

# 7 Things You Should Know BEFORE Opening A Fitness Franchise...

## What to Watch For... And What to WATCH OUT For, Because It's A Jungle Out There ...



Hi, I'm Joe Brammer, CEO at ELITE EDGE.

Welcome and thanks for requesting this unusual report about becoming an ELITE EDGE franchise owner.

And I say, "unusual," because frankly, I had no intention of creating a franchise when I started out.

I was actually looking to JOIN a gym or training center that could meet my needs.

But I knew too much from my insane years of training with Mixed Martial Arts (more details below).

In other words, the facilities I looked at just didn't cut it... they weren't even close.

**Everybody had a piece of the puzzle, but no one had anything close to the whole package.**

They either had pristine training centers with state-of-the-art equipment... but ridiculous recommendations, dangerous nutrition, ineffective weight loss, and virtually untrained staff...

... Or they were grubby little rat holes with one brilliant trainer... but everything was "shoot from the hip" as far as organization, cleanliness, business savvy, and efficiency. So chaos reigned and there was no way they'd survive financially, much less make a mint.

Actually, there was one other type of facility I knew to steer clear of...

Those were the make-money-but-no-heart organizations that needed a steady stream of new customers because people saw through the crap and abandoned ship in just a few weeks or months.

**Now don't get me wrong, I'm TOTALLY about making the big bucks, but it's not going to happen without 2 things.**

First, is building the right balance of efficiently-systematized operations, marketing, and high-profit programs ...

... Along with scientifically-based nutrition and cutting-edge workouts with state-of-the-art equipment...

... Including relentless motivation, inspiration, and encouragement for all clients.

Second, is a WARNING.

You MUST avoid the 7 NASTY SURPRISES that await the unsuspecting entrepreneur looking for a great franchise.

Because whether or not you decide to join us at ELITE EDGE, you need to know about the landmines, roadblocks, and quicksand that ARE out there... so you don't get burned, fleeced, or locked into a contract that destroys you.

You need rock-solid knowledge and support to guide you through the start-up costs, negotiating properly-structured leases, build out, A-to-Z training programs and systems for staff and clients...

... Return on investment, scientifically-based nutrition, and all the other details that make for higher profits and a superior customer experience.

**Because you need both... raving-fans and plenty of profit.**

That's why ELITE EDGE is not about watered-down, inefficient, cookie-cutter fitness that depends on spending a marketing fortune to stay afloat with a revolving door of new clients.

No, you've got well-oiled, proven systems and marketing that create deeply-satisfied, long-term raving fans who not only achieve sustained weight loss, but who see and experience continual improvement in their strength, flexibility, endurance, and overall health.

That's why they STAY with you year after year.

And THAT is what makes a successful fitness and weight loss franchise.

How do YOU make this happen?

**✓1. Franchise Investment... Your Far-Reaching Foundation**

If you can survive being absolutely broke, then robbed, then living out of a suitcase... if that kind of adversity doesn't crush you, it has a way of instilling smart financial practices into your psyche.

So a quick reveal about my origins will help you understand where I'm coming from and why I'm so fanatical about making your franchise better than anyone out there.

Then I'll get right to the nitty gritty of your franchise investment.

I'm only here because I watched too many Kung Fu movies as a kid.

And that ongoing obsession had me joining a "Fight Club" in a policeman's basement when I was 16 (I don't know if it was legal)...

**... Which led to fighting professionally on my 21<sup>st</sup> birthday.**

So I know the extremes of training... like "cutting weight" to the tune of losing 20 pounds in a day.

Or following Navy Seal workouts that are basically "kill or cure."

Plus, I was a fat kid when I started out and I lost 60 pounds from all my fanatical training.

So I intimately know the psychology of weight loss and have built it into our programs.

More on my story shortly (including a robbery, a concussion, and getting my knee turned around 360 degrees), but first let's get back to your investment...

You see, when you buy a fitness franchise, you're buying the right and obligation to use the franchisor's brand and logo, and to participate in the brand's marketing.

Plus, you're investing in a system of approved equipment and procedures necessary for delivering a superior service and result to the consumer.

So it's important to look at the whole picture, not just the costs of the franchise license, but real estate costs, advertising, staffing, equipment and any financing costs for getting started.

And there is a w-i-d-e range of start up costs for different franchises, from \$300,000 to \$3,000,000, and more.

**What are you really paying for and what value will it bring you?**

What I discovered was that the more expensive fitness franchises tended to be those with nationally recognized brands, heavy emphasis on interior decorating, and plenty of machines.

But here's the thing ...

You're not buying a McDonald's or a Hertz rent-a-car franchise, where the name brand draws customers. Most people go to a gym close by. They simply do not care about national or international brands. They want a clean, friendly and local environment and experts who can give them results.

And speaking of results ...

Machines and fancy interior decor are expensive, but they do NOT equal results.

In fact, many fitness franchises rely on the natural human tendency to avoid any kind of pain when it comes to staying in shape. Hence the expensive machines and the TVs and funky decorating.

ANYTHING to keep people's minds off the exertion. It gets them in the gym, but it won't keep them there, month after month, year after year.

So...

**Are you, a) interested in providing adult day-care where people come to your gym just to say they go to the gym... or b) interested in getting your clients HOOKED on ever-improving health and vitality?**

You'll have to prove you're committed to option 'b' when we meet, or I won't approve your application to become an ELITE EDGE franchisee.

Because at ELITE EDGE, we give you real training regimens, dietary excellence, and proven group dynamics that actually work to increase fitness, energy, muscle tone, vitality, and endurance for your clients.

It's why ELITE EDGE members stick around for an average of 2.3 years, generating double the industry average in monthly revenue per location (average lifetime customer value is \$4,278 at the time of this writing).

This is important, because your investment will come back to you in two ways — INCOME and EQUITY.

Income in the form of rock solid membership and cash-flow... and equity, because you're getting in on the ground floor with a superior product.

**So ask yourself this important question:** Am I buying in at the peak... or will this franchise rapidly grow in value as new locations dot the landscape in the years ahead?

OK, now let's see how we get your franchise up and running from ground zero...

## ✓2. Start Up & Support

Strange but true, Mixed Martial Arts showed me how to operate... and how NOT to operate... a fitness center and franchise.

In fact, if I'd had a proven support system at the beginning of my own career, I'd have avoided life-changing injuries, years of frustration, and wasting a truckload of money.

Because instead of pushing myself to the point of actual physical damage (which some of your clients will try to do), if I'd had someone there with more knowledge and experience, telling me that more is NOT necessarily better...

... Then I'd have known that rest and food choices are just as important as working out like a madman.

Unfortunately, I thought pedal-to-the-metal was the best and only way, and anyone who didn't stress and strain to the point of collapse was a wimp.

Yet I didn't know any better, so out of ignorance I blew out a knee and turned it 360 degrees (one of 3 MCL tears), and tore my quadriceps right off the bone (sorry if this is too graphic).

And there were more idiotic injuries that are just as gruesome.

### **But what's that got to do with your new franchise?**

Everything... because first, the MOST important thing to consider is the safety of your investment...

...And the support you get and the people you're working with... and whether their experience and expertise is trustworthy.

Second is how much is actually done for you.

...Because you want to tap into the ultimate leverage of OTHER people's knowledge and time in the trenches... otherwise you might as well do it yourself.

So where do you start in checking out your support system?

No area is more important to get you started than finding the right location.

For instance, it's a common "nasty surprise" when you follow conventional thinking and look for the busiest location you can afford... and overpay for it...

... Only to start hearing complaints that customers had to walk too far, or couldn't find a parking place, or they hate how congested it is.

That's why it's important to let someone with experience guide you.

This is so critical that all location decisions are overseen by me, personally, to avoid any nightmares down the road.

**Next, logically, is negotiating your lease... another area filled with landmines.**

Because like a real estate agent, a "lease broker" is NOT looking out for you.

They may be all excited, enthusiastic and personable, but what's the bottom line?

Do you have a comprehensive, affordable lease with air-tight legal protection?

And not only the square footage price, but all details about the build out, the T.I. (tenant improvements), and the triple nets (ongoing costs) crystal-clearly laid out?

Well no matter what, don't do this yourself.

It's why we have the legendary Kyle Gjerses on our team.

Kyle has 25 years of franchising experience in every facet of the business from development to operations... including lease negotiations.

He's also worked with PepsiCo, Quiznos, and Arby's... so our own staff and our strategic partners have got you covered in all phases of your operation...

... Including construction, hiring, staff training, gym operations and equipment, and all the other minutiae that build your foundation for success.

As one more example, I have one of the best powerlifters in the world, Kyle Keough, head of the University of Iowa powerlifting team, designing our strength training programs.

So the caliber of people we have around you is second to none.

One more thing...

When looking for a franchise, make sure you find a company that walks their talk.

Don't throw in with "ivory tower" franchises that are just money machines but don't know what it's actually like to work with real clients in a real training center with real people.

Our management and training staff walks the talk, having worked in our centers for years... so they KNOW how to make it work for you.

OK, now to your payment options.

### ✓3. Capital and Financing

As I said earlier, my MMA training was the perfect experience... a kind of boot camp... for learning what's essential and what's just fluff in a gym or training center.

While training, I was also a serious student of what made them work.

I realized that a lot of gym failures were the result of financing that was inadequate or improperly structured...

These facilities never had enough money to fix a lack of training space, failing equipment, or to hire top quality personnel.

The turnover was atrocious... almost like a Ponzi scheme where you need tons of new people joining in order to prop up the rest of the operation.

So here's the deal:

**There are 6 ways to finance a franchise, each with its pros and cons, so consider your options wisely ...**

If you can afford the high costs of a nationally or internationally branded franchise, you may be able to obtain financing directly from the franchisor. But beware, the cost of borrowing will also be onerous.

Commercial banks are another common source of credit. Be prepared to anti-up at least 20% of the loan amount with your own cash and secure the loan with a mortgage on your home or other property.

If you have excellent credit, an SBA (partially government backed) loan will typically offer the most attractive interest rates and repayment terms. Though be forewarned, the application process is rigorous and can be quite time-consuming if not skillfully navigated.

401k rollovers are another potential source of funding, again, seek professional help to avoid unnecessary tax implications or penalties.

Lines of credit and equipment leasing are also viable options for getting your franchise up and running.

And of course, you can borrow from, or partner with, friends and family.

Just remember, many franchises look at franchisees as little more than a cheap way to finance expansion. They can therefore be far from flexible and creative in helping you get the funding you need.

Funding a franchise is a very particular sort of beast. There are all kinds of unique pitfalls to avoid and hurdles to overcome.

**WARNING!** Do NOT try to navigate these treacherous waters with a general accountant or advisor if you want to get your franchise adequately financed and at the lowest possible cost.

ELITE EDGE, through our strategic partnership with *dcv franchise group*, will help you determine the most advantageous financing options, whether it be an SBA-backed or commercial loan, a 401k roll over, a line of credit, a leasing arrangement, or some creative combination of any of these options.

You will receive a pre-qualification within 24 hours of the initial assessment call with *dcv*, and guaranteed financing on pre-qualification, so you know instantly where you stand and can confidently move forward.

Not qualified for financing? If we believe in you, we'll work with you to create a strategy to qualify.

Together, we'll help you craft an executive level business plan that ensures quick and hassle free access to cash, at the most advantageous rates and terms possible.

#### ✓4. Passion and Work Ethic

Now it's important to ask...

... How much passion do you actually need, and how important is your work ethic?

Well one thing's for sure, you don't need as much as I had when doing my MMA workouts.

Because that was walking the line between success and self-destruction.

Yet here's the thing ...

Just as important as getting your finances right is having your expectations in check.

That way, you won't go to the trouble of getting your financing, building out your facility, and hiring staff... but have a secret expectation that now you're going to sit back and watch the money roll in.

What makes it hard to have clarity is trying to wade through the hype about how effortless it is to run a franchise.

Then you're devastated when you quickly realize there's still work involved.

And while there's NOTHING that gets you up and running like DONE-4-YOU systems, which is why a franchise is so amazingly attractive...

... You still need a "fire in your belly" to make this work.

It's my own MMA experience that showed me what that "fire" can do.

It makes you unstoppable.

So think about it...

**... Does helping people go from fat, flabby and hating themselves... to brimming with self-confidence, vitality and energy light you up like a Christmas tree?**

Do you have an iron-willed determination to win?

Then we want you on our team ...

... Because we've seen it again and again.

Proven systems, real workouts, nutrition, and marketing, fueled by your passion to spread the ELITE EDGE culture of excellence will make you THE dominant force for fitness in your area.

If you follow the plan and work your butt off, you will grind, pummel and strike lesser gyms and fitness centers right out of existence in your awarded territory.

And you'll earn twice the industry average.

Which will open up a world of abundance.

But this is NOT for you if your idea of a gym is luring customers in by selling \$10 memberships... then the people never show up because they have no skin in the game and no commitment.

What this IS about is your unrelenting drive and desire to deliver guided, competitive, efficient and effective programs.

It's about adding years to people's lives and life to their years.

**PLUS, stockpiling a well-deserved king's ransom in equity, income, and personal satisfaction doing it.**

That is the win-win of ELITE EDGE!

You just have to implement passionately.

And frankly, most people are working hard already... making somebody else rich!

This is a way to make your already-hard work deliver the goods, for YOU!

The step-by-step systems are there waiting.

Your job is just to connect the dots that we've carefully mapped out for you.

## **✓5. Marketing: The Engine that Powers Your Profits!**

Here's a strange question.

How are most franchises just like MMA (mixed martial arts)?

Well there's an eerie similarity that may affect your future.

Because when I was first fighting for the UFC (Ultimate Fighting Championship), I was offered a job from a competing organization that promised me a big payday.

So I locked myself into a contract and was excited about making real money with my skills.

But the big fight was postponed for 6 months, and when I finally got paid, the check bounced.

Then the company went bankrupt and put me deeper in the hole I was already in.

The lesson?

Investigate the promises you get from potential franchises... like what kind of marketing they're giving you... or are you just thrown into the deep water and expected to swim?

Which brings me to how many franchisees are robbed blind by false promises about the marketing that comes with their investment.

Because most business owners think a logo and a brand will magically attract clients (this is called "image" advertising).

Or they assume everyone will rave about their fabulous product and send them clients in droves.

In other words, conventional wisdom says...

**"Build a better mousetrap and the world will beat a path to your door."**

It's a lie.

It's also a financially-devastating perspective and a nasty surprise when you realize you're forking over a small fortune to the franchisor for supposedly good marketing... but no one knows you or cares what you do.

And with the intense competition in our fitness industry, without consistent, predictable marketing bringing you a steady stream of clients, especially at startup, you'll be out of business in no time.

So if you want the ultimate advantage for your franchise, you need highly-focused, predictable, reproducible, cost-effective marketing.

**That's why you need to painstakingly investigate exactly what you're getting.**

Is it a beautiful website that would win prizes for the flashiest design... but does nothing to sell?

Or does your marketing automatically attract clients, then sift and sort them into categories depending on their interest level, then continue to persuasively build on that interest until they join you?

And how do you do all that?

Here's one real-life scenario...

We run ads on Facebook that send interested prospects to a strategically designed and tested web-page.

On that page, they trade their email address to learn more about one of our exciting (and irresistible) challenge offerings.

What are those programs?

To name a few...

**The Back to School Challenge**

**Men's 28-Day Strength Challenge**

**Women's 28-Day Sexy Momma Makeover**

**The Zero Pound Challenge (for Thanksgiving/Christmas/New Year's)**

**The Summer Slim Down**

**6-Week New Year's Revolution**

Some people will come on down to the gym and join right then and there, but many will only take a look at this stage and put off deciding.

But since there's a fortune in the follow-up, we then launch automated email campaigns that continue to build your relationship with that prospect...

... All the while enticing, instructing, motivating, and encouraging them to look at these wildly successful programs from different perspectives.

...Because some people will be inspired by losing weight, some by getting in shape, some want more energy, some are getting ready for a wedding or graduation and want to be able to fit into their clothes.

So we continually shift the focus and "push different buttons" that interest different kinds of clients. That email list is a virtually limitless source of revenue for you... upsells, cross-sells, reactivations, and more... yet most franchises haven't a clue.

You see, marketing doesn't just "happen."

It's actually a VERY strategic, calculated, measured, and choreographed process... like a bucket brigade handing off each step when the client is ready.

**In fact, using this exact same marketing strategy, we opened our 4<sup>th</sup> ELITE EDGE location in the Des Moines area recently... and had the initial investment come back to us in just 90 days (more on that in section 6).**

What's more, we've spent over **\$3,000,000** creating, testing, and tweaking these DONE-4-YOU marketing campaigns because there's nothing more powerful or cost effective.

Why do they work so well?

Because this is DIRECT RESPONSE marketing.

It's powerful, predictable, low risk, scalable, and the cheapest thing you can do.

Because at every stage we're MEASURING the response... instead of IMAGE advertising where you're just hoping and praying that your hard-earned dollars are not vanishing down a sinkhole.

One more thing about nasty marketing surprises...

When you're doing your due diligence, no matter if you're interested in ELITE EDGE or not, make SURE you understand where your franchise fees are going.

Because ALL franchises use a percentage of your sales to create more marketing for you.

BUT...

Does that marketing benefit YOU, or is it image advertising and brand building to attract more franchisees, which just makes the franchisor more money... but not you?

It's easy to burn through tens of thousands of dollars on "image" advertising... billboards, signage, fancy TV ads... which benefit the franchisor by getting you to pay for it.

Does it sell memberships and fill your center with clients?

No... but direct response marketing DOES!

So ASK about the general marketing fund and what it's used for.

Many times it's presented to LOOK like you're benefiting, but it's the franchisor who makes out like a bandit.

Don't get a nasty surprise once you're locked into a contract.

## ✓ 6. Deep Training: At StartUp and Ongoing

The legendary Stephen Covey, author of, "The Seven Habits of Highly Effective People," said:

**"A private victory always precedes a public victory."**

In other words, you've gotta have your ducks in a row... and marching in tight formation... BEFORE you open the doors to the public.

Because preparation is everything.

It was certainly that way for me in my MMA career.

Thousands of hours of intense preparation... long hours studying strategy, intense strength and endurance training, measuring every mouthful of food, relentless sparring and grooving deep patterns of behavior into my nervous system.

And that was for what could be just a 1-minute fight.

But all that private practice ensured predictable responses in the pressurized public spectacle of the Octagon cage.

It's why a sales force with prepared scripts will crush, all things being equal, the same group who are winging it.

That's also why ELITE EDGE delivers so much more training than other organizations.

Because it's a given... the more prepared, the higher your profits.

But most new franchise owners are tossed to the wolves after they sign up.

They're given a manual, they get a couple days of training, then they're on their own to juggle balls and spin more plates than they have a prayer of handling.

So if you're thinking of joining a franchise but have doubts about their training and ongoing support... RUN!

**For instance, ask what kind of preparation you get before opening your doors.**

At ELITE EDGE, we have the most in-depth and thorough training I've seen, and I've spent a lot of time examining all the franchises out there.

So what do you get?

First, we provide 3 weeks of intense PRE-training... where you or your location manager will learn all of our insider secrets and procedures ...

...For accounting and systems... hiring practices, policies, and training... daily operations... membership and sales... supplement sales and inventory... social media and marketing... safety and security... and how to facilitate our world-class challenges, bootcamps, and workouts.

Then, instead of 2 or 3 days, we deliver 2-full weeks of formal hands-on, in-person instruction, strategy sessions, coaching, and we go over every detail with you...

**... So you not only feel confident, you ARE confident... and for good reason.**

Because with our proven systems, clients stay with us for 2.3 years instead of 6 months, which is the industry average.

We also show you how to get up to speed FAST... by modeling our newest training center which sold over 100 memberships before it even opened.

With an industry leading LCV (Lifetime Customer Value) of \$4,278, that's \$427,800 in projected revenue before serving a single client.

This predictable success is because of your team of strategic partners.

For instance, besides our demographic assistance to find the best location, we have experts who guide you through the financing, build out, and construction process.

Plus, and this is far more important than you'd realize, we also have experienced agents to help negotiate the lease and get the best deal.

And for your grand opening?

We provide all the ammunition you could possibly need to get into the black in a hurry. Our last location did it in just 3 months...

- **Step-by-Step Guidance for Pre-opening Membership Sales**
- **Access to Grand Opening Marketing Resources**
- **Grand Opening Sale to Jump-Start Revenue**
- **Corporate Press Release to Attract Media**
- **Grand Opening Celebration**

And we don't disappear once you blast out of the gate.

We have your, "Established Client Retention Systems," mapped out and ready to implement...

... Because the overall costs to bring in new customers is horribly expensive.

But KEEPING your established clientele is almost free by comparison.

And it doesn't stop there.

You also get scheduled site visits, monthly calls, additional training, and membership to a private mastermind group.

So as you're examining other franchising opportunities, make sure all of the above is covered from A-to-Z.

And don't be fooled by low-ball, bait-and-switch offers that nickel and dime you down the road for the support you needed right from the start...

... Because it's the most shocking surprise to be dropped like a hot potato once you're gaining momentum.

## ✓ 7. Thorough Vetting

So where do you go from here?

Go ahead and take a look at what else is out there and watch carefully for the NASTY SURPRISES that are hidden in so many franchises.

Remember:

- **Negotiating a lease is more complicated than it seems from the outside...**
- A franchise broker is NOT working for you...
- **For your build out, ONLY hire contractors experienced in fitness training centers...**
- You need more than a couple days of training... you need WEEKS...
- **Brand marketing is fine, but you must have a selection of robust, done-4-you DIRECT MARKETING campaigns to make your center explode with memberships...**
- Only work with franchises that have their OWN training centers, so you're getting battle-tested experience, not just theory...
- **Who has designed your workout programs and what percentage is cardio (cardio dependent trainings DON'T WORK)?...**

- Who has designed the nutrition programs (IF they even have them)?
- **Make sure you know where your marketing money is going... and it's NOT just going to fatten the franchisor's bank account...**

Then, when you realize that there's only one place that has ALL the important elements (I'm confident you'll come to this conclusion) ...

...Your next step is to fill out and submit this [short initial inquiry questionnaire](#), so we can quickly determine if a territory is available for you and that you meet our minimum financial requirements.

If so, we'll reach out to you to schedule an initial discovery session by phone, to discuss your background, interests, and financial qualifications.

If you look like a good potential fit, you will then be given a copy of our Franchise Disclosure Document (FDD). The FDD contains detailed financial information, so you can make an informed decision about whether ELITE EDGE is for you.

If you believe this to be true, your next step is to complete a formal application, which will allow us to do due diligence and complete the vetting process.

Then if things check out, we'll schedule a visit to ELITE EDGE corporate offices in Des Moines, where you will see the magic in action, meet personally with myself and the executive team, and go over the terms of the agreement.

Your franchise application should be approved within 24 hours of that meeting.

**Then sign the franchise agreement and Congratulations!** You're now the proud owner of an ELITE EDGE Transformation Center franchise.

Training starts... site selection gets underway... then build out... grand opening... and many years of exceptional profits and asset appreciation await you.

Though frankly, as much as I love an abundant lifestyle... the satisfaction of seeing fat, out of shape, miserable people transform into happy, energetic warriors...

... Nothing beats it!

So if you're serious, let's get to it.

We'll guide you every step of the way... into a richly satisfying future!

Joe Brammer

**P.S. The best territories are awarded on a first-come, first-served basis. Don't let somebody else beat you to the punch!**

**[Inquire today.](#)**