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Anytime Fitness is #1 in the 2008 Fast 50 of privately-held companies in Minnesota

by JOHN VOMHOF JR. | Staff writer

"After running a health club consultancy for several years, Jeff Klinger and Chuck Runyon decided to put their money where their mouths were. They bought a distressed club, grew membership from 600 to 3,000 and then sold it for a nice profit.

It was clear that the advice they were selling clients worked. But they also learned a thing or two along the way most importantly that the industry was changing. Customers were becoming more and more focused on convenience. They wanted clubs that were close to where they lived or worked and that catered to their busy schedules.

'A little light bulb went off,' Klinger recalls. 'People didn't want to drive 25 miles to play racquetball and take a sauna anymore.'

That realization led to the creation of Anytime Fitness Inc. in June 2002. The idea was to keep things simple, and since most people didn't use the pools or racquetball courts anyway, they were eliminated. The Hastings company scrapped the traditional health club model and started to roll out small, 24-hour clubs with a bare-bones approach aimed at the average health club member.

'We decided that if we could lift 4,000 feet of fitness out of this behemoth club and drop it on a street corner - eliminating 90 percent of our operating costs while maintaining 50 percent of our members there were some real numbers there,' said Klinger, Anytime's CEO.

And boy, were they right. Anytime, which started selling franchises just four months after the first club opened, now is one of the nation's fastest-growing fitness chains, opening at a staggering rate of one new location every day. The company now has more than 800 clubs open and should top 1,000 by the end of the year. Only six clubs have closed in the company's first five years. Anytime's revenue has soared from \$2.9 million in 2005 to \$13.1 million in 2007, and Klinger expects to surpass \$20 million this year.

'It's taken off like wildfire,' he said. And there are no signs of slowing down. In fact, Anytime already has commitments for another 1,500 locations. Because the clubs are small and the concept is built around convenience, locations can be within three to five miles of each other in densely populated areas. And the concept is just as viable in a small town as it is in a booming metropolis, creating abundant opportunity for sustained growth.

'We have Anytime clubs in towns of 1,800 people, so there are a whole lot of small communities out there that really need some type of fitness option,' Klinger said. 'Life Time Fitness or Gold's Gym aren't going to go to a town of 6,000 or 7,000 people, so that gives us a unique opportunity to grow where our competitors can't.'

Anytime also is experiencing rapid international growth. Canada is a booming market and the company recently signed an agreement for 400 stores in Australia and New Zealand. Deals are close for Great Britain and the United Arab Emirates.

'In two to three years we'll have in excess of 2,500 stores open domestically and we'll have at least 750 stores open internationally,' Klinger said. 'With international growth, the sky's the limit.'

There were a total of 29,357 fitness clubs in the United States last year, up from 15,372 in 2000, according to the International Health, Racquet and Sportsclub Association in Boston, but there's room to grow because health club memberships still remain relatively low. Just 15.8 percent of Minnesotans, for example, have gym memberships."



Jeff Klinger is celebrating the success of his company, Anytime Fitness, which he founded with Chuck Runyon. Photo by Nancy Kuehn