

The Box Business Plan

By Chris Cooper, TwoBrainBusiness.com

I started writing about the business of gym ownership in 2008. Back then, I had two gyms: one was a personal training studio, where I made a good income; the other was a CrossFit gym, where I did not. In fact, the second gym almost pulled both gyms into bankruptcy.

When I found a business mentor (cue the “hallelujah choir” now), I started recording his lessons on DontBuyAds.com because I thought—just maybe—another box owner might face these same challenges someday.

Eight years later, I’ve written over a thousand blog posts, published three books, recorded a year’s worth of podcasts, and conducted free phone calls with over a thousand box owners worldwide. TwoBrainBusiness is the largest mentoring system for gym owners in the world. And, there’s a lot MORE to learn.

I wasted hundreds of thousands of dollars trying to “figure it out” myself, and I’ve mentored hundreds of other gyms who once thought the same. Learn from our mistakes: plan the work in advance, track the RIGHT metrics, and earn your “perfect day.”

The following is a step-by-step guide to writing a business plan. I’ll give you the equations you’ll need to be successful. Every gym is different, but the best have things in common.

Your athletes have a fitness coach (that’s you). If you want a business coach, (that’s me) book a free call at www.twobrainbusiness.com.

Step #1: Mission and Vision

This may sound like guruspeak, but please consider: why ARE you doing this? Let’s skip the Anthony Robbins stuff, but you need to form a vision in your head of what your “perfect day” will look like.

In a perfect world, what time would you wake up in the morning? What time will you go to the gym? What will you do there – work out? Coach? Write articles? Give lectures? What time will you go home? What will you do on weekends?

Draw pictures, make notes. Write it down.

You believe in CrossFit, and you want to spread the word. You want to help people. That’s noble. The second your passion becomes your business though, your responsibilities change.

The greatest myth in entrepreneurship is this: “If I work really hard to get good at my job, my business will grow.” It won’t. To grow a business, you need to get

good at business, and that means you'll need to carve out time every day to work ON your business instead of IN your business. Factor that in.

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

Six years ago, I started working in the hospital as a clinical dietitian. I was running around seeing personal training and nutrition clients after I finished work at the hospital. I was working nights and weekends trying to grow my business and putting about 10% of my energy into Healthy Steps Nutrition, while the hospital consumed the other 90%.

Slowly, I started transitioning into a part-time position so that I could “focus” on growing Healthy Steps Nutrition. For most nutrition experts, we go to what's comfortable: benefits and a steady paycheck. We land job in a hospital, skilled nursing, community center, or school. You have to ask yourself this question: “Is that my passion?” Is working in your current setting helping you get one step closer to your perfect day?

I remember sitting in my living room two years ago on my first mentoring call with Chris Copper, and we ran through the perfect day exercise. My perfect day seemed so far away from where I was at the time. Spending 2+ hours in the car driving from client to client before and after a full day at the hospital. I was so busy working IN my business, I had zero time to plan my next step to grow my own business. We planned out step-by-step how I was going to replace the income that was coming from the hospital.

Four months after starting mentoring with Two Brain, I took the plunge to stop working at the hospital and focus on Healthy Steps Nutrition full-time. Revenue is up by over 400% in 13 months since taking that leap of faith.

What does this mean for you? Are you happy where you are? It's your turn! What does your perfect day look like?

Step #2: Consider Your High-Level Goals.

What do you want and need to pay for your perfect day? What must happen to provide a solid place of growth for your clients for the next 10 years, while keeping you out of prison? What will make you happy? What will keep your wife happy? What will your children want and need as they grow older?

This is not a lesson in selfishness. A good coach, like the pilot of an airplane, should be happy, well-rested, and feel thoroughly supported. Building a strong gym family and then going bankrupt helps nobody.

These are your high-level goals. After writing down your perfect day, work backward: how much income will you need to take home? If your business has a

30% profit margin (high for the service industry, but we can get you there), how much will your business need to gross every year?

If you're not sure how much to pay yourself, try this: add up all of your fixed costs (rent, electricity, insurance—everything but payroll) and multiply by 1.5x.

How many members will you need to break even? You'll figure out your rates in Step #4.

Then, how much will your business need to grow every month?

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

Now that you have your perfect day, how much nutrition business do you need to generate to make that happen?

Going to graduate school to become a Registered Dietitian teaches you the science you need to implement nutrition with clients, but there is a lack of structure when creating a nutrition business. It is important to have a system.

Here are some things to consider:

- ✓ How many clients can **YOU** manage at one time effectively?
- ✓ When will your clients come back and check in?
- ✓ What is your pricing structure? Does everyone pay the same price?
- ✓ Are you taking insurance?
- ✓ Where are you going to see your clients?
- ✓ Where are your clients coming from? How will they hear about you?

When I first started Healthy Steps Nutrition, I was seeing clients out of a gym where I coached some classes, but was limited to non-class times because of the lack of privacy. I was also training clients at their houses. My hours were limited because I was seeing clients before or after work and during non-class times at the gym. After building relationships with a few doctors to have a consistent referral base, I began renting a room at a CrossFit. I was able to train my clients there. Finally, I had a home base and privacy to see clients when I wanted to all in one spot!

If you are still at the beginning stages of starting out your own, you must consider your fixed costs. With a bigger space comes higher expenses. If you are starting a nutrition business, consider a shared office space where you have your own room, but are only renting the space when you need it.

Step #3: Find Opportunities

As the grouping of microgyms in your area becomes tighter, prices will drop. That's natural market pressure. And, if you only sell group class memberships, it's unavoidable.

However, if you are a professional fitness coach offering a 1:1 guided fitness experience with group training as one part of your delivery stream, you'll be impervious to commodity pricing battles. Clients will want to do CrossFit with you, because it's part of their plan. They might also want nutrition coaching, 1:1 training, partner training, or specialty programs.

The real opportunity in fitness isn't to cram 20 sardines into one group class. The real opportunity is to create meaningful change in the lives of 150 people in your community.

Your revenue projections should be based on the 150 number (you can read more about the 150-Member Goal on TwoBrainBusiness.com).

If you're building a complete fitness and health coaching business for 150 people, what should those services include?

Let's take it down to one person: your mom. If you wanted to drastically change your mom's lifestyle to save her life, what would you tell her? How much accountability would you provide? How would you motivate her to change?

That's your service. Describe it below. We'll set a price in the next section.

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

Nutrition is the foundation of fitness. There is no getting around the fact that people **need your help to be successful**. The knowledge is not the hard part for 99% of your clients. It's **accountability**. It's knowing that they will have to check in with you and have someone to answer to.

Think about all the nutrition books, podcasts, social media pages and information that is available on the internet. Nutrition knowledge is out there. If someone is motivated to make a change, couldn't they just read about a specific diet and act on it? The answer is no, they don't.

The fact is, there is too much information out there. It's conflicting and confusing. People don't know where to start. They try very restrictive diets for a short amount of time then fall back into their old habits.

This is where **you** come in. Accountability looks different for everyone. I have one client that needs a daily phone call to stay on track. Others need an email once a week. I have some clients that schedule a monthly in-person check-in, and that is just enough to keep them on the right track. You need to find out what **your client wants!** A plan shouldn't be the same for everyone.

Nutrition is a broad field and has endless opportunities to grow.

Here are some of the different opportunities we have had over the past couple years that have all generated income. Hopefully, you will get some ideas for your own business:

- ✓ Nutrition and exercise lessons in each classroom at an elementary school
- ✓ Nutrition presentations at country clubs
- ✓ Sports nutrition seminars at a gymnastics facility
- ✓ Individual nutrition counseling for gymnasts and cheerleaders
- ✓ Nutrition seminar at a cheerleading facility
- ✓ Sports nutrition for travel baseball
- ✓ Online nutrition course for San Francisco Unified School District
- ✓ Nutrition presentations at the country clubs or community facilities
- ✓ Menu review for rehabilitation and day care centers
- ✓ Pediatric nutrition counseling for GI patients
- ✓ Diabetes management
- ✓ Corporate challenge
- ✓ Corporate lunch and learn presentations

The point is, you can't rely on people knocking on your door to grow your nutrition business. You need to be active in the community, network and grow your presence as the nutrition expert through content writing, sharing success stories, and what is happening in your nutrition business.

Step #4: Set Your Rates

What percentage of your gross income will come from group training? What percentage will come from 1:1 training? Nutrition? Specialty groups?

A robust business plan will include projections and targets for each of these. If you're not sure how to do these projections, no problem – it's part of our mentorship program, called the Incubator.

The most basic formula for business success looks like this:

$$\text{Number of Clients (X) Revenue Per Client} = \text{Gross Revenue}$$

The biggest mistake with microgyms today is focusing on the first part of the equation (total number of clients). Gyms discount their rates to optimize headcount. This creates a high turnover rate, desperation marketing, price wars, less coaching per client, and a lower-grade service. In most cases, it eventually leads to bankruptcy.

TwoBrain gyms follow this equation to success:

After calculating the gross revenue you need to pay your bills, your coaches and yourself, segment your clients.

- Ten percent of your clients will want more than the rest. They'll create 20% of your gross.
- Ninety percent of your clients will need to generate 80% of your gross.

Example: Let's say the gross revenue you need is \$400,000 per year.

- Fixed costs (22%) - \$88,000
- Staff costs (44%) - \$176,000
- Profit (33%) - \$136,000

10% of your clients will generate 20% of your gross: \$80,000

90% of your clients will generate the other 80%: \$320,000

Set your rates by using the 150-member goal and plugging it in here.

NOTE: Most gyms aren't in line with these ratios. In general, their fixed costs are too high (they have too much space), or their staff pay ratios are off (they pay more than 44% of their gross to staff), leaving too little to pay themselves.

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

Pricing was something I really struggled with when opening Healthy Steps Nutrition. I worked for another private nutrition practice before who gave discounts and did not have consistency. I projected what I would be willing to pay onto the clients and not really listening to what they were looking for.

When setting up your pricing structure, your goal should be to have clients on a nutrition membership. This way, you aren't starting at zero with sales every month. In reality, this means having nutrition follow-up visits. We know accountability is key to success. Don't wait for your clients to ask for their next follow-up visit, you should be recommending and scheduling their next visit when they are in your office.

If you are starting over every month, it is going to be very hard to keep a sustainable business.

At Healthy Steps Nutrition, our pricing structure is set up as a higher initial investment for an initial consultation and customized plan design, then lower monthly subscriptions. Clients schedule their next follow-up visit when they are in my office. It took me over a year to figure this out, don't make the same mistake I did!

The other HUGE mistake I made at the beginning was offering discounts. If you are discounting your rates, friends of your discounted clients will expect the same rate. Your clients are your best referral sources. If one person gets a discount and their friend doesn't, you are creating a separation. Your new potential client may go somewhere else because they aren't getting the same rate. Essentially, your discounted rate is your standard rate. **Be confident in what you are offering and keep it consistent!** If you can show a clear path for how you can help someone achieve what they want now, they will be willing to pay for it.

Step #5: Find Bright Spots

Success isn't a product of motivation. Motivation is a product of success. Identify what makes you happy first, then set specific targets.

For example, when a gym owner is launching a personal training program for the first time, I typically assign them a goal: Conduct three sessions over the next month. Three sessions is not a lot, but it proves the owner can do it; the clients want it; and money isn't the barrier the owner might think.

It also gives the owner a chance to see if he likes doing 1:1 training, or if he'd prefer to train another coach to take that responsibility.

Below, record your favorite things about coaching: What do you like? Who is your ideal client? Would you prefer to train them 1:1 or in a group? What would they prefer?

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

When running a nutrition program, your job is to be a cheerleader. Your clients need positive reinforcement for all their hard work. Your clients need to **know** they will be successful. The first step of that is finding something they are doing right.

This is one of the reasons why we go through a series of questions at the beginning of every initial consult. As a nutrition coach or dietitian, your job is to give them some praise about one thing they are doing right before you start talking about all the things they are going to change.

Your job is to be a bright spot engineer. You want your clients to be motivated to make change and finding one thing they are doing right currently is one way to do it.

Put your thinking cap on and be creative.

Examples:

- ✓ Your client is consistently eating the unhealthy choices every few hours.
“Awesome, you are already in the routine of eating! We just need to start

- swapping some foods that you are eating out for better choices, and you will be one step closer to achieving X goal!”
- ✓ You client drinks 80 ounces of fluid during the day but mostly from juice. “Great, you are already drinking lots of fluid. Our goal is to drink 80 ounces of water per day. All we need to do is start switching the juice to water, and you will be right on target to reach the goal of 80 ounces of water per day!”

Step #6: Write Your Policies and Procedures Manual

What would it take to replace you today? For example, if you were paralyzed tonight, and your family relied on your box to pay for groceries, could someone step in tomorrow and take over?

This section will take a while, but you only have to do it once.

Failure to write your policies and procedures in advance means you’ll fail to scale.

Your manual will be specific to you. You’ll need a checklist for everything, from running a group to sweeping the floor. You’ll want a job description for all possible staff. Leave no doubt or question about the way you want your business run.

Start with this exercise: pretend you’re going to Disneyland for a week, and I’m coming to run your box for you. You have time to write me one email that will tell me everything I need to know about your particular preferences, and how to run your gym for seven days.

Where do I park? Where do you hide the key? Do you start class precisely on time, or 5 minutes past the hour? Write it all down.

That email is the skeleton of your Policies and Procedures Manual. You’ll write in it every month going forward. Clients in the Two-Brain Business Incubator get to copy mine.

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

With the goal of moving to higher task roles, you will eventually need to find a replacement for the lower task roles. *This means you need a nutrition system!* You will need your replacement to do what you are doing, maybe even better.

There are only so many nutrition clients you can handle in a day, week, month. If you got sick or had to leave for an extended period of time, would you be able to

have someone fill in for you effectively? Do you have resources already made for your current and future nutrition clients to make it easy for your replacement? If you are sharing nutrition clients with someone, will your nutrition client have the same experience with you and your partner?

At Healthy Steps Nutrition, I have user guides to walk any new nutrition coach through the “How-To” for every type of consult. We have different handbooks for counseling sessions, pediatrics, teen athletes, challenges, customized plans and intro to nutrition for our gym members. The same resources are provided and the same questions are asked during initial consults. The plans, however, aren’t the same because they are on the answers to specific questions. Using the answers, we formulate action steps to help clients see results. Even our coaches need to be on board with our basic nutrition philosophies. Our members need to hear the same recommendations from **all** of our staff. They need one clear path of action, not 20 different options that will leave them paralyzed.

Your nutrition clients need the same thing. You are the expert, so give them the tools they need to be successful. *Formatting nutrition knowledge into a usable and simple format is one of the most important things you can do to ensure success of a nutrition business.*

Here are some things to consider:

- ✓ You need resources so that the client experience is consistent every time someone walks in your door.
- ✓ What questions do you ask when a new client comes in your door the first time?
- ✓ What resources will they walk away with?
- ✓ How many clients can **YOU** manage at one time effectively?
- ✓ What are you testing to track their progress?
- ✓ What are the follow-up procedures?
- ✓ When will your client come back and check in?

Step #7: Start Watching Your Cash Flow

Cash flow is the lifeblood of your business. Surprisingly, it was never discussed in my rudimentary business classes in University. Back then, it was all revenue and expenses. I’m not sure why, but I suppose I expected everyone to pay and get paid on the same day, every month. This is, of course, not the way things work.

Here’s a simple story to underscore what it took to help ME understand cash flow: [Cash Flow Trumps Revenue](#)

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

Luckily, when starting a nutrition business, you don't need a lot of equipment. You need a desk, computer, printer, scale, tape measure and a way to measure body fat. The first big investment we made for Healthy Steps Nutrition was an InBody machine, which was probably one of the best investments we made. We were open 5 years before purchasing this piece of equipment.

Don't get distracted by the shiny bright objects and side hustles in front of you. Keep your eye on the path and keep your expenses down. I started working with Profit First Accountants this year and it is eye opening how easy cash can flow out of a business as you make more. Cut expenses and save more. If you haven't read *Profit First*, I would highly recommend it.

Step #8: Read. Read. Read. Learn.

Practice your business the way you practice your snatch. Revisit all of the above in descending order of frequency (cash flow-daily, procedures-weekly, high-level goals-every year or so). As soon as you think you're 'good enough,' go run ten miles. You're never good enough to stop learning.

Step #9: Take ACTION

This is the most important part of this e-book.

Over several years as a business coach for gyms, I've heard 2,000 great ideas from gym owners. Seriously, entrepreneurs don't struggle for a lack of ideas. They struggle on action.

They become paralyzed by too much choice. Or, they aren't sure how best to use their finite amount of free time. Or, maybe they're not sure which big idea to pursue first, so they try to do them all and wind up finishing none. Or, maybe they're waiting for more clients, more staff, more money...

Whatever the reason, an idea without action is just a wish. We built our Incubator with clear steps and accountability to make sure you take the steps necessary to succeed. We even guarantee it.

As always, this post is meant to be discussed as our own experience. There are a thousand ways to be successful in business. If your goal is to open a CrossFit Box, make sure you're running a business and not indulging a hobby. Your members are best served by consistency and professionalism. Do the work.

(Want help? We help Affiliates - new and old - set up their businesses as a Business Mentor. I work one-on-one with you to create systems that match what YOU want from your business...and from your life. That's our Incubator Program – [READ MORE HERE.](#))

How this applies to your NUTRITION business? (By: Nicole Aucoin, MS, RD, Healthy Steps Nutrition)

Over the past two years, we have helped over 100 affiliates implement nutrition programs at their affiliates. It is no surprise that many of these people have some sort of nutrition knowledge. They just don't know what to do with it.

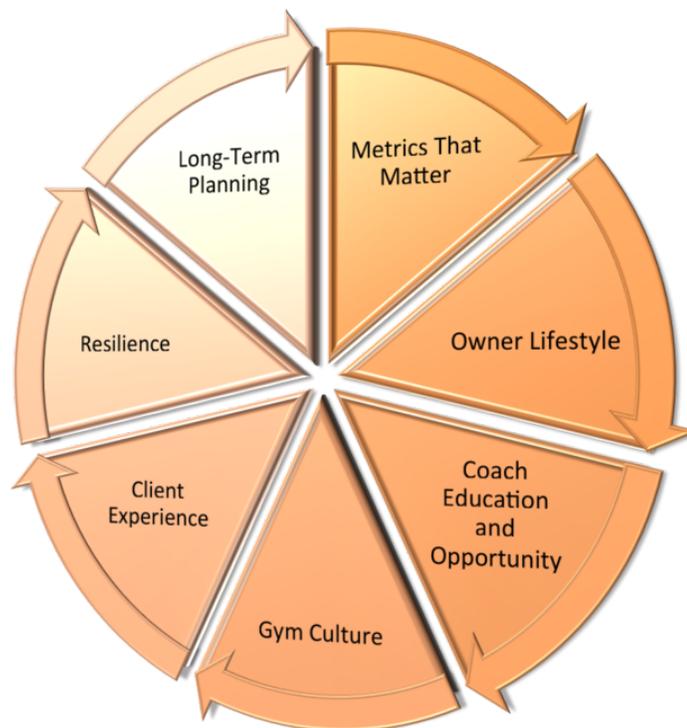
The time consuming part of starting a nutrition program is creating the system and resources for clients so that the experience is the same. This is where we come in. Many affiliates use our nutrition system to save them time by not having to create their own. Many states have laws about who can write meal plans and give out nutrition advice. Everything that is given to clients by our affiliates was written by myself, a registered dietitian. This has created a turn-key model for affiliates and aspiring private practice dietitians to have the support and guidance from someone who has the knowledge and years of experience running a successful nutrition program. Don't get me wrong, I have made lots of mistakes along the way, but I acted upon them to make sure it doesn't happen again.

Action steps you can take to grow your business:

- ✓ Start talking about nutrition
- ✓ Post nutrition content: recipes, nutrition tips, fun food facts, success stories
- ✓ Share video content
- ✓ Share your story and why you are interested in nutrition
- ✓ Create a clear path of action for potential clients. Show them how you can help them now to achieve their goals!

You're Up and Running – Now What?

The 7 Areas of Excellence



So, how's business?

Unless you answered "perfect," this is for you. If you DID answer "perfect," pop over and try our [Gym Checkup](#) just to make sure.

Just as CrossFit coaches measure 10 elements of fitness, gym owners should track Seven Areas of Excellence. They are:

Metrics That Matter

ARM (Average Revenue per Member), LEG (Length of Engagement), Profit Ratio, Fixed Costs and Net Income. These are the important metrics. Stop working for free, and stop trading coaches for memberships. You can keep clients for over 10 years, but you have to track.

Owner Lifestyle

How close are you to your "perfect day"? How much time are you working? What's the value of your time? Are you building assets or have you bought yourself a job?

Coach Education and Opportunity

Research shows the best way to keep staff is to provide them with ongoing education and the ability to feel entrepreneurial (without the risk). A salary is the best option for some staff and worst for others. Are you putting people in their [best positions?](#) We built [UpCoach](#) to train staff and teach Intrapreneurialism to keep staff long-term.

Culture

Measuring culture is subjective (we know it when we see it). Is it *really* the best hour of the client's day? Is your community *really* as strong as you think? When all else fails, we can send a mentor to your gym as a "secret shopper."

Client Experience

Net Promoter Score, client surveys and coaching feedback forms are good tools. Knowing how to use that data to improve the experience requires a high level of emotional intelligence (EQ). One example is our super-popular [Intramural Open](#).

Resilience

How robust is your business? What percentage of your gross revenue comes from group training? What would happen if your coaches quit today? What if 30 new people joined this week--could it break you? Resilience scores tell you how likely you are to survive disaster.

Long-Term Planning

How will you retire? How will you stop working 60 hours every week? How will your kids go to college? For me, these were the biggest questions of all. We aim to build cash-flow assets for the long term. If you can set these in place today, you can retire tomorrow (literally).

Identifying your strengths is important. Identifying your weakest links is even more important. I wrote about this in [Two-Brain Business 2.0](#), but here's a tool that can help right away:

How do you stack up? Take our FREE Gym Checkup [HERE](#).

This business plan is a start.

It's a start to a robust forecasting tool; the start to a staff handbook; and the start to tracking habits that will help you focus on what's really important in business.

But, it's also the start to a life of entrepreneurship. It's the start of taking control over your life, if you take control of your business, instead of letting the business control you.

A microgym is built to serve: your clients, your staff, and its owner. A business can be a wonderful servant, but it can be a horrible master. Start with a plan and lead.

The Box & Nutrition Business Plan has been provided by Healthy Steps Nutrition.



If you are looking for more free help, check out our “Get FREE Help” page on your website [here](#) to find the answers to the top 5 questions we get asked by affiliates.

Looking for more information about our consulting program and creating a nutrition program that's a system? Book a free call at the bottom of our consulting page [here](#)!

About Chris Cooper:

Chris Cooper is the world's foremost authority on building profitable gym businesses. He is the author of three books: *Two-Brain Business*, *Help First*, and *Two-Brain Business 2.0*. He is the Founder of Catalyst Fitness, IgniteGym, Spark Rehab, *Two-Brain Business* and the new *Two-Brain Workshop*.

In over five years as a mentor to entrepreneurs, Cooper has done over 1,100 free phone calls, worked directly with over 500 owners and built the *Two-Brain* mentorship practice. His passion is coaching: for 20 years as a fitness coach, and now coaching other fitness professionals.

He's living his Perfect Day.