



WANT YOUR HEALTH
CLUB TO BE MORE
PROFITABLE IN 2020?
**A PROVEN STRATEGY TO
HIT KEY FINANCIAL GOALS**



"TODAY'S KPIs CAN BE TOMORROW'S OBSOLETE OBJECTIVES."

Crafting a financial strategy based only on key performance indicators (KPIs) is a common practice for health clubs. When you know what areas are performing well, or underperforming, it provides clarity around how to set financial goals, measure performance factors, then leverage data to make educated changes.

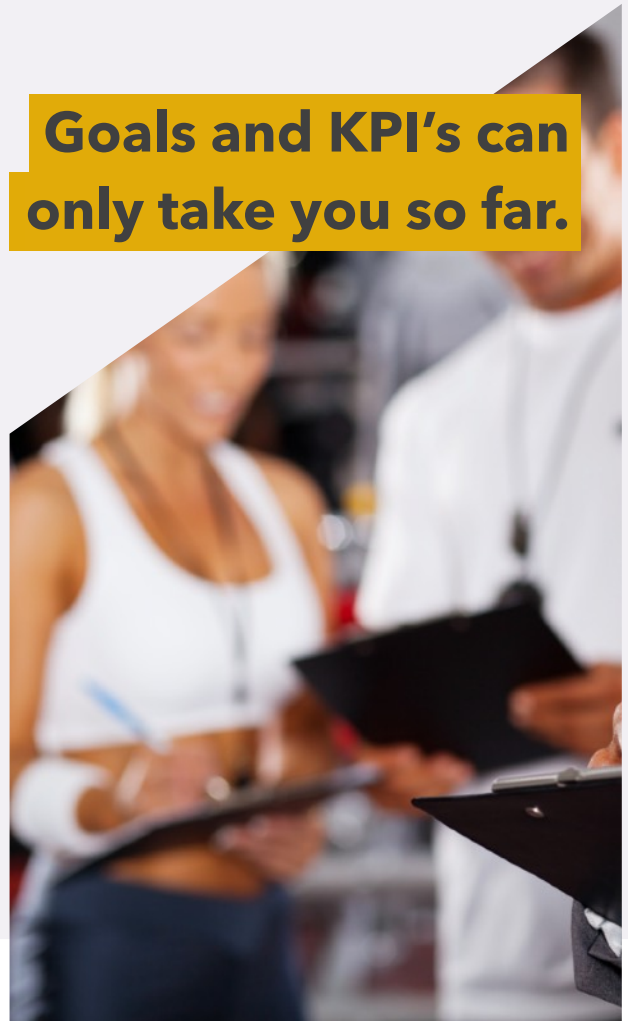
Yet, goals, and KPI's can only take you so far.

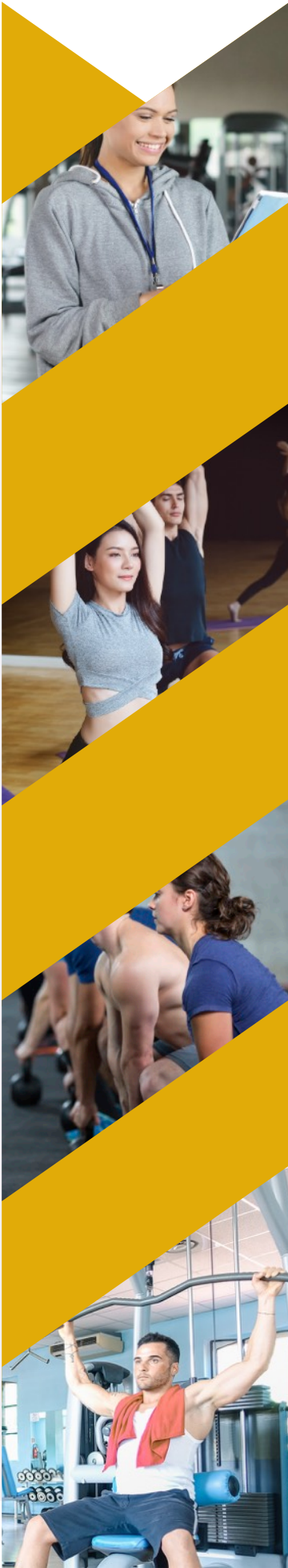
Standard business models for clubs are changing to stay in step with client desires and industry trends in health and wellness. This means KPI's can serve as a baseline, but not the only foundation for financial goal planning. In addition, advanced point of sale systems can now provide more in-depth data than ever before, but there's not necessarily a clear path to what the data means and its impact.

Another challenge for health club operators is with communicating KPIs and financial goals to staff. Giving your team tools and direction isn't as clear-cut as it used to be. Keeping staff engaged and focused is more complex, and an increase in turnover industry wide continues to grow.

Whatever your sales goals - more personal or group training sessions, to increase membership, improve retention - there's a way to measure what really matters. With clarity on your side, you can feel confident and empowered to create a fail-safe roadmap to success. A great guide to help you get started on this path with your health club is included in the book [Measure What Matters](#), by John Doerr.

Goals and KPI's can only take you so far.





Measure What Matters lays out a strategy that Doerr brought to Google in 1999. In the late '90s Google had yet to become the dominant force in search engines, and continues to be so today. Doerr has a masters degree in electrical engineering and graduated from Harvard Business School, and ended up in Silicon Valley in the 1980s where he became a principal player at Intel. While there, he developed his system, which synthesizes some of the key guiding theories from business legends Peter Drucker and Andy Grove.

It was Grove who first devised OKRs (Objectives and Key Results), but Doerr developed them into a system that helped supercharge Google's growth and produced successful outcomes for other organizations. And Doerr didn't just help Google, he also did pretty for himself. His net worth is estimated to be \$7.7 billion, making him No. 215 on Forbes' list of billionaires.



UNDERSTAND THE DIFFERENCE BETWEEN ASPIRATIONAL & MEASURABLE GOALS.

While Doerr's book remains a guide to his unique take on OKR's, a cottage industry has grown out of the detailed core principles shared in the text. A number of templates and examples of how OKRs work in organizations are also available from a number of sources online.

At its core, Doerr's formula comes down to this simple phrase: "I will (the objectives/s) measured by (set of key results)."

OKRs are your top strategic priorities. They can be ambitious but measurable, as well as committed or aspirational. The key results and their "value" can change as you progress towards a key objective. As Doerr says: "Where an objective can be long-lived, rolled over for a year or longer, key results evolve as the work progresses." In other words, the results may be very different than expected once your health club dives into a process, then when it was initially created.

HEALTH CLUB MANAGERS SHOULD CREATE NO MORE THAN THREE OR FOUR KEY RESULTS PER OBJECTIVE TO ENSURE DATA GATHERED IS CLEAR AND EASY TO MANAGE AND INTERPRET.

Doerr provides an example for creating OKRs focused on customer service and adopted by a pizza company called Zume.

Objective: Delight customers. Ensure customers are so happy with our service and product they have no choice but to order more pizza and rave about the experience with friends.

KR1: Net promoter score (NPS) of 42 or better.

KR2: Order rating of 4.6/5.0 or better.

KR3: 75% of customers prefer Zume to the competitor in a blind taste test.

OKRs are “transparent throughout an organization,” according to Doerr’s website, and are shared with all employees. This increases staff engagement and limits isolation among departments. OKR’s can also expose where focus on key company goals is lacking among individuals or teams.

CREATING CLEAR OKRs AND PUTTING THEM INTO PRACTICE

Key performance indicators (KPIs) are different than OKRs, but not separate. Think of a KPI as measuring performance on projects that already exist, or have ongoing concerns. They are not aspirational or broadly defined. According to consultant and futurist Bernard Marr: “OKRs help you define your top strategic goals and identify how you will achieve them, while KPIs help you measure performance against your goals.”

The OKR strategy is a better fit for today’s health clubs to match the fast pace of changing customer preferences and health and wellness trends, rather than simply relying on KPIs. OKRs allow gym and martial arts school owners to be more nimble and expansive with goal setting think more strategically. As Marr notes: “Better to aim high than play it safe.”

IN OTHER WORDS, 70% OF INCREDIBLE IS BETTER THAN REACHING 100% OF ORDINARY.

To achieve and measure your OKRs, you need a reliable set of data points that collect data from throughout your organization, and a reporting system that’s dynamic enough to measure each key result without noise or clutter. The data definitely needs to be accessible and organized in a way that clarifies your progress, and provide clarity on next action steps.



HOW **ASF** SUPPORTS HEALTH CLUBS TO GROW AND MANAGE PROFIT

ASF Payment Solutions is a health club management software perfectly designed for organizations that operate with OKRs and other cutting-edge strategic initiatives.

ASF digital reporting system gives you a clear picture of organizational performance, providing specific details for the most critical data points. ASF's My Club Business Software Suite allows you to produce reports that are scalable to showcase data for any situation, while providing an intuitive dashboard interface to keep staff working as a team towards organization wide objectives.

Beginning in 1973, ASF has provided financial management support to health clubs and knows how to adapt quickly to market changes and client needs. They understand the key metrics driving the health club industry, and the real-time precision reporting included in the software suite offers all the tools you need to confidently set your OKRs.

In addition, the Reports app tracks all active contracts, attrition trends, payment status, and documents other service notes to accurately reflect member trends and behavior. ASF's Point of Sale and Inventory Management apps are another rich feature that looks at ways to help you control costs and see the real impact it's having on revenue. Overall, the ASF software suite helps organize complex data in easy-to-understand formats that save time and clarify your entire operation, top-to-bottom, and are accessible on any device.

Today's health clubs need digital tools to apply management and performance techniques that have been proven to work for today's forward-thinking companies. Success in 2020 starts with taking control of your data and using it to power your business more effectively. **Are you ready to turn strategies into financial success?**



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