

# Fitness and Health Industry in times of Coronavirus





"When written in Chinese, the word 'crisis' is composed of two characters -- one represents danger, and the other represents opportunity."

-- John F. Kennedy





- Sports Performance Training Franchise
- Trainer-led training sessions for Youth, Teen,
  College and Adult Athletes
- 90 Locations Worldwide a few remain open despite the crisis



#### Communication Cadence

- Frequent Playbooks (Network Newsletters)
- Webinars on Tuesday / Thursday
- Franchisee Phone Calls
- Materials posted to LockerRoom (AR Intranet)
- Draw on Core Values
- "Enable The Republic"



#### Open Centers

- Enforce strict athlete hygiene before/during/after sessions
- Training 5:1 (athlete:trainer) with increased athlete spacing
- Add 30 minutes between classes for extra cleaning
- Deep/Steam clean each evening
- Remove hard-to-clean items (bands) from use



#### Closed Centers

- AR Outside Ground-based & Stability Training
- AR Live AR-HIIT streaming Adult Classes
- AR @ Home Acceleration Training (subscription) for youth, teen and college athletes working on strength, stability, foot speed, and agility
- Gift Card Sales & Retail Curb-side Pick-up



### Cost Control Strategies

- Rent Deferment
- Loan Deferment
- Staff Retention
- Vendors Services Subscription Suspension (AR-HQ)
- Temporarily waived Marketing Fund contributions
- Membership credits vs. refunds … extensions vs. cancelations



### Franchisee Resources (AR LockerRoom)

- COVID-19 cleaning guidelines for facilities, equipment and employees
- Lease Amendment templates
- Loan Insights SBA & CARES ACT
- Customer Communication templates
- Media tips and client communication templates
- Payroll & HR Support



#### Customer Contact

- Offer Daily Exercises ... promote AR outside, AR Live & AR @Home
- Share Blog Content
- Social Media Activation & Engagement
- Follow other members of The Republic



### Plan for Re-Opening

- Marketing engagement
- Introduce new programs and products
- Training Center maintenance and cleaning
- Trainer education and development





- One of the largest and fastest-growing global franchisors and operators of fitness centers with more members than any other fitness brand
- The Company's mission is to enhance people's lives by providing a high-quality fitness experience in a welcoming, non-intimidating environment, which we call the Judgement Free Zone®
- Over 2000 Locations Worldwide Effective 3/20/2020, all locations were closed

#### Emergency Response Team

- Daily scheduled calls
- Dedicated email for franchisees and team members
- Significantly increased Member Services team
- Templated Member/Team member communications

#### Franchisee Connects

- Bi-weekly Franchisee Leadership zoom calls
- Weekly All Franchisee calls with open Q&A



### Closed Activities – Member Engagement

- United We Move campaign
- Facebook Live daily workouts
- PF Mobile App workouts



### Cost Control Strategies

- Rent Abatement/Deferral
- Working Lender Relationships
- Team Member Considerations
- Internal Vendor Team froze all monthly recurring services and costs
- Membership Froze all member fees, extending all contracts





#### Franchisee Resources PFU

- Organized a COVID-19 materials section
- Provided templated member/team member communications
- Templated landlord communications
- Holding weekly leadership development sessions for franchisee team members
- Revised/Enhanced Cleanliness and Sanitation courses
- Accelerated required training courses



### Plan for Re-Opening

- Club readiness planning
- Enhanced Cleanliness and Sanitation protocols
- Revised Marketing approach
- Prepare for government mandates
- Revisit all potential social distancing impacts

