

Marketing

Re-building the BRAND

at *The Fitness Institute*



Steve Roest and Clive Caldwell of the Cambridge Group of Clubs

The Fitness Institute in Toronto has built its reputation over the years as one of the finest fitness organizations in the country, built on its scientific, medical approach to fitness and lifestyle enhancement delivered by professionally trained and accredited staff. The Fitness Institute was one of the first organizations to have full-time degreed staff assisting members on the gym floor. *by George Dickson Photos by Julian Kanarek*



In the late nineties Steve Roest built a very profitable personal training business and became one of the most sought after trainers in the city at the downtown Fitness Institute, with personal clients among Toronto's most powerful business, entertainment and sports elite. Building on this success, Roest seized an opportunity to become an equity partner in The Fitness Institute when the club was put on the trading block by owner Weight Watchers, a subsidiary of food giant HJ Heinz.

Several big U.S. club organizations lined up to bid on these upscale properties and The Fitness Institute brand, seeing them as an entree into the lucrative downtown club market located in Canada's largest financial district. Clive Caldwell, owner of The Adelaide Club and the Cambridge Club, two very successful downtown clubs, also notified Heinz of his interest. Caldwell and partners had just completed the acquisition and remodeling of the MAA Club in downtown Montreal and were looking to expand their portfolio.

The upscale Fitness Institute facilities and members were a natural fit for Caldwell and his group. Roest meanwhile, had a competitive bid in play for the Fitness Institute with his own investors. After the Cambridge Group of Clubs was selected by Heinz, Caldwell was encouraged to meet with Steve Roest through some mutual friends as well as the Heinz business consultant. In discussing a future role with The Fitness Institute, Caldwell and Roest saw some synergies in working together. An agreement was made involving the three Fitness Institute clubs, making Roest a partner in the company.

Caldwell says that Roest brings a huge amount of drive and fitness expertise to the management group. "Bringing in Steve at that point made a lot of sense if part of our approach was to grow The Fitness Institute brand," said Caldwell. When it comes to

branding, Caldwell feels the Cambridge Group of Clubs is quite unique. We have a collection of clubs rather than a specific brand. They are all high-end commercial club environments in which a big part of each is the sense of belonging to the Club for its unique cachet. More like a private members club.

Growing up playing professional squash on the international scene, Caldwell got to know some of the best private fitness and racquet clubs in Canada, the U.S. and Great Britain. His roots with the downtown squash scene led to club management and, with partners, he secured the ownership of the Adelaide Club in First Canadian Place and The Cambridge Club a few years later. Early attempts to capitalize on the synergies of having two clubs located close to each other led to some sharing of staff and resources, however, the same level of service became limited with that approach so both are now treated as separate clubs with their own

unique brand.

Roest and Caldwell have made a formidable team in re-building the brand, facilities and philosophy of The Fitness Institute. Caldwell feels that the key to their success has been recognizing that each of the clubs have some unique opportunities that are different, so you cannot take a cookie cutter approach. Each of the suburban clubs with pools and tennis facilities make them ideal for offering junior programs. The challenge has been to re-vamp the membership offering without losing the more mature members.

Being an expensive high-end club, it was also difficult for the suburban clubs to compete with the same price structure as the flagship downtown club. One of the unique pricing strategies adopted by the Fitness Institute was stolen in part from the private club industry where club membership categories are often defined by age. The membership rates increase with age. This allows younger members to afford memberships while they are starting out in their career. The Fitness Institute has a Young Executive membership for those under 30 years old. This has been one of the keys to turning around the suburban clubs says Caldwell. In addition, "we fixed them up so that they feel good when you walk-in, and meet the expectations of an upscale club environment."

Since taking on the General Manager role at the downtown Fitness Institute location, the numbers have never been better,

The Fitness Institute has a history of excellence in service that was instilled by its founder Lloyd Percival, an accomplished coach and trainer who was seen as a mentor to both staff and members.





of the club's Executive Chef.

Roest is also trying to make sure that the club gets involved in giving back to the community and sponsoring community events that support local causes and charities. The Fitness Institute JYD Golf Tournament last year supported the development of Toronto youth through the JYD Project, a charitable foundation started by Jerome Williams.

Roest has been primarily involved in re-vitalizing the downtown location but his role is evolving. Roest is now COO of the Fitness Institute, responsible for all three Fitness Institute locations. He wants to bring some new energy and excitement to the two suburban locations.

The success he has had in re-building the brand, and recapturing some growth has resulted in part from bringing a number of areas back in-house after being run by third party operators. Specifically: the restaurant, health centre and personal training departments at the clubs are now operated directly

by The Fitness Institute.

Recently the Health Centre in the downtown club underwent extensive renovations to make it more visible and accessible to members. Having taken over the operation of these services, Roest has recruited some of the best practitioners available who are working closer together to give the member a seamless multi-disciplinary approach and a one-stop shop for all of their health and lifestyle needs.

Service on the gym floor from qualified staff has always been one of the identifying trademarks of The Fitness Institute over the years. With the growth of personal training, members at many commercial clubs have been left to fend for themselves unless they are willing to dip into their pocket for a personal trainer. The growth of personal training has no doubt changed the industry and how we service our members says Roest who has a simple analogy to describe his philosophy and how the Fitness Institute views



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Marketing

Founding The Fitness Institute

“Changing members lives for the better is our mission. To do this you are to consider yourself as a coach, deeply and personally concerned with the improvement, (physically and psychologically), of those in your charge... You are concerned with making the member feel you are interested in his/her welfare, progress, and continual motivation...Each member will be a challenge to you and you will be interested in meeting that challenge. Take deep and personal pride in your success.”

Lloyd Percival, A message to the staff from Fitness Institute founder in 1963

In 1963 Lloyd Percival, with the backing of some Bay street investors founded what was to become the precursor of the modern day Health Club. Percival was an accomplished athletic coach who convinced the business and medical community that a professional response to the dangers of sedentary lifestyle was needed for the average person. Since then The Fitness Institute has been involved in the improvement of the lives of many thousands of Canadians since the club opened its doors at its original Willowdale Club location.

This improvement was made possible because of the Institute's reliance upon proven scientific methods and support from medical staff when necessary to help each member achieve his or her objectives. Building on the medical-fitness connection The Fitness Institute used its professional approach to attract business leaders and support some of Canada's best developing athletes who came to workout at their extensive facilities.

By the late seventies the organization had expanded with two other locations and opened what became its flagship club, on the 36th floor of the Toronto Dominion Centre. In 1988 the Gardiner family and owner Bill Gardiner, sold the business to Weight Watchers owned by HJ Heinz the food giant. Weight Watchers had just acquired Cardio Fitness, an upscale chain of medically supervised fitness centres in New York City and were contemplating the branding of their weight-loss business with fitness.

For whatever reason Heinz never really got involved in growing the fitness club business or trying to build on the success of The Fitness Institute which had become one of the most recognizable brands in the Canadian fitness industry. After the recession of the early nineties Heinz was focused on running its core “food” businesses and by 2000 was putting the fitness chain up for sale.

the differences between gym supervision and personal training: “We continue to provide great staff on the gym floor to assist members every time they visit the club.” He sees these full-time Fitness Institute gym floor staff as *teachers*; they spend time with the whole group of members that come to the club everyday as a teacher would with a whole class of students. Some members however need one-on-one individual attention and this is where the personal trainers or *tutors* come in.

All staff at The Fitness Institute are employees of the club. There is a natural progression and career path for those motivated to become personal trainers or *tutors*.

Based on his success as a trainer, Roest has also been developing his own fitness and

lifestyle TV show entitled “SWEAT With Steve Roest” which is being looked at by the Discovery Health Channel and Life Network. The show will profile six individuals paired up to get the fitness results they have not been able to achieve in the past. Under the watchful eye of Steve, over a 13 week period, they will be introduced to a number of educational components to get in shape and stay in shape.

Part of his plan in re-building the Fitness Institute brand is incorporating his own unique personality and style into the business. “I don't want there to be any question about which is the best facility in the city. The Fitness Institute will be regarded as the “Ritz” of the fitness industry with the best facilities, best staff and most comprehensive services and programs under one roof.”FBC