

# The Promise of Pilates

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## *This discipline is just beginning to demonstrate what it can do*

The way that Allison Beardsley, the founder and CEO of Club Pilates, a San Diego based franchise, talks about her old sports injuries, you'd think she was a retired linebacker for the San Diego Chargers but it was NCAA Division 1 basketball at Northern Arizona University, in Flagstaff, where she was studying on an athletic scholarship, that did the damage.

Beardsley blew out a knee early in her freshman year, redshirted the season, and tried to bulk up at 5' 11" she was small for Division 1 ball while enduring the slow, painful rehab process. But that injury, along with all the other dings and strains of play, proved too much. Allison's collegiate basketball career, and her scholarship, were history.

"I was devastated," she says, recalling that moment of hard truth.

Then a happy accident, combined with some basic math skills, a good eye for business opportunities, and some fortuitous timing, put her back in action with Pilates.

"So there I was in my twenties," Beardsley says, "with a torn ACL, bulging discs, dislocated shoulders, and missing ligaments in my ankles. I was a total mess."

She'd moved to San Diego by then, and, on a whim, tried Pilates, hoping it might help her return to the active lifestyle she missed. "It was totally by accident," she says. "I didn't know anything about Pilates, and I was the worst in the studio and shaking like a leaf. But after the class, I felt better than I ever had in my life."

That transformative moment of healing, for Beardsley and a growing legion of others, defines the promise of Pilates.

## Birth of a Brand

Beardsley's newfound appreciation for Pilates quickly developed into a full-blown passion. She began teaching in 2002, and, five years later, opened her first studio. "After assessing the revenue potential, I did the math," she says, "and it made sense to go on my own."

Initially, she ran classes out of her rented duplex, but demand quickly outgrew the space. She moved into a 900-square-foot space nearby, and soon realized that, to keep up with her rapidly expanding client base, she needed more qualified instructors. She responded by developing her own teaching program, which combined her sport and fitness background with her formal Pilates training.

The result provided the foundation for what is now the Club Pilates franchise. The company, an IHRSA associate member, has sold 30 licenses, with more pending; has 18 franchised studios open and operating at a profit; and also has five corporate-owned locations in San Diego County. "We'll be opening a franchise in Australia soon," notes Beardsley, betraying her global aspirations. Club Pilates also is negotiating with potential operators in Canada, Mexico, and Finland.

Shortly after Beardsley set out on her own, the U.S. economy tanked. "At that point, studios were closing down, so I knew I had to do something different," she says. "Rather than watch my clients cut back on classes because of finances, I simply asked them what they could afford to pay."

Armed with that information, she lowered her rates to \$10 to \$12 for a one-hour class, which contrasted sharply with an industry average that, at the time, was in the mid- to high-twenties. Beardsley found that the new pricing strategy not only helped her business to survive; it made it possible for it to flourish.

This revelation helped confirm her conviction, her mantra, that Pilates, if it's going to reach new markets, has to be affordable and accessible. "By accessible," Beardsley explains, "I mean, Pilates is generally regarded as being financially exclusive and part of the dance community. Along with making classes less expensive, we employ movements that are less choreographed, have studios that are decorated in gender-neutral colors, and incorporate images of men in our marketing materials.

"In other words," she says, "I've taken out a lot of the fluff."

She's also made it simple for clients to sign up online. Her formula is clearly working. Her 12 studios in San Diego County have as many as 12 reformers each in a class, and are cranking out a total of 100 to 150 students per day, per location, between 6 a.m. and 8 p.m.

## Destined to Grow

The success of Club Pilates isn't surprising when you drill into the numbers supporting it. The 2013 edition of IHRSA's Profiles of Success reports that 44.2% of responding clubs now offer Pilates. IBISWorld, a global leader in business intelligence, citing data from the Sports and Fitness Industry Association (SFIA), notes that Pilates participation in the U.S. shot from 2.4 million in 2001 to 8.5 million in 2011 (a 254% increase), and predicts that the yoga/Pilates market will continue to grow at an annual rate of 4.8% through 2018.

IBISWorld also observes that the category appears to be "recession-proof."

The providers of Pilates equipment, related products, and services seem equally buoyant about the discipline's prospects.

Lindsay Merrithew, the cofounder and CEO of Merrithew, whose brands include STOTT PILATES®, has been in the Pilates business for more than 25 years. His company, based in Toronto, has educated over 38,000 instructors, and currently has a presence in 30 countries. He reports a 15% increase in revenues last year, and expects steady growth moving forward. "I see great potential in the rehab markets," he says, "as more people are exposed to, and become aware of, the benefits of Pilates."

Another key growth factor, Merrithew suggests, is specialization within the Pilates industry, with instructors adding to their qualifications to meet the specific needs of individual clubs and studios.

Education also is a core concern for John Baudhuin, the founder and CEO of Mad Dogg Athletics, Inc., based in Venice, California, which acquired Peak Pilates in 2009. "The health of any exercise category is limited by the quality of instructors," he points out, "and, in the case of Peak Pilates, we saw an opportunity to apply the same systematic approach of connecting equipment with programs and instructors that we utilized in developing Spinning." Baudhuin reports that instructor training is up 12% year-over-year, and predicts that, with the major rebranding of Peak Pilates taking place this year, the company will score a 20% increase in 2014.

The outlook at Balanced Body, a Pilates supplier based in Sacramento, California, echoes the perceptions of other industry observers. Ken Endelman, the founder and CEO, believes that Pilates has transitioned from being a hot exercise craze to being a format that's here to stay. "Pilates has a rock-solid foundation consisting of returning customers," he observes. "They're passionate about it, and serve as ambassadors, encouraging others to try it."

His company's financial fortunes make the case in a compelling way. "The last three years, even given the economic downturn, have been the most profitable in Balanced Body's 35-plus-year history," he reports.

Endelman anticipates steady growth in health clubs, but also is quite upbeat about Pilates' untapped potential. "Pilates is an exercise that can benefit every member demographic," he insists. "Clubs that get over the misconception that the equipment is too expensive and takes up too much space, and that it's too hard to find qualified instructors, and that then apply some real elbow grease and marketing expertise—they're enjoying enormous revenue generation and holding on to their members."

One example of a club that's already reaping the promise of Pilates is the Sports Club of Nuvi, a 150,000-square-foot facility in Nuvi, Michigan, which has been providing programs for 14 years. "We offer 27 classes a week," explains Pilates director Kathi Hawraney. "Of those, 24 are machine-based, and the rest are mat." The group classes accommodate up to five participants, who pay between \$27 and \$30 depending on their membership level. "Recently, with the economy improving, we've seen a 5% increase in our reformer classes," says Hawraney.

Endelman can observe with certainty that "Pilates is here to stay!"

But, given its demonstrated promise, it might be more accurate to say, "Pilates is going to blow you away!"

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