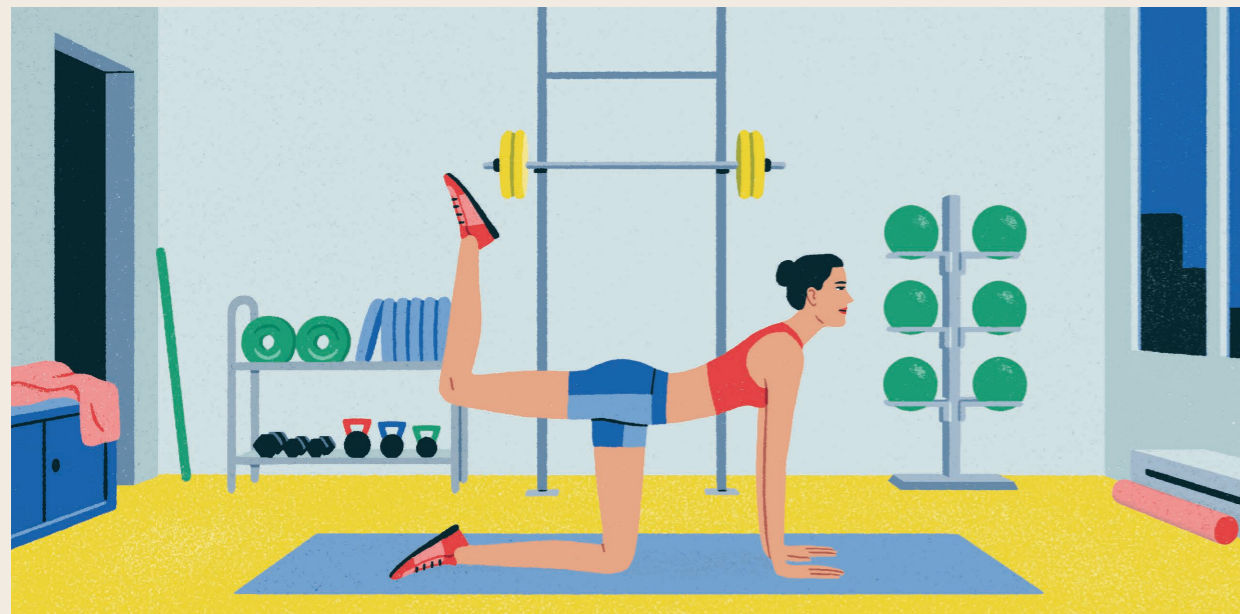


BUSINESS MODELS

HOW TO START A...

# MICROGYM BUSINESS

Up next in our series focusing on how to set up a specific type of business, we take a look at launching a microgym – the small workout venue that’s big on personal space.



## THE BUSINESS

A microgym, as the name suggests, is a gym on a much smaller scale: a private, on-demand fitness space in which to work out. It is likely to be accessed by a single user or a small group of friends at any one time. Unlike more traditional gyms, microgyms contain only a few pieces of equipment and are usually unstaffed. Thanks to their tiny footprint – many microgyms are only about 45 square meters to 75 square meters in size – they can be easily launched in a variety of locations, be it a room in a dense urban center, where space is at a premium, or the basement of someone’s house.

## THE OPPORTUNITY

Organized fitness is big business. According to a 2021 study by health-and-fitness business resource Wellness Creative Co, there are about 210,000 fitness clubs worldwide, with some 184 million members. But despite their popularity, big-box gyms and even boutique fitness studios don’t suit everyone, especially those more comfortable getting their sweat on solo. Therein lies the appeal of the microgym, where users needn’t wait around for equipment or fend off unwanted attention from others.

There’s no denying that Covid-19 has taken its toll on large fitness clubs and the way that people exercise. In the UK, a survey by online shoe aggregator RunRepeat showed that almost 20% of gym-goers had canceled their memberships by August 2020.

But this change has also created fertile ground for microgyms. After all, many people have become more virophobic and the thought of having to share sweat-coated, possibly germ-riddled equipment in a crowded space isn’t as easily put to the back of the mind as it used to be. In a microgym, users have exclusive access to the premises, so there’s no need to share equipment or follow social distancing guidelines. And it’s easier to implement hygiene protocols in a smaller space.

Microgyms have the flexibility of operating on a pay-as-you-go model, with users charged by the session. That model appears well-suited to a commitment-lite world where people are increasingly unwilling to be tied down by pricey, long-term membership contracts.

ILLUSTRATION: Anais Lefebvre.

## THE PREREQUISITES

Mark Reynolds is the founder of WeMakeGyms, a UK-based consultancy that designs, constructs and manages gyms in residential developments, corporate sites and commercial spaces. We spoke to him about the basic requirements for opening your own microgym.

<p><b>KNOWLEDGE</b></p>	<p>⇒ ‘We would always recommend anyone starting a business to have experience specific to that industry,’ says Mark, referring to gyms and fitness. ‘In the absence of this vital knowledge, hiring a specialist consultancy would be essential.’</p>
<p><b>COST</b></p>	<p>⇒ A basic equipment setup (power rack, bench, treadmill, dumbbells) will cost about \$28,000. ‘This doesn’t take into account your lease, insurance and operational requirements such as cleaning and servicing,’ says Mark.</p>
<p><b>SPACE</b></p>	<p>⇒ You need a space of at least 45 square meters.</p>

## THE CHECKLIST

Before you begin loading yourself up with dumbbells, there are a few issues that you need to consider if you’re going to run a microgym that’s fit for purpose.

### What is your business model?

Are you launching a standalone microgym or planning to open several sites later down the line? If it’s the latter, will you eventually adopt a franchise model or keep all operations in-house? Spending some time thinking about the fundamental direction of your business will help to guide you in plenty of key decisions.

### How are you going to fund it?

Though microgyms are a lot less expensive to launch than their full-scale counterparts, you can still expect to sink at least \$28,000 per site. Microgyms such as Silofit in Canada have successfully raised seed funding – indicating that there are investors in the space if that’s the kind of cash injection you’re after.

### Which locations will you target?

Microgyms can be opened in a wide range of settings thanks to their small footprints. Are you targeting urban centers, bearing in mind that many commercial districts are experiencing decreased footfall as a result of Covid-19? Or would suburban areas be more viable?

### What type of fitness equipment will you be offering?

Because your microgym will cater to a maximum of only three or four users at any one time, you won’t be requiring an extensive range of equipment. And as space will be limited, you will need to choose equipment that’s multipurpose. Power racks, for example, can be used for various exercises, from squats to pull-ups to shoulder presses.

### What sort of external expertise are you likely to need?

As Mark highlights, you will need at least some fitness knowledge and/or prior experience of working out at a gym, especially when it comes to choosing the equipment and deciding on a spatial layout.

### How much labor will you need?

Microgyms are typically unstaffed – there’s no need for a front-of-house team or for fitness trainers to patrol the gym floor. However, you will need to ensure that the gym is cleaned regularly, especially as hygiene at gyms has, understandably, become more important than ever. 🔥

## THE MAJOR PLAYERS

**01. SILOFIT, CANADA**  
In 2019, Silofit launched its first microgym in a 54 square meter office space in downtown Montréal. It now has eight locations in Toronto and Montréal, and plans to open 12 more across Canada this year. It recently raised C\$3.5 million (\$2.8 million) in a seed-funding round.

**02. SOLO60, UK**  
This London-based microgym opened its first site in Shoreditch in October 2020, right in the middle of the pandemic. It plans to expand to Europe, the US and Asia.

**03. BOLD, US**  
Bold launched its first three gym pods in Chicago’s Fulton Market neighborhood in January 2021. It has now raised \$400,000 from investors, which will be used to open more sites throughout the city.

## RESOURCES

**01. Strongman and fitness trainer** Joey Szatmary has his own YouTube channel, **Szat Strength**, which includes tips and advice on how to open a gym business.

**02. The Business of Fitness** by Thomas Plummer is an intuitive book that outlines key facts, such as price structures and building renewals, for aspiring gym owners.

**03. Looking to get in on an existing microgym business?** **The Gym Pod** in Singapore (see overleaf) welcomes franchisees – fill in the form on its website to get in touch.