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## Fiscally Fit

How one gym owner turned a slumping franchise into a money making powerhouse

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By Jason Daley | Entrepreneur Magazine – October 2009

When Landrie Peterman dropped out of the mortgage business in 2007 and moved from Portland, Ore., to the woodsy outpost of Bend, she wasn't sure where life was taking her. But after helping her brother set up two Anytime Fitness franchises in central Oregon, opportunity came ringing: A foundering Anytime Fitness gym was up for sale in her hometown, and it needed to be turned around—fast. We asked her what it takes to flip a franchise from the biggest loser to a perfect 10.

### So, you hit the ground running?

I had to take over in seven days or else the place was going to close! That meant getting the franchise rights changed, upgrading the security system, renegotiating the lease... let's just say it was an intense week.

### What was the problem? Was the gym in a bad location?

Location was a problem. It was hidden in an industrial park and most Anytime Fitnesses are in shopping centers. But the owner also tried to scrimp and save and therefore wasn't completely set up quite the way the Anytime Fitness model is recommended. It was gray floors, gray carpet, black exercise bikes. He didn't have the full security system. I did some remodeling to liven the place up—now the walls are red and yellow and green.

### How did you dig the books out of the red?

Being in the industrial park was a blessing in disguise. I began developing corporate clients. We started giving out business cards with guest passes for employees. I got to know the managers and owners, and set up deals for employees to work out at corporate rates. People started referring friends and family, and it snowballed from there. Membership grew from about 300 clients to 1,070. We went from failure mode to success in a six-month period. Last year I won the award for the most improved Anytime Fitness franchise.

### Why do you think the previous owner failed?

I'm very much a believer in doing things by the book, and the previous owner didn't fully embrace the process. That experience is why you buy a franchise—the steps you're given have been proven successful. You have to trust that the franchisor knows what's best. I just followed their advice plan and model and put my heart into it.

### So you must be totally buff now that you own a gym.

Absolutely not! I'm the furthest thing from a fitness buff. Going to the gym has not been a lifelong passion; I still have to pay a trainer to keep me motivated. But that means I can share my own personal story with people who come in.