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Fitness chain bulks up revenue

By [Chad Halcom](#)

Ann Arbor-based **CoachMeFit LLC** is on pace for a landmark year, with total revenue expected to top \$1 million for the first time for its four Michigan studios.

The chain of personal training centers that Lindsay Bogdasarian founded 10 years ago is nearly 20 percent ahead of revenue for this time last year, including 12 percent estimated growth at the original studio in Ann Arbor that she opened in late 2001.

"A majority of the growth we've seen ... has been growth during this calendar year," said John Bogdasarian, Lindsay's husband and vice president and CFO of CoachMeFit's franchising corporation.

A graduate of the **University of Michigan School of Kinesiology** in 1999, Lindsay Bogdasarian, CoachMeFit's president, held other fitness jobs in Michigan and in Chicago before founding her own company in the basement of the couple's Ann Arbor home.

Almost immediately she hired other trainers to allow her to devote more time to management and business development, she said.

Her Ann Arbor studio now uses 11 trainers and a studio manager, while others work at franchise locations that opened in Birmingham, West Bloomfield Township and East Grand Rapids in 2008.

"We try to make it a personalized environment for each client," she said.

CoachMeFit originally had two studios, in Saline and in Ann Arbor, where Bogdasarian shared space with her husband's commercial real estate office at **Preview Properties Inc.**

The Saline studio closed about five years ago and merged with the growing Ann Arbor operation, and John Bogdasarian moved his real estate practice to Preview's corporate headquarters in Brighton.

The company moved to a franchising structure in 2007. After the first three new studios, CoachMeFit had plans for locations in Troy, Novi, Northville, Plymouth and elsewhere.

But lack of financing for small businesses slowed growth, along with what John Bogdasarian called a search for the "right people" with both business and exercise backgrounds.

"We are really looking for the people who not only love fitness and training but have a level of business acumen."

The current franchises continued to grow and add client sessions, particularly this year.

Derek DiGiovanni, president and co-owner of CoachMeFit-Birmingham LLC, recalls "things were a bit crazy" in late 2008, but business has grown consistently since then.

"We expect another little bump when people get their kids back in school and have more control of their schedules. Then, maybe a little more with the new year," he said.

The Bogdasarians own and operate the Ann Arbor studio as a franchise and estimate it averages 600 client sessions per month, while the rest of the CoachMeFit franchises average 200-400 per month.

Sessions are generally \$55-\$75 each, but vary with the franchise and volume of sessions ordered.

CoachMeFit's new growth could also reflect a broader recovery for the fitness industry.

The gym and health fitness club industry had an estimated \$23.6 billion in revenue nationwide in 2009, off 2.3 percent from the previous year, according to a report published by International Business Information Systems, or **IBISWorld**.

But the firm projects the industry is expanding again amid economic recovery, with \$23.9 billion revenue or 1.4 percent growth projected for 2010.

Valencia Hamilton, a former auditor at **PricewaterhouseCoopers LLP** and later **DTE Energy Co.** until she was downsized in 2008, opened **Body and Mind Fitness LLC** in downtown Ferndale later that year.

Hamilton said she has looked into a similar franchising model for her own business as a long-term goal.

She expects 2010 will be about a break-even year, much like 2009.

CoachMeFit estimates franchise startup costs will range from \$106,000 to \$261,500, including a \$12,500 initial franchise fee and \$2,500 in software installation fees, according to its franchise disclosure document.

Franchisees pay 5 percent of revenue to the franchisor company, and generally must locate in communities with \$90,000 or more in average household income and populations of at least 75,000 within a three-mile radius of the studio.

Lindsay Bogdasarian also said access to a mix of committed trainers also help make a franchise successful.

"If some of the trainers are doing 30 sessions per week, that can mean 40-48 hours a week they spend in the studio," she said.

"So we also have some who just do 10-15 hours a week, and some of them might be moms who wait for husbands to come home (from work) and then train in the evenings, and they come in fresh and excited late in the day.

"That's better for their schedules, and it appeals to some of our customers as well," she said.

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ALAN WARREN

Owner Lindsay Bogdasarian opened her original CoachMeFit training center in Ann Arbor in 2001. There are four locations now.