



Geoffrey Dyer, Founder of Lifestyle Family Fitness

# STYLE CONSCIOUS

## HOW GEOFFREY DYER TOOK LIFESTYLE FAMILY FITNESS FROM ONE CLUB TO 56... AND COUNTING

FROM THE FIRST WORD, GEOFFREY DYER COMES ACROSS AS A REAL CLASS ACT. MAYBE IT'S HIS NATIVE AUSTRALIAN ACCENT, OR MAYBE IT'S THE WAY HE COMES ACROSS AS BOTH EASYGOING AND SOPHISTICATED AT THE SAME TIME, BUT UNDERNEATH IT ALL LIES A RESOURCEFUL, TALENTED BUSINESSMAN WITH A WEALTH OF KNOWLEDGE TO SHARE ABOUT WHAT IT'S LIKE TO COME UP THROUGH THE RANKS IN THE HEALTH AND FITNESS INDUSTRY. AFTER ALL, DYER HAS BEEN WORKING IN HEALTH CLUBS FOR OVER 30 YEARS, PROGRESSING STEADILY FROM AN INEXPERIENCED KID TO THE FOUNDER OF LIFESTYLE FAMILY FITNESS - WHICH IHRSA CALLED "ONE OF THE TOP 20 FASTEST GROWING HEALTH CLUB COMPANIES IN THE WORLD." HOW DID HE DO IT? THE ANSWER IS MULTIFACETED, BUT IT PROVIDES THE REST OF US WITH A PROVEN SET OF RULES TO PLAY BY. TEXT: KIRSTEN E. SILVEN. PHOTOS: PHILIP PIETRI



Lifestyle Family Fitness has come a long way since 1982 when the first facility opened its doors in Lakeland Florida. Today, this location is still in operation and can be seen as a testament to dreams realized.

**IN 1972 GEOFFREY DYER WAS 22** years old and making \$100 a week doing whatever was needed at a fitness club in Oklahoma City. He had landed there mostly by chance after deciding to stay behind and work in the U.S. while visiting friends on a trip with his father. While it might have been chance that brought him to the U.S., Dyer's choice of a career in the fitness industry came as less of a surprise.

Looking at him now, no one would ever guess that Dyer once struggled with his weight, but growing up in Melbourne, Australia, he experienced firsthand the difficulties that come with being an overweight teen. At 18, Dyer decided he'd had enough, joined a gym, and started working out. The gym owner was the type who really got to know his members, so it didn't take him long to notice his determination and take Dyer under his wing, helping him come up with a strict workout regimen. In only three months Dyer had reached his goal weight, and the experience proved

to be a formative one. The persistence it took to reach this goal was an early sign of things to come. By the time he began working at health clubs in Oklahoma City, Dyer had managed to keep the weight off and was looking forward to sharing his knowledge with others.

From there, it didn't take long for his enthusiasm for fitness, willingness to work hard and great personality to cause the owners of the club to sit up and take notice. "Luckily, it only took about a week before I was able to become involved with sales, and in less than 2 months I had been promoted to manager," Dyer says. The speed with which he progressed early on is, according to him, a direct result of his people skills. Things like getting to know everyone in the club by name, greeting them on sight, and taking a genuine interest in who they were and what they did helped to instill a high level of confidence in him - and in members. Dyer had (and still does) the honest desire to really get

to know the people around him, and it shows. You can't fake sincerity, and this seemingly simple truth is behind much of his success in life.

After a year and a half in Oklahoma City, Dyer had learned the basics of managing a health club when the owners decided to sell. He took a job in Florida as the manager of two clubs, and by 1980 had moved well beyond a basic understanding of club operations. To gain more experience and to share what he had learned, Dyer began offering consulting services to other Florida clubs, eventually helping them with management and marketing issues. "Consulting really helped me to gain confidence about the industry because I had to figure out what worked and what didn't when it came to marketing," he says. Dyer was appreciative of these early opportunities to learn, and still thrives on the process of coming up with great ideas and figuring out a way to execute them. "Back then, I was working with mainly one-club owners who didn't



have the money to launch big branding or ad campaigns," he says. "So I had to figure out creative ways to generate excitement within the four walls of the club." He naturally tends to shy away from aggressive closing tactics when selling memberships, preferring instead to drive prospects through the door by creating a membership buzz inside the club.

"To get members and staff excited, I would do things like hold an open house, or celebrate the birthday and anniversary of a club," shares Dyer. "A good marketer can find a difference between the two; for example, a birthday could be the day you broke ground, while the anniversary can be the day of the grand opening," he says. Dyer offered promotions - things like allowing members to bring a friend for free, or inviting ex-members back to see what's new - to get prospects through the door. According to Dyer, if a person comes into a club and enjoys the experience, it becomes much easier to close the deal because the club sells itself. In addition, he is adamant that in-house marketing efforts can only be successful if all staff members actively promote each event.

In 1982, Dyer was approached by Jack Hall, a member from a club he worked with, who offered to become partners and open a new fitness club in Lakeland, Florida. Dyer was ready to take on club ownership, but lacked the necessary start-up capital, so it seemed like a good pairing. The original club was only 5600 square feet, and partially constructed using leftover material from Hall's aluminum siding business. Dyer named it "Lifestyle Fitness" because he had good memories of working out in a club by that name during a 1976 return trip to Australia, and the owners had graciously agreed to let him use it. (Years later, Dyer would decide to change the name to Lifestyle *Family* Fitness in order to appeal to a larger audience and to convey the message that they are proud to be a multi-generational club.) After only a year of operation, however, the relationship between Hall and Dyer fell apart, and ended with Hall voting Dyer out and running the first location himself, and both former partners tied up in litigation over the matter.

In 1985, the tables turned when Hall saw the business deteriorating and realized that he didn't have the knowledge to run it. Looking for a way out, he made an offer that Dyer described as "the realization of the American dream." Dyer was able to reclaim the failing business with no collateral except for a note agreeing to pay Hall a

sum of money. Within 3 years, Lifestyle was doing so well that Dyer was able to obtain other financing and paid Hall back, solidifying his position at the helm of what has become a fitness empire.

"It was an easy transition mentally, really, going from consulting to owning my first club. I had been involved with profit sharing as a consultant, so I really felt like an owner anyway," says Dyer. From his consulting days, Dyer had also learned the profit limitations that came with owning just one club, so when he reassumed control of Lifestyle in 1985, he was already thinking about multi-club growth and planned to open a minimum of 5 - 6 clubs. By 1987 Dyer had opened a second club, and from there continued to grow steadily until he was operating 9 clubs under the Lifestyle Family Fitness name. Back then, Dyer used credit cards and his beach home in St. Petersburg, FL as collateral to get access to capital for growth. He had purchased the home in 1973 for \$100,000, and 17 years later had refinanced it so many times that he owed \$700,000 on the property. "I knew I was doing a pretty good job of managing the clubs, because I had to! When you're in that situation, every decision has to be a good one," says Dyer. "I was putting my life on the line, betting the clubs would succeed."

So what made Dyer have so much faith in the success of his clubs? As with many success stories, there is no magic bullet. While he acknowledges that it's crucial to stay in touch with current trends when it comes to programming and equipment, Dyer's philosophy really revolves around employee accountability, which is, in his experience, the number one key to success. "If your employees aren't held accountable for their actions, no amount of advertising or great ideas will make a difference," he reveals. By 'accountability' Dyer doesn't necessarily mean punishment. Instead, he believes accountability stems from award / recognition programs and from getting your employees to adopt a state of continuous action by letting them know exactly what is expected each day. "Otherwise, they come in, check their email, and spend the day on the Internet talking to friends," he says. "Make sure it's clear to employees what moves the needle in this business - sales - and let them know it's your policy to get the important work done first."

To get this message across, Dyer has been known to stop employees in order to ask *them* to explain current club promotions to *him*, or to ask other timely questions that

reveal how much employees really know about what's going on in the club. He's also not opposed to stopping employees on the way to lunch to check if they are carrying free passes to hand out. Dyer's methods make it second nature for staff to communicate the club's message - no matter where they are or what they are doing. Dyer refuses to believe that a fancy facility or expensive ad campaigns can alone make the difference between a successful club and a failure. Instead, he urges club owners to focus on hiring great managers, a dynamic sales team, and hard working staff members. "The first location of Lifestyle Family Fitness did very well from the beginning, despite a modest outward appearance," he says. "The goal is to get every person on staff to think 'What am I doing to make a sale right now?'" he reveals.

Another key to Dyer's success can be found in the various forms of networking he got involved with through the years. Communicating with peers is all too often put off or completely overlooked by busi-

ness owners because the results are often intangible at first. However, Dyer is living proof that networking can really make a difference over the long term. He attended the first IHRSA trade show in 1981, and immediately realized the value in keeping up with the latest hot topics in fitness. Later, Lifestyle Family Fitness would become the first club in the Lakeland area to offer new programs and equipment, including step classes and elliptical machines. This helped set them apart from the competition, which drove new members into the club and reinvented the workout experience for current members.

Dyer also became involved with a roundtable group 15 years ago that has been invaluable in guiding his success. Originally, the group was put together by Gerry Faust and Will Phillips, and consisted of industry veterans like David Patchell Evans, CEO of GoodLife Fitness, Tony de Leede of Fitness First Australia, Frank Napolitano, President and CEO of Globalfit, and Joe Cirulli, owner of Gainesville Health &

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Fitness. Today, the roundtable has grown to 12 members and meets three times a year to discuss best practices, new challenges and new ideas. "Roundtables are a great way for independent club owners to gain confidence and learn how to take care of members and employees," Dyer reveals. "Just being involved with a roundtable will help you define what makes your club different from the competition."

When asked if there was a specific practice he established as a direct result from a roundtable discussion, Dyer points to the

Today, Lifestyle Family Fitness offers members state of the art facilities and no long-term contracts.



evolution of the club's ability to rule out long term membership contracts. Over 10 years ago, he learned of the Electronic Funds Transfer (EFT) payment option during a roundtable discussion, and decided to begin requiring all members to set up an EFT to pay for membership. This elevated the quality of the club's members and eliminated the bad debt that resulted from the billing process. It also allowed Dyer to

parture. He partially attributes this surge in success to the fact that IHRSA helped him create a higher profile in the industry, which helped him with vendor relations since vendors want to associate with industry leaders. But everything really began to take off for Dyer and Lifestyle Family Fitness in 1999 when he was approached with an offer to buy the fitness chain. Once again, his networking contacts proved in-

Next, they decided to invest in the company by hiring members of the new executive team prior to anticipated growth, which prevented the company from feeling stress during expansion. They also re-structured the management team within each club. Instead of having one general manager in each facility, they split that position into three. Today, each of the 56 Lifestyle Family Fitness locations has



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eliminate all discounted pre-paid memberships, which had two major benefits. First, the club realized greater profits in the long run since they no longer discounted memberships, and secondly new members were happy because they didn't have to come up with a large sum of money to join the club. The EFT system also proved to be instrumental in allowing Lifestyle to be the first club in the area to eliminate long-term membership contracts, which was "a little like stepping off a cliff," according to Dyer, because it was terrifying to envision all of his members walking out at once. Thankfully, that didn't happen. Instead, it gave Lifestyle an edge over the competition because members felt like they were getting more freedom, and it made for great PR, which ultimately allowed them to grab a larger market share.

In 1998, Dyer was also nominated to the board of IHRSA, even though he only had 6 clubs at the time - an appointment he attributes to his connections with the roundtable. Of his time on the board, which culminated with a run as President in 2001, Dyer is quick to mention that his 6 clubs grew to 35 at the time of his de-

valuable. Before making a decision, Dyer consulted with Florida entrepreneur and CPA, Stuart Lasher, who asked him what he would do if he decided to sell Lifestyle. "I realized in answering him that it was pointless to sell because I would most likely just turn around and start over by opening a new club," Dyer says. Instead, he and Lasher discussed a deal wherein Lasher would become a partner and they would begin operating the club as though it were publicly traded. Dyer saw this as his opportunity to take the business to the next level, so he turned down the offer to buy his clubs and got to work with Lasher to develop a new business plan.

First, Lasher recommended they hire a CFO, which Dyer now says is the best advice he's ever received. They chose a talented guy by the name of Todd Bright, who came on board from the Eckerd Corporation. Bright had a strong background in business planning, analysis, acquisitions and developing new markets. Among other things, he helped Lifestyle's new executive team decipher business trends with relation to lending, and created confidence when dealing with banks.

an operations manager, a sales manager and a personal training manager. According to Dyer, this simplified the roles and made it easier to recruit and develop new talent, since duties became more specialized. Although this caused some waves at first among existing managers who resisted the idea of having a smaller sphere of influence, it ultimately worked because everyone's passion became easier to identify and managers realized that smaller teams are easier to work with.

The three club managers now report to corresponding district managers, who oversee 6 to 10 clubs on average. The appointment of district managers has helped Lifestyle overcome some of the challenges associated with rapid growth, namely remaining conscious of what made them successful as a smaller organization. Dyer is a firm believer that the ideals which brought Lifestyle success early on still apply, stating "The bigger a company gets the harder it becomes to keep your ear to the floor, but figuring out creative ways to do this can make your brand strong." To this end, the leaders at Lifestyle all work out in the clubs to get the membership



experience firsthand. Also, each district has a Leadership Team, consisting of the district operations manager, the district sales manager, and the district personal training manager. **The Leadership Team in each district is responsible for conducting "How To Get Better Meetings" each month with employees from clubs in their area. At the meetings, they take a group to lunch and discuss what they really think about the company. The district managers are responsible for hiring all club managers and receive profit sharing incentives, which keeps them motivated and encourages an "owner's mentality", according to Dyer.**

When Lasher and Dyer began working together with the new executive team, what they didn't change might be just as important as what they did. Dyer is proud to say that the company culture and core values he created have remained. They still have a strict focus on employee accountability, and they also kept the business model intact when it came to the size, look and feel of the clubs. If you're a member of Lifestyle Family Fitness in North Carolina, and you visit a location in Florida, you won't notice a huge difference in the feel of the clubs.

These days, Dyer has cut back his 70 hour workweeks to spend more time with his two teenage sons before they head off to college. Lifestyle Family Fitness recently celebrated two important milestones - 25 years in operation, and the fulfillment of their latest "BHAG" (Big Hairy Audacious Goal), which was to open more than 50 clubs by 2007. The BHAG idea was taken from Jim Collins' book Good to Great and was defined by the executive team at a retreat in 2000. Dyer felt that these landmarks presented the ideal environment for passing the torch to Bright, who was hired with the understanding that he would eventually assume the role of CEO. In October of 2007, Bright became the CEO and President of Lifestyle Family Fitness, and Dyer has since taken on a more strategic role. He still stays closely connected with the company by serving on the board, participating in site selection and attending grand openings, and he also still routinely attends roundtable meetings with the original group, which is headed for Denmark later this month. As a company, Lifestyle Family Fitness currently remains focused on growth and plans to continue to fill out existing markets in Florida, Indiana, North Carolina and Ohio. - CS



## KEYS TO SUCCESS:

### ❖ BE ATTENTIVE

Take an honest interest in members and make it a point to interact with staff. At Lifestyle Family Fitness, executives and managers work out regularly in the clubs, which gives them a chance to interact and lets them get the member experience firsthand.

### ❖ NETWORK

Associating with success is a great way to learn best practices and stay ahead of the competition. Don't be afraid to ask for advice, especially from those who know more than you. In the end, you still get to decide which direction to take.

### ❖ GET CREATIVE

Come up with creative ways to drive new members into your club by offering special promotions like anniversary parties and open houses. Target ex-members and friends and family of current members

### ❖ STAY IN TOUCH

Go to trade shows and become familiar with popular workout trends that can help to bring in new memberships. Lifestyle Family Fitness was one of the first clubs in the area to offer step aerobics and spinning when these trends hit.

### ❖ TRAIN

Your staff can be a huge asset. Get them into a "work before play" mindset by holding them accountable for reaching goals, and test their club knowledge regularly by asking *them* to tell *you* what's going on in the club.

### ❖ MOTIVATE

Key staff members should be included in an incentive/reward program to keep them motivated and give them a sense of ownership. Retention bonuses and profit sharing are two ways Lifestyle Family Fitness has kept managers motivated over the years.

### ❖ SPECIALIZE

The roles of key management figures can benefit from a narrower focus. Not only are smaller teams easier to train, but having specialized roles can make it easier to see where employees excel