



trifit

health. energy. performance.

Workplace Fitness Facilities ... a popular amenity with a healthy payback

Workplace fitness centers have become increasingly popular for both employers and landlords. According to a recent poll by Angus Reid, employee fitness centers are one of the top three amenities employees are requesting.

The impetus for putting programs in place varies from company to company. For some it is a recruitment and retention strategy while for others decreasing health care costs is the goal.

In this article we feature five leading Canadian organizations who have invested in workplace fitness centers. We also address some frequently asked questions on the topic of workplace fitness.

A Healthy Return on Investment

Canada Life Assurance Company was one of the first Canadian companies to conduct research on the bottom-line benefits of workplace fitness programs. A federally-funded research study in 1978 found that regular participants had reduced absenteeism, increased productivity, improved morale and retention. A 10-year follow-up study calculated a return of \$6.85 for every dollar invested. (1)

A summary of other research conducted on corporate fitness programs shows a cumulative economic benefit estimated at between \$500 and \$700 per worker per year. (2) (3)

After 23 years Canada Life's award-winning *Life in Action* program continues to thrive with over 30% of their 1,800 employees actively participating. The 6,000 square foot facility provides a hub for their comprehensive fitness and wellness programs.

"At a time when all programs are under scrutiny, and space is at a premium, the fitness and lifestyle investment continues to have our support", Bill Acton, Executive Vice President and Director, Canada.



trifit

health. energy. performance.

Attracting and Retaining The Best

Most organizations have strategies in place to attract and retain the best. Employees today expect to have access to exercise facilities as part of their benefit offerings and progressive companies are listening.

Organizations use their fitness facilities as a powerful recruiting strategy, especially in today's market place where companies are striving to be "the employer of choice." Exercise facilities act as a key retention tool. Employees think twice about going to the competition if a fitness centre is on site.

The fitness center at **IBM Canada's** new software lab in Markham is one of the most popular amenities with the lab's 2,500 lab employees and a key selling point for recruiting new talent," says Deborah Earley, Human Resources Manager. The doors of the Active Blue fitness center officially swung open for business in early October 2001, and they haven't stopped swinging since.

Over 40% of their 2,500 employees participate regularly, which is no surprise given the excitement and anticipation that has been mounting since the plans for a fitness center were announced. Membership to their 4,000 SF fitness center is provided free of charge to the employees.

"The popularity of the lab's fitness facility is a testament to the caliber of resources, programs and personnel available to help promote the health and well being of IBM employees", says Earley. "Our employees are looking for ways to enjoy more balance in their work and personal lives and the Active Blue fitness center is one way we have responded to that need."

Building Strong Work Teams and Enhancing Morale

The inclusion of an on-site fitness centre greatly enhances the opportunity for employees to come together by sharing a common goal "to achieve optimal health". Employees who do not normally work together will instead "work-out together." New relationships are fostered and working relationships enhanced. Work related issues and problems often get resolved on the gym floor.

Labatt Breweries wanted to make their head office move from BCE place to Toronto's waterfront as attractive as possible. "Although we were only moving a mile south", says Bruce Berg, HR Director, "the initial perception was that we were taking employees away from all the conveniences of Bay Street". The addition of a fitness center at their Queen's Quay site, was a popular move and in keeping with their more informal, upbeat office environment.



trifit

health. energy. performance.

Although space was at a premium, they were still able to carve out 2,500 SF for a fitness facility. Over 65% of their 200 staff have enrolled in the fitness center, which opened last fall.

“The facility has had an even greater impact than we thought,” reports Berg. “Building a new sense of community has grown more quickly as a result of the fitness center and its related programs. The fitness-related departmental challenges have enhanced morale and teambuilding.”

Attractive Tenant Amenity

GWL Realty Advisors has had great success in enhancing tenant relations in their larger multi-tenant buildings. “The ability for an employee to take advantage of on-site fitness facilities can be beneficial to both the employee and the employer in this busy market,” says Angie Ieraci, Director Property Management. “We feel this is a value-added service to the tenant and their business.”

GWL says their keys to success have been to use unleaseable space, to charge a nominal fee and to hire good quality health and wellness experts such as Tri Fit to create awareness and build relationships to create the community spirit they strive for at Sussex Centre.

Kolter Property Company put a fitness center into their Canada Square complex at Yonge and Eglinton in 1985. It has been such a success that when they were developing a new commercial project in Markham a fitness facility was in the plans. “We get a great response from prospective and existing tenants when we tour them through our facility,” says Randal Froebelius, Vice President Commercial Operations. “It has been a popular amenity to attract and retain all types of tenants.” “As a result of Kolter’s initiative of promoting a fitness facility in multi-tenanted buildings, small tenants are able to offer a “larger user” benefit to their employees at a very reasonable cost”, adds Ross McKerron, Kolter’s Senior Vice-President.

Affordable, convenient, safe, nonthreatening workplace fitness facilities make it easier for today’s workforce to keep fit and offset the stress of increased work hours and workloads and long commutes.

Frequently Asked Questions About Workplace Fitness Facilities.

How small can I go and still provide a quality facility and service to my employees/tenants?

Although there are no hard and fast rules about size here are some general guidelines to follow.

Employee Population	Facility Square Footage Guidelines
---------------------	------------------------------------



trifit

health. energy. performance.

100-500 employees	1,500 –3,000 SF
600 – 1,000 employees	3,000 – 5,000 SF
1,000 – 2,000 employees	4,000 – 10,000 SF
2,000 up employees	6,000 – 12,000 SF

What facilities should be included?

Most corporate fitness centers provide basic fitness facilities. Surveying your employees/tenants will help to confirm facility and program requirements. The following spaces are typical of many corporate facilities.

1. Individual workout area for cardio and strength training equipment
2. Group exercise area for classes such as aerobics, yoga, tai chi
3. Stretching area
4. Change rooms with showers and lockers
5. Small office for professional staff
6. Counselling room for fitness assessments

How much does it cost to build an in-house fitness facility?

Square footage costs can range anywhere from \$60 to \$80 per square foot. Plumbing can be as high as \$80 and general areas as low as \$35 per square foot.

Is it possible to operate a workplace fitness facility on a break-even basis?

Many organizations are prepared in the short term to invest in an on-site fitness center by paying upfront capital and operating expenses with the expectation of a return on investment in three to five years.

The average fee levied from most workplace fitness facilities is \$200 to \$300 per year. With a payroll deduction system in place this is not a financial strain for most employees.

How Can I Minimize Liability Exposure?

Organizations can minimize the liability exposure of an on-site facility by reviewing their company liability insurance policy, ensuring adequate facility supervision and proper equipment selection.

Many workplace fitness facilities are open 24/7. A card access system, security phones, signage, thorough screening procedures, and equipment orientations help to minimize risk and exposure.

When hiring a professional management company you can expect two million dollar general liability insurance coverage and certified and experienced staff.

With careful planning and proper systems in place liability is extremely low.



trifit

health. energy. performance.

What Equipment is Required ?

You should expect to do the same kind of research and planning in selecting the right equipment, as you would purchasing your next car. Select commercial grade equipment. A number of factors should be considered including demographics – average age/male/female split, space availability and facility supervision. Leasing vs. buying, warranties and vendor reputation are also important to consider.

The equipment selection should include a wide range of cardio and strength training equipment. Free weights should be limited to supervised facilities. Other equipment requirements include apparatus for aerobics classes such as steps, stability balls and dynabands, fitness testing equipment and audiovisual equipment. You could expect to pay anywhere from \$30,000 to over \$100,000 depending on the size of the facility.

Do I Need To Staff My Facility?

A professionally managed facility will increase membership rates, result in a greater return on investment and minimize liability exposure. Ongoing professional management ensures safe and effective programs and a headache-free operation.

Professionally managed programs can expect to see participation rates of 30% to 40% over time as compared to 8% to 10% for an unsupervised facility. Regular member follow-up and ongoing programming and marketing campaigns results in higher retention. This in turn translates into a greater return on investment.

Liability exposure is also reduced. Professional staff provide participants with an initial screening, a personalized program and equipment orientation. Staff are also available to teach group classes and ensure member safety and service.

Facility Profile

Labatt Brewing Company Ltd.

Location – Queen’s Quay Terminal Building (2nd floor)

Employee population - 200

Fitness facility size – 2,500 square feet

Facilities provided: aerobics studio, workout area with cardio and strength training equipment, change rooms, showers

Fitness equipment: treadmills, elliptical cross trainers, stationary/recumbent bikes, strength training equipment, stretching corner

Hours of Operation 6:00 am to 10 p.m. 7 days a week

Cost: Free of charge

Management Company – Tri Fit Inc

Staffing compliment – 1 full-time staff

Reports to: Bruce Berg, Director of Human Resources and Manpower Planning



trifit

health. energy. performance.

(416) 361-5212

Facility Profile

GWL Realty Advisors Inc., Sussex Centre

Location: Mississauga

Tenant population – 2,700

Fitness facility size – 4,000 square feet

Facilities include: aerobics studio, workout area with cardio and strength training equipment, change rooms, showers

Fitness equipment: treadmills, elliptical cross trainers, stationary/recumbent bikes, strength training equipment, stretching corner

Hours of operation: 6:00 a.m. to 8:00 p.m. Monday to Friday

Cost: \$40 initiation fee, \$25 per month

Management Company – Tri Fit Inc.

Staffing compliment – 1 full-time staff

Reports to: Angie Ieraci, Director of Property Management

(1) (*Canada Life 10, Corporate Fitness Ten Years After*)

(2) (Shephard, *The Physician and Sports medicine*, Vol.27 No 2, 1999)

(3) For further information on return on investment see www.activelivingatwork.com.

Published in *Office Life*, Feb. 2002

Authored by Sue Pridham, Tri Fit Inc.