

Fitness First – Case Study & Reference

Customer Details



Fitness First (“FF”) started as a single health and fitness club in Bournemouth in 1993. Since then they have grown to become the largest gym, health and fitness club group in the world with more than 1.4 million members in over 540 clubs. They are the world’s largest operator of health & fitness clubs; the UK is our largest area of operations with 160 clubs.

Fitness First is owned by a private equity firm, combined with rapid growth this means a challenging environment in which we and our suppliers must work. JMCL was introduced to us having successfully worked with a number of similarly fast-growing private equity backed companies.

Customer Objectives

Fitness First set the following objectives:

- Reduce the UK cost base with a net benefit in year one. Savings per category were over 20% pa.
- Ensure all spend categories are under proactive management
- Don’t compromise customer experience, use ‘quick win’ methodology
- Identify longer term projects/strategies and Global opportunities
- Ensure knowledge transfer

Results Achieved

All the above objectives were achieved. In addition savings were of 8.8.

Testimonial

Colin Waggett, the Group Chief Executive at Fitness First noted that:

“JMCL operated consistently, at a level of excellence in their work and in their relationship with us as their customer. They have “made things happen” in a challenging environment by, taking time to understand our business, the people within it and our key drivers.

Having achieved so much with JMCL and admiring the way they go about their work we agreed terms to take one of their consultants as our Group Chief Procurement Officer. We maintain a strong relationship.”

Colin Waggett – Group Chief Executive, Fitness First

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Work Done

JMCL worked with FF between February 2004 and September 2008. It started with a Procurement Diagnostic Report within the UK operations, continued with improving the fundamentals and delivering savings in over 20 categories of spend in Europe before globally rolling-out all the benefits delivered. In FF's words:

- It started with a review of procurement within the UK organisation and delivering a full Diagnostic Report including identification of savings opportunities and how to improve the fundamentals of good procurement particularly our purchase-to-pay process. This really opened our eyes.
- Following Board acceptance of their recommendations JMCL delivered the savings in a number over 20 spend categories as promised. These included direct categories such as Fitness Equipment, Membership & Locker systems and goods for re-sale as well as indirect categories such as Vehicles and Marketing.
- They analysed and reported upon the retain versus outsource decision for our in-house warehousing and logistics function.
- JMCL installed and monitored their benefits tracking tool, aka Ernie, which identified on a weekly basis the cash flow impact of each individual initiative on our business.
- They recommended our procurement strategy and the structure of our own procurement function both locally and then how to replicate the benefits on a Global basis. They ensured that the benefits were delivered across all our clubs, no mean feat given the large numbers of geographically diverse clubs we run.
- They delivered the procurement-to-pay process improvement initiatives which they recommended including building a contract database management system for us.
- Furthermore they coached our staff through the whole tender and contract award process and provided documentation for us to use in further categories.

Customer Comments

JMCL are extremely flexible and responsive to our needs. Over the time we have worked with them our requirements in terms of numbers of consultants and specialist skills have changed many times. JMCL has always provided the consultants with the appropriate skills and experience. Knowing this we have able to reduce the level of permanent resource in our Procurement function to the correct level. This flexibility and responsiveness allied to the results they deliver allows us to obtain excellent value for the money.

Their benefits tracking model means it is easy to measure their performance including the significant reductions in cost they have delivered. However it's not just cost, in addition they have improved service levels and reduced our business risk in all categories.

JMCL's consultants have a level of experience not seen in the large firms and we know they will implement and be held accountable for the outcome of their recommendations. We know we can call on JMCL whenever it is required and they will never disappoint.

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Whenever JMCL have been involved in an initiative they have made a point of ensuring skills transfer to our personnel takes place throughout the work including the use of their methodologies and tools. At the end of any initiative there is a formal skills transfer session.