Gym Acquisition Company Finds Support for Aggressive Growth with Business Software

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Jeff Skeen, President and CEO, Titan Fitness

Business Needs
Based in McLean, Virginia, Titan Fitness purchases and rebrands existing health clubs to the Gold’s Gym name and builds new health clubs to meet emerging market demand. Titan Fitness plans to grow its chain to more than 60 stores over the next five years and establish itself as one of the largest Gold’s Gym franchises in the world. For Titan Fitness, this vision is already becoming a reality. In the company’s first two months of operations, it acquired several gyms and grew to hundreds of employees.

During this initial phase of acquisitions, Titan Fitness found that inconsistent accounting technology across gyms made it difficult to achieve the companywide insight into accounting that company leaders needed. Says Jeff Skeen, President and CEO of Titan Fitness, “We needed a way for employees, management, and investors to view how our company is doing on a regular basis.”

While Titan Fitness started with five employees and could rely on QuickBooks Online Edition, the company realized that to meet its aggressive expansion goals, it would need an enterprise-level solution that could provide both financial and business management support. “With QuickBooks Online, we were limited solely to accounting functionality, and we couldn’t easily integrate QuickBooks with our other line-of-business applications to get the range of business management functionality that we needed,” says Skeen. “As Titan Fitness has begun to grow rapidly, we needed to find a new package that would grow with us and that could be deployed quickly and cost effectively.”

Solution
Skeen considered several business solutions, but ultimately decided on Microsoft Dynamics GP. Says Skeen, “We could have gone with several different applications and cobbled them together, but we didn’t have time to build a system from the ground up. Microsoft has a great array of software that handles everything our business needs.”
Establishing an Infrastructure for Growth

To ease the deployment of Microsoft Dynamics GP at newly acquired health clubs, Titan Fitness turned to Microsoft Gold Certified Partner Wizard Productivity Systems. The Wizard X4 Productivity Suite automates the setup process for Microsoft Dynamics GP so that Titan Fitness can reduce implementation time and cost.

Titan Fitness also worked with another Microsoft Gold Certified Partner to host Microsoft Dynamics GP, further minimizing internal IT overhead. “As we are consolidating gyms, it’s critical that we integrate our IT systems,” says Skeen. “Because Microsoft Dynamics GP is hosted centrally, gyms can easily access the same system.”

Implementing Core Accounting and Collaboration Tools

While Titan Fitness has been using Microsoft Dynamics GP for a short while, they are already taking full advantage of general ledger, accounts payable, and reporting functionality. This provides Titan Fitness with the core accounting capabilities that it needs to operate. Says Skeen, “When we buy a new club, we take all the accounting information that was previously in another tool, such as Microsoft Office Excel®, and bring it into Microsoft Dynamics GP. We then use Microsoft FRx® to create both current and historic financials.” In addition, Titan Fitness uses Microsoft FRx to present financial reports to its investors.

Titan Fitness staff also takes advantage of Microsoft Office SharePoint® Server 2007. This provides gym staff with a single, integrated location where they can efficiently collaborate with staff at other gyms, find corporate information and guidance, and leverage business insight to make better-informed decisions.

Future Plans

The flexibility of Microsoft Dynamics GP has enabled Titan Fitness to look ahead with confidence to changing business requirements. Soon, Titan Fitness will be able to maintain and access data collected from its thousands of gym members through a central data warehouse using Microsoft SQL Server® 2005 and Crystal Reports 2008 for reporting and delivery. A custom dashboard will graphically present key information, such as the number of memberships sold.

Titan Fitness also plans to integrate Microsoft Dynamics GP with the company’s proprietary central data warehouse, which includes data from its health club management system. This system includes a point-of-sale system, a billing system, member demographics, and personal training software.

For online requisitioning, Titan Fitness will deploy Business Portal for Microsoft Dynamics GP. Instead of relying on paper-based processes, gym staff members will enter an item that needs to be purchased, such as bottled water or sports drinks, into Microsoft Dynamics GP. A workflow will then automatically send the requisition to purchasing staff, who can approve the item and create a purchase order.

Benefits

With the implementation of Microsoft Dynamics GP, Titan Fitness has gained a strong foundation for growth. The company can quickly roll out the solution to newly acquired gyms while ensuring that business-critical information remains centralized—all at an affordable price. Says Skeen, “Our financial backers are amazed that we can have such top-notch products and services for such a reasonable price.”

Streamline and Integrate Business Management

Because business information and accounting functions are centralized across gyms, Titan Fitness can control all back-office operations with just six people. In addition, Microsoft Dynamics GP can help fully integrate accounting and business information. Says Skeen, “QuickBooks can only offer accounting features. Microsoft Dynamics offers us integration options with accounting, CRM, e-mail, documents, and spreadsheets—everything.”

Achieve Enterprise Functionality Quickly

Titan Fitness expected that such a feature-rich solution might take a long time to implement, but this was not the case with Microsoft Dynamics GP in a hosted environment and the Wizard X4 deployment. “The initial implementation of Microsoft Dynamics GP took just 61 hours,” states Skeen. “We can now rapidly deploy an enterprise system that any Fortune 500 company would use for only a fraction of the cost of other solutions.”

Support Future Expansion

As Titan Fitness grows, Microsoft Dynamics GP stays in step, helping the company ensure the success of future acquisitions. Skeen says, “QuickBooks is fine for small shops, but Microsoft Dynamics GP offers us the ability to stay with one product while we grow aggressively. I could operate hundreds of health clubs with Microsoft Dynamics GP!”