



How to Operate an OnSite Hospital Fitness Center

THIS NEW
AND EMERGING
MARKET WILL
POSITIVELY IMPACT
THE DELIVERY OF
HEALTHCARE IN
THE FUTURE.

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Hospitals are experiencing a decline in net revenue due to changes in state and federal regulations and reimbursement strategies. In response, they have looked outside

their traditional model at a relatively new paradigm: the hospital-allied, medically integrated fitness industry. They are attempting to capitalize on what more than 15,000 health and fitness facilities across the U.S. already know: Fitness/wellness is a prosperous industry. According to the annual report published by the Medical Fitness Association (MFA), there are an estimated 550 hospital-associated fitness centers in the United States and Canada, and MFA predictions estimate there will be more than 800 centers by 2004.

The integrated medicine model hospitals embrace for their fitness facilities combines traditional fitness and medicine with a psychological approach, like counseling, pastoral care and stress reduction; a therapeutic approach, such as massage and acupuncture; and an integrated approach, including fitness and
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mind/body activities. It recognizes that a client's health and well-being go far beyond medical procedures and medications.

The operation of a hospital-allied, medically integrated facility requires a plethora of knowledge, principles, skills and techniques. It is beyond the scope of one article to explore all that is required to effectively and efficiently operate a facility. Thus, the focus of this article will be on those areas that are urgent in the prioritization of operational responsibilities. It is up to you to interpret, digest and incorporate the concepts presented, and use creative license in the further development of medically integrated fitness.

When in doubt, outsource

Typically, when CEOs of large companies, hospitals included, need assistance in venturing into a new realm, they will hire a consultant or outsource rather than risk failure. However, prior to outsourcing or hiring a consultant, it is incumbent upon the CEO or administration to become an educated consumer, and learn as much about the industry and its leaders as possible. Just because potential consultants or agencies have proven track records in the commercial fitness industry does not make them experts in the operation of a hospital-related center. If someone is selling you a simple solution, reject it. Operating a hospital fitness facility is often more difficult than operating a commercial fitness club.

Companies outsource for a variety of reasons, and hospitals are no different. Over the last decade, those reasons have shifted as strategic needs have evolved. Consider these six motivations when debating whether to outsource:

1. Cost advantage
2. Competence
3. Asset transfer
4. Usage improvement
5. Economy of scale
6. Business risk mitigation

Outsourcing may initially be attractive, but there is no substitute for a loyal employee who is schooled in the science of operations and public health, and who has a keen eye on the hospital's mission and fiscal solvency. The industry is too young for any entity to stand out as the leader in evidence-based, clinically tried, peer-reviewed methodology of hospital-allied, medically integrated operations. There are, however, many qualified, degreed, experienced individuals available for hire for commensurate wage and loyalty.

Know your clientele and cater to their needs

As Hippocrates said, "Listen to your patients; they are telling you the cure." For you, listen to your members, and they will tell you what they want. Then, just deliver.

Education. When working with adults, engage them in the learning process. If you really want to convey knowledge so they can walk away with skills they can use, be aware of some adult learning basics. Adults are different, and saying the most information in as short a time as possible is ineffective. Unfortunately, the small percentage of information they do remember is likely to evaporate quickly. When designing a training class, explaining how to use equipment or conducting a class, start at the end and work backward. What specific action do you want the learners to be able to do when the training is finished? Try not to overwhelm them; but, rather, identify some core tasks or behaviors that are most important. If the participants master these

tasks, they will learn enough of the basics, and be confident about experimenting on their own.

Facility design. Consider the following recommendations for facility design: Consult a professional to decorate the facility to stimulate the age groups and gender appropriateness; provide greater space between equipment, and strategically place rest stations throughout the facility; provide adequate signage with large letters for directions, instructions and way-finding; provide extra space, seating and privacy coverings in locker rooms and wet areas; and consult a Feng Shui professional to optimize the prosperity and comfort of the facility.

Staffing

When hiring staff, take into account the age of your membership, and reflect it accordingly. Having staff members of various ages will allow your members to feel comfortable in the facility. Staff training and certification should reflect the overall philosophy and clientele of the facility, also. Professionals need continual stimulation, plus continuing education credits toward the maintenance of their certifications. So, invest in staff continuing education. In many cases, the "clinical" setting in hospital fitness centers needs to be perpetuated, but understated. Therefore, the level of expertise of the staff needs to reflect the expectations of the membership and the medical community. Also, the dress code should reflect the facility's

image and mission without offending anyone.

Also remember that clinical staff is expensive. Staffing budgets should reflect the level of education, experience and expertise necessary to work in a hospital-allied, medically integrated facility. Look to the organizations grounded in clinical, evidence-based scientific research to meet your staffing requirements. Maintaining high standards will lend you credibility within the medical community, and provide extraordinary service to your membership.

Quality leads to growth and profitability. The essence of quality can be distilled into four cornerstone principles for your staff: continuous improvement, customer focus, employee involvement, and commitment to measurement and evaluation.

Marketing

Hospitals tend to use outside agencies to market their product. However, no one knows your product better than you do, so you should market it internally. Even if you don't have much to spend, take heart. There is no proven rule about how much capital should be spent on marketing and public relations. Large mailings usually end up in the circular file, and, if done by an outside agency, may deliver the wrong message and end up offending your target market. Newspaper ads appropriately placed can be effective, but don't overdo it. Obtain the editorial calendar from local publications, and strategically place ads that will highlight your services and complement the main feature of the publication.

Following are some guidelines that should help determine where to spend marketing dollars. Conserve energy and be creative. After all, who knows your market better than you do?

Marketing material basics. Buy good-quality letterhead and business cards. All employees should have business cards and should feel free to dispense them liberally. Facility staff are marketing extenders, and their enthusiasm and expertise will pay dividends. Incentivize the staff with commissions on membership, but do not pay commissions until the member has stayed at least one year. Staff and member loyalty is a critical success factor.

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Paid advertising. Don't spend money on paid ads early in the game. They are usually expensive and sometimes ineffective.

Speak, speak, speak. Speak — for no pay — to audiences who are part of your target market. This could include rotary clubs, chambers of commerce (also the women's chambers) and trade associations. Look to the local/state medical associations, as they typically allow presentations pertinent to their association. Your hospital most likely has a variety of special interest groups that welcome guest speakers, such as local chapters of the American Heart Association, American Cancer Association, Arthritis Foundation, diabetes, etc.

Write, write, write. Write how-to or advice articles for weekly or daily newspapers, local business magazines, trade publications, and print and electronic newsletters. Be sure to maintain the copyright so you can offer the same articles to other publications.

Teach classes. The local adult education program might need assistance.

Media interviews. Call local reporters who write for publications read by your target audience. Invite them to call on the facility when they need background, commentary or story ideas about your industry.

Create a website. Websites are mandatory in today's operations and marketing arena. If money is available, spend it on the

development and maintenance of a quality website.

Start a newsletter. Publish an email newsletter packed with helpful information and special offers. This is much cheaper than a paper-and-ink newsletter because you don't have to pay for printing or postage. Link the newsletter to

your facility website.

Build strategic alliances. Introduce your facility to other businesses that don't compete, but that sell products or services to the same target audience. Offer to promote them if they promote you. Make sure they are people you can trust.

Do pro bono work. Offer services free to an influential non-profit group. It will provide a chance to get in front of their board members, who may be in a position to bolster membership or provide influential introductions.

Customer service

With billions of dollars being spent on customer service and training, you would think that service would be great everywhere. Wrong. Service is still lousy. In fact, it seems to be getting worse. Here are several problems to ponder when evaluating customer service in your facility.

The facility has the wrong mission statement. If your mission statement does not relate to the customer, then it relates to the facility, and it needs to be fixed. Also, why have a mission statement no one knows, understands, follows or lives by?

Written principles are not established for your members. Policies and procedures are great, but most are written in terms of the facility, not the customer. Develop customer principles to guide your employees and your business.

Upper management sets a poor example. People who are inaccessible to customers and employees alike are poor role models for the rank and file. Be more concerned with helping others than helping yourself. How much day-to-day contact does upper management have with the members? It could be time for a reality check.

Complaints are not seen as opportunities in disguise. Handling an angry customer in a hostile environment is an art. Take every opportunity to hone this skill, and teach all employees the art and science of diffusing a hostile situation.

Responsibility-takers are rare. Reward employees who follow through and who provide extraordinary customer service and complaint handling.

Your company is overly concerned with customer satisfaction rather than loyalty. The fitness industry is notorious for not caring about member loyalty. Satisfaction is the lowest form of loyalty. Satisfied customers will shop anywhere. Loyal customers will fight before they switch, and will get others to do business with you by referral. Does your facility measure satisfaction or loyalty?

There is no training budget. Typically, there is no money for staff training, but money is squandered on big ads, fancy brochures, etc. Look at General Electric, Microsoft and Franklin Covey for guidance in employee training. They are the leaders in employee training and accountability thereafter.

The facility concentrates on competitive issues rather than competitive advantages. Capitalize on your competitive advantages and grow them.

You fail to realize who is really in sales and service. Anyone who talks to a customer is in sales and service. Do the people who interact with customers the most frequently understand, execute and deliver the mission and customer service principles of your facility in a world-class way?

Critical Success Factors

Richard Evans, executive director of Synergy Health at Exeter Hospital in Exeter, N.H., offers the following tips for hospital fitness center success:

1. Avoid duplicating the hospital's employee benefit system for your wellness center employees, if possible. This is, however, difficult when you are located on the same campus.
2. Have a "physician champion" to rally other doctors to refer their patients to you, and to help the medical staff at your hospital understand what you are trying to achieve.
3. Don't let the hospital dictate your staffing levels. To be successful, you need to staff your center on a realistic basis — one you can afford. Do not lead prospects to believe they will receive personal service at every turn; the reality is, you can't afford the staffing to achieve this.
4. Market your facility like a commercial fitness club. Drive business (membership sales) by encouraging strong referrals. You can't afford to sell your services as the hospital would sell theirs and make money.

Judy Sewing, president, Strategient LLC, St. Louis, Mo., also offers some success tips:

1. Differentiate on the basis of medical orientation and integration.
2. Provide a non-intimidating environment for the unfit.
3. Provide a personalized approach to meeting fitness goals.
4. Track/measure outcomes of programs.
5. Think like a retail operation.
6. Focus on communication with members.
7. Be visible in the community.

Be mindful of technology pitfalls

Technology is great for facility operations, customer service, marketing and data-mining. It is also mandatory for data collection and outcomes analysis. However, it is a double-edged sword. Technology wrongfully used to replace customer service can breed complacency among staff. How many facilities have you visited where you saw the staff huddled around a computer screen rather than on the floor servicing the membership?

If the facility is too “techno,” there will be greater issues with service and inoperable equipment. There is nothing more frustrating to members than equipment that is not in good working order. Treadmills with TVs, sound systems and management stations will confuse and frustrate the typical member of a hospital-affiliated facility. Typically, the buttons are too small, illegible and inaccessible for the deconditioned, visually impaired and untrained member. Remember, these people have never set foot in a fitness facility, and everything is new. They need to be educated to use the technology in a logical, systematic fashion, with reinforcement on

a regular basis. Be patient, speak slowly and use terminology easily understood by all. Technology is wonderful if used appropriately. It will excite, motivate, captivate and incentivize members to be compliant and consistent in their fitness quests and lifestyle-enhancement journey. Choose technology wisely; then, educate your staff and membership on how and why it is beneficial to them and the facility.

A bright future

Hospital-allied, medically integrated fitness centers continue to be an emerging market and financial contributor to hospitals' bottom lines. With appropriate and insightful operations, these facilities provide a vital service to the community, and have the potential to positively impact the delivery of healthcare. **FM**

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Changing Demographics Create Opportunities

Hospital fitness centers have the opportunity to provide a direct link to the healthcare system using an integrated continuum of care model that incorporates a retail business plan. Managing members' risk factors, and providing early detection, rehabilitation, post-rehabilitation and overall lifestyle management should be the mission and priority of any hospital-based center.

Changes in demographics of the U.S. population can mean success for a hospital-based fitness facility. The number of youngsters (ages five to 17) will reach 53 million in the next decade. This, according to the Sporting Goods Manufacturers Association (SGMA), is a key group for growth of several industry segments, including fitness. According to The International Health, Racquet and Sportsclub Association (IHRSA), baby boomers (ages 35 to 54) now account for 12.4 million members within the health club industry. Many baby boomers make health and quality of life a priority in their daily lives. This is why they are spending an estimated \$35 billion annually on integrative healthcare. Americans ages 50 to 79 are well aware that exercise is the best thing they can do for their health (63 percent). Most (89 percent) believe a person their age should exercise at least three times per week, preferably for 20 to 30 minutes each time.

The antithesis of these numbers is the economic burden of obesity in youth ages six to 17 years. The estimated cost in 1999 was \$127 million, up from \$35 million in 1979 (American Academy of Pediatrics, May 2002). This is the market that hospitals stand to dominate, should they embrace “out of the box” strategies, employ pundit individuals and avoid embracing the intellectual property of the commercial health club industry. There is no substitute for clinically based, peer-reviewed literature tempered with wisdom and insight into the integrated medical model. New scientific knowledge based on epidemiological observational studies, cohort studies, controlled trials and basic research has led to an unprecedented focus on physical activity and exercise.