's character. Coaches at CrossFit Central have to be "CrossFit": they need to believe in [CrossFit.com](http://CrossFit.com) and know the culture of .com. First and foremost, they have to be loyal and committed to the CrossFit Central community. About 75-80 percent of our coaches come from our client base. This model comes directly from Coach Glassman. He taught us to hire from among our clients—just look at Nicole Carroll, Annie Sakamoto and Eva Twarkdokens.

### The CrossFit Culture

To be a successful affiliate, I believe you have to buy into the culture, humility and brand of CrossFit. Think about the humility and approachability of Coach Greg Glassman. The first certification my sister and I went to, we were welcomed immediately, and the people were more supportive than I've ever experienced. We wanted to bring this feeling back to our facility. We believe recreating this

***CrossFit Central requires its trainers to be  
"CrossFit." Crystal McReynolds, ninth at the  
CrossFit Games, certainly fits the bill.***



Staff/CrossFit Journal





*CrossFit Central is based on the closed-class model, which Thiel believes is key to helping clients get to the box for a WOD.*

atmosphere is probably the biggest factor to our success. We try to be as welcoming and approachable as Coach Glassman was to us.

The CrossFit brand is West Coast, urban and grassroots. It's mohawks, intensity and roll-up garage doors. It's "SicFit." "Sick" describes something so unbelievable or awesome that it's on another level. SicFit describes a person's ability to operate at a higher level of intensity that's so unbelievable you have to coin a word for it. CrossFitters are *SicFit*.

You have to implement elements of this culture into your specific affiliate brand, but be wary of going too extreme on any one end. If all your website talks about is getting ripped and being hardcore, you'll automatically cut out a large portion of your potential client base. Some people might think a more inclusive approach waters down the brand of CrossFit, but if you're running a business and CrossFit is your product, that product has to be available to everyone, and it has to be welcoming to all levels of fitness. CrossFit is about firebreathers, but it's also about kids and seniors and everyone in between.

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Look at CrossFit Central. We have a very professional and clean-looking brand and Web site, but we also run programs that tap into the hardcore intensity of CrossFit. Our Spartan 300 Challenge offers athletes a chance to test themselves against the workout made famous by the movie *300*, and our box has five roll-up garage doors that create the look and feel of a garage gym. On the inside, the lobby area looks more like the business standard: counter, computers, desks, etc. The presentation is going to appeal to both the 40-year-old female advertising CEO and the 32-year-old former Division 1 athlete.

Our clients range from age 7 to 70, they come from all different backgrounds, and they all have different fitness levels. We run CrossFit Kids programs for kids ages 7-18 looking to improve their overall general preparedness. Our PowerPlant Athletics Program is geared toward the young athlete aged 10-18. About a year ago we opened CrossFit Women, which has been a huge success. These classes go on at the same time as the co-ed CrossFit classes but are for women only.

Bootcamps, corporate wellness and hybrid programs are all based on our outdoor bootcamp model. These classes are designed to improve the 10 general physical skills with a focus on cardiovascular endurance, co-ordination and agility.

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The atmosphere at our box on any given day is like a big party. It's high energy and everyone is having a blast. This stems directly from the presence our coaches bring to class. All of our trainers are highly energetic and very encouraging. More importantly, they expect their clients to come to class and get results. They hold them accountable.

### Two Models for Success

One system that's been very successful at our box is what I call a "closed-class model," where we limit the number of clients per class and everyone has to sign up for a specific time. This is in contrast to the unlimited, open-class model, which has also seen great success. Andy Petranek of CrossFit L.A. runs an open-class model, and he's very successful in his business. Like I said before, I don't believe there's one right way.



Courtesy of CrossFit Central and Dave Re Photography

***Starting an affiliate is difficult and requires a great deal of work—but the possible rewards are well worth the effort.***



For CrossFit Central, the closed-class model helped us create more accountability, build the trainer-client relationship and focus on building the community at our box. People are used to signing up for a program and being held accountable. The majority of people who come to your box are looking for some version of this. The one-percenters will come no matter what—capped class, closed class, open class. It doesn't matter to them. They are firebreathers, and they come to train. We love them, of course, but what about the other 99 percent of your clients, the ones who need the accountability, follow-up and camaraderie of a class to keep them coming back?

You'll find this "fitness culture" and "group cohesion" forming in an open-class model as well, but for us it formed faster and easier with a closed-class model that emphasized accountability and commitment.

**Table 1**  
**Closed-Class vs. Open-Class Models**

**Open-Class Model:**

Monday-Friday	6-7 a.m. (open —no cap)
Monday-Friday	12:15-1:15 p.m. (open—no cap)
Monday-Friday	6-7 p.m. (open—no cap)

**Closed-Class Model:**

Mon/Wed/Fri	6-7 a.m. (limited to 18 people)
Tue/Thu	12:15-1:15 p.m.(limited to 18 people)
Mon/Wed/Fri	6-7 p.m. (limited to 18 people)

With the closed-class model you always know how many people are showing up, who's showing up, and what the revenue is for each class. As a business owner, I was able to leverage the closed-class model as a way of keeping our coaches motivated with incentives. Instead of getting paid a flat rate for the class, they are paid on a sliding scale according to how many people are in their program. This gives coaches ownership of their class and gives them the incentive to keep their classes full or sold out.

Michael (Big Mike) Gregory is the head trainer of our co-ed programs at the gym, and he thinks the current model has a number of benefits.

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**Show up, work hard—and  
do it again, and again, and  
again, and again.**

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"Being that we're a gym with 200-plus clients, a closed-class model allows us to keep people accountable," Gregory explains. "We're aware of who's going to be in class, and we expect them to be there. To me, it creates a true client-to-coach relationship and enables us to stay on top of them.

"When I know exactly who's coming to my class, I know everything about them, including how they've progressed, what they're eating and what their goals are. This just heightens their experience. For the client, the closed-class model allows them to develop relationships in the class and form bonds and friendships."



We've always run a closed-class model. We do have some people who want to drop in, but they're never going to get the full exposure and experience of CrossFit by popping in every once in a while. A lot of people criticize this model because they believe people should be able to CrossFit five days a week. Our business model is focused on the general population. Whenever people want to up their training they will find a way to start doing CrossFit on their off days or will join our unlimited "platinum program."

I determined our pricing by taking the lowest-priced bootcamp in our area and the highest-priced personal training session and finding the middle ground. No matter what, recession or no recession, people are always going to want to improve themselves. In a recession, you'll find that people will stop spending money on material things and instead start spending money on self-improvement. Fitness and education are two key places the majority of people will turn. Paul Pilzer, author of *Unlimited Wealth*, tells us that people, no matter what, will demand excellence. They will seek it out, and when they find it they'll reward it with money.

### Resources

Is it hard starting an affiliate? Yes, it's tough. But CrossFit.com gives us a vehicle to promote what we do, and without it I wouldn't have as much credibility as I do now. Greg and Lauren Glassman gave me the confidence to take people to the trough. I put my belief in the community as opposed to me being the go-to expert. CrossFit.com is the expert, and I lead my clients there.

CrossFit HQ gives us the training protocol, the data and information, and the method. They give us the opportunity to tap into this amazing community. Outside of that, as far as running an affiliate business, CrossFit HQ doesn't really offer a lot of help. In saying that, this is exactly why I am a CrossFit affiliate owner. I don't want anyone telling me how I can or cannot run my business.

Books that I have studied that have helped me shape our business are *Good to Great* by Jim Collins, *The Tipping Point* by Malcolm Gladwell, *The Slight Edge* by Jeff Olson, *Rich Dad Poor Dad* by Robert Kiyosaki and Sharon Lechter, and *Wild at Heart* by John Eldredge, as well as selections by Tony Robbins. I also attend business training seminars put on by Dani Johnson and Advocare Success School.



**Jeremy Thiel says focusing just on firebreathers is a mistake. A wide variety of programs, including CrossFit Kids and women's only classes, help his affiliate appeal to everyone.**

Courtesy of CrossFit Central and Dave Re Photography

## The Flywheel Effect

People always want to know what's the one thing you can do to make your company profitable and successful. The truth is that it's never just one thing. In *Good to Great*, Collins says this is the "flywheel effect," where your business is a giant metal disk that needs to be put in motion.

"Your job is to get that flywheel to move as fast as possible, because momentum—mass times velocity—is what will generate superior economic results over time," Collins writes.

Collins explains that you have to put in titanic amounts of effort to get the flywheel moving, and each degree of movement takes lots of sustained effort. With perseverance and hard work, the wheel starts to move faster.

"You keep pushing steadily," Collins writes. "It makes three turns, four turns, five, six. With each turn, it moves faster, and then—at some point, you can't say exactly when—you break through. The momentum of the heavy wheel kicks in your favor. It spins faster and faster, with its own weight propelling it. You aren't pushing any harder, but the flywheel is accelerating, its momentum building, its speed increasing."

It's a great analogy, and here's what I take from it: show up, work hard—and do it again, and again, and again, and again. When your intentions are true, the cash flow will follow. We intend to build a fit community, not only in Austin but worldwide, and we believe we are on the right track.



## About the Author

*Jeremy Thiel is the owner and co-founder of CrossFit Central in Austin, Texas. He is a Level III CrossFit trainer and a Level I U.S.A. Olympic Weightlifting club coach. Through his youth strength and conditioning company, PowerPlant Athletics, Jeremy has coached hundreds of young athletes. He specializes in group instruction, youth coaching (ages 12-18) and adult training. His expertise includes general sports conditioning, sport-specific skills, and speed/agility training. Jeremy is an avid endurance enthusiast and half-marathon, marathon, and triathlon competitor. Pursuing the sport of fitness is his greatest passion. In 2008 Jeremy placed third at the CrossFit Games held in Aromas, Calif.*



Staff/CrossFit Journal

**Jeremy Thiel finished third at the 2008 CrossFit Games and 16th in 2009. He says CrossFit is his sport.**