

# KINCARDINE LADIES FITNESS CO-OPERATIVE



We call it 'Our Gym'

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Nestled in Bruce County on the shore of Lake Huron, Kincardine is a small Ontario town. The population totals just over 11,000 residents, a majority in the 50-70 year-old age range and with more females than males. Kincardine is a relatively wealthy town with 10% of the population with an average household income over \$150,000. It is not surprising, then, that a women-only 55 plus gym was popular.

Kincardine is a town of diverse businesses and industries including utility, agriculture, real estate, retail, and construction, and has a low unemployment rate. It is located in an area that attracts families looking to change lifestyles; professionals who have moved for work at the Bruce Nuclear Plant; cottagers who have been coming to the region for generations; outdoor enthusiasts who enjoy surfing, hiking and camping; and retirees looking to downsize. Accordingly to the municipal website, it is a place where you can be as busy or relaxed as you want to be. Clearly the members of Kincardine Ladies Fitness Co-operative have been busy.



source: Kincardine Ladies Fitness Co-op

## The Pre-Conversion Story:

### Diminished Franchise Dominance

While there were and are a number of gyms in Kincardine, the Curves workout model had an appeal to a certain clientele. Curves is an exercise franchise promoting a 30 minute women-only workout using machines in a Curves-created fitness circuit. This workout model, and thus the Curves franchise, grew in North America over 25 years with a great uptake for about 8 years. In the last two-three years Curves in Ontario have mostly gone out of business. During the swell of popularity, a retired teacher decided to open a Curves franchise in Kincardine. The business subsequently changed ownership two times and operated successfully for a number of years.

The Curves franchise model has 2-4 trainers on staff to help women with their Curves specific workouts, on Curves workout machines. The last owner, an accountant, was very supportive of her staff, although this of course was a large business expense within the Curves franchise model. In 2013, the Kincardine Curves owner began to feel franchise pressure from Curves Headquarters in Waco, Texas. These demands included increased payments to headquarters thus reducing her profits, policies that were inappropriate for a rural context, and increasingly regimented Curves workout model. Additionally, the Curves franchise model was changing to further centralize control and profit at headquarters. Combined with a rent increase, the owner decided she no longer wanted to operate a Curves franchise.

The Kincardine Curves owner could see the Curves franchise model was starting to flounder; all of the Curves' franchises were suffering. It was a franchise issue, however, not the whole-hearted rejection of the Curve-type workout. This was reflected by the clients continuing to renew their membership at the Kincardine Curves. Local women still wanted to have a Curves-type workout; however, they wanted the ability to have more personalized workouts, stationary bikes, or treadmills. Despite this, the Curves in

Kincardine was an overall happy place with the owner and the clients having a good relationship. Eventually, though, the third owner decided to give up the franchise and sell the business to a new owner, who thought she could make a go of it, as a new business.



Kincardine Ladies Fitness Co-op hosting open house Monday  
source: kincardinerecord.com

This new ownership was short-lived. For about five months,

the new owner tried a number of tactics to bring the operating expenses down, including letting go of the employees. To compensate, the new owner needed to work all of the opening hours from 7am to 8pm herself. As one former Curves client and now co-op member said, "I don't think she was doing well. She was overwhelmed, the rent had increased, she couldn't afford employees, so she was doing most of the hours and completely burning out. One day she just closed. I was still a client."

It was at this point that the gym clients decided to explore keeping the gym open themselves. "When Curves closed we wanted the gym to stay open and to stay affordable." Along with the very supportive last owner of the franchise, a group of clients decided to create a gym driven by what the clients needed and wanted. So "the gym" became "our gym," following the route of franchise to private business to co-operative. However, first, the clients had to figure out how to shift from being clients to member-owners through a business to co-operative conversion.

Table 1: Catalyzing Factors for Kincardine Ladies Fitness Co-op

Previous enterprise characteristics	<ul style="list-style-type: none"><li>• Franchised women's only workout centre using a women-only, short workout model</li><li>• Type of client this workout model attracted</li><li>• Price point for services (gym membership)</li></ul>
Group / Community stakeholder characteristics	<ul style="list-style-type: none"><li>• Positive core group that ultimately provided leadership</li><li>• Former owner who really wanted to help the members to form a co-operative gym</li><li>• The strong desire for a gym in the Kincardine area for this demographic of women</li></ul>
Supporting organizations / institutions characteristics	<ul style="list-style-type: none"><li>• The Co-operators helped to find the right fit insurance package for the co-op</li><li>• The new landlord was supportive of renting to the co-op</li><li>• The Ontario Co-operative Association</li></ul>

## The Process of Conversion:

### "Naturally Fit"

The creation of the co-operative was not about crushing the multi-national franchise corporation, it was about continuing to fill a need for a group of people in the Kincardine region. From the gym client numbers, there was clearly a niche demographic a co-operative gym could fill. This was and continues to be women

primarily who are over 50 years old, who want flexibility in using a circuit-type workout model with workout machines with which they are familiar. They want a women-only space that is clean, welcoming, and not competitive. They want a flexible membership that reflects their community of snowbirds, golfers, and cottagers. They began to organize.



Co-op members in front of their gym.  
source: Canada's Emerging Co-operators Facebook Page

According to one member, "The gym closed in spring 2015, we had our first meeting of potential members in the summer and we opened in September. Very quick organizing." The speed of the conversion to a co-op does not reflect the acute learning curve about co-ops, nor the hours of work put in by a core group of diehards. The core group was made up of working and retired women in professions such as teacher, newspaper owner, physical education teacher, and realtor, some of whom were former trainer employees with Curves. Collectively, they began to figure out

how to keep the fitness centre open. As one core organizer states, "We put out feelers and there was an overwhelming interest to own the gym. Someone put the co-op idea forward and people heard about it and wanted to keep it going. It was pretty seamless. Mostly because of the core people involved."

The core group looked at new locations, crunched rental costs, explored insurance options and totalled up all the expenses. From this they were able to figure out a monthly membership fee based on a critical number of members. They figured they needed 40 members at \$50/month for the co-op to be successful. They did a membership drive asking new members to join for a year with \$150 upfront for the first



three months to start their membership. The drive was successful. “We got the 40 plus members, so we knew we could open. There are a lot of seniors in the community. We knew we fit the bill for those people and the community is relatively wealthy, so the \$50 per month is doable for most people.”

Once they had a membership to support the gym, they moved to the next steps - incorporating and opening. A key enabler in the process was the final Curves owner. While she did not become a member, she was greatly supportive of the co-op. She was able to source equipment for \$5,000 with a payment period of a year. This allowed the co-op to have workout machines members were already familiar with at a good price that could be paid for overtime. She was also supportive around business planning and gym operations. As one core group member stated, “she was really important in the start-up of the co-op.” They also decided to move to a different location because the rent on the main street was getting high. At this time, due to provincial legislation around incorporating a co-op, they had to also hire a private company to do a name search and get a document of proof.

Regarding financial support, the founding group had crunched the numbers, so they knew they could cover the expenses, but they also knew they would have extra or unforeseen expenses. They explored the provincial government for grants and loan programs, but they turned away. “We tried to access grants, but the proposals are so onerous. No one wanted to work on them.” They did write a proposal for the Grey Bruce Community Foundation, which they found success receiving \$1000 for a new business sign. Although this proposal process was extensive, they decided they would



Janet Cooper uses the stretching machine at the Kincardine Ladies Fitness Co-op  
source: kincardinerecord.com



source: kincardinerecord.com

do that again. Additionally, "Community Futures was consulted, but the group was disappointed with their experience." Needless to say, the financial support that the former Curves owner provided in facilitating the co-op's purchase of the equipment over time was the key financial pivot for the co-op.

At this point the core group were still figuring out what the model of incorporation could be for them. No one had had any experience with a co-op before. As one member stated, "We didn't really know about co-ops at all." Despite this, the group landed on a non-profit co-operative model because "we provide a service in the community, we are not out to make money." They did not work with a co-op developer, but some members expressed learning about the co-op model from the Ontario Co-operative Association (OCA) when they checked over the bylaws that had been drawn up by a member who had this type of experience from her work with big unions. Others mentioned what they learned from The

Co-operators Insurance when they were trying to find out about insurance. "The Co-operators helped to provide the insurance when no other insurance company would." What they eventually learned is that because everyone is a part owner, they can be responsible for themselves. This allowed them to get an insurance package. After some back and forth with the provincial government, they ended up working with a person in the registrar's office who was able to move them through the incorporation and registration process in a thoughtful, streamlined manner. "After being shunted around via the call centre. He became our point person and said to call him directly with any questions. This was key for us being able to get the incorporation done."

With a robust membership, a business plan, equipment, a new location, bylaws, and shiny new incorporation, the Kincardine Ladies Fitness Co-operative was launched on September 15th 2015.

From the beginning, the core group and now co-op members knew they wanted to keep costs down by doing the work themselves. One member stated that “back then they (Curves) had staff, which is very expensive. Now we have no staff. This was done on purpose and by design.” At the beginning each member was expected to contribute three hours a month to the maintenance, operations and governance of the co-op. They helped with training, cleaning up, washing the cloths, and decorating, as well as with promotions, operations, and governance.



Kincardine Ladies Fitness Co-op hosting open house  
source: [kincardinerecord.com](http://kincardinerecord.com)

Two volunteer jobs that do take more time are the trainers and Board of Directors. Previously, trainers were employed to show the clients how to use the machines and conducted workouts with clients. In the no staff co-op model of “our gym,” after being trained on how to use the machines by a volunteer trainer, members guide themselves



through workouts and/or support each other. Fortuitously, the former trainer employees took the role of training new members on how to use the machines. According to members, “This is time consuming for the volunteer trainers, but they feel OK about it, but naturally disappointed when new members don’t stay on.”

Regarding the Board of Directors, there are eight directors with four on the Executive. The Board makes the decisions for the co-op. The current Board has been in place since the beginning and are really the core organizing group of the co-op. Their commitment is very strong. For example, the Treasurer takes care of all the bills, memberships, and covering the budget. “This is a volunteer job and she does it even though she hasn’t been coming to the gym because of health reasons.”

Co-op members are very supportive of the co-operative and of the board. Here a member says, “people are pretty good. If you ask them to do something specific they will do it. Not sit on the Board though. They don’t want to do this because the board does a good job.” As another Board member told us, “AGM welcomes others to join. We are victims of our own success. No one wants to step up to the board because they think we do it well.” However, at the most recent AGM (2020) two new board members were elected.

The formation of the co-operative was a natural fit for the former clients of Curves, but as one member reflects, “we had no idea we would make a go of it, but thought we would give it a chance.”

Table 2: Enabling Conversion Ecosystem for Kincardine Ladies Fitness Co-op

Type of Support	Enabling Actor(s)	Enabling Action
Financial support	Previous owner	<ul style="list-style-type: none"><li>facilitated the purchase of the equipment for \$5,000 to be paid off over a year</li></ul>

	Grey Bruce Community Foundation	<ul style="list-style-type: none"> <li>• \$1,000 for new sign</li> </ul>
In-kind support	Core Group of Founding Members	<ul style="list-style-type: none"> <li>• Business planning, new location, rental charges, insurance, bylaws, membership drive</li> <li>• Much volunteer work and hours from co-op members</li> </ul>
	Former employees	<ul style="list-style-type: none"> <li>• Helped with workout, equipment, operations on a volunteer basis</li> </ul>
Technical/ development support	Previous owner	<ul style="list-style-type: none"> <li>• Support with business plan, managing and operating a gym</li> </ul>
	Core Group of Founding Members	<ul style="list-style-type: none"> <li>• Business planning, new location, rental charges, insurance, bylaws, membership drive</li> </ul>
	Ontario Co-operative Association	<ul style="list-style-type: none"> <li>• Provided the necessary information and guidance required to open a co-operative.</li> </ul>
	Provincial Government Registrar	<ul style="list-style-type: none"> <li>• Helped with incorporation</li> </ul>
Government Policy/Program Support	N / A	<ul style="list-style-type: none"> <li>• N / A</li> </ul>

## Ongoing running of the co-op

The Kincardine Ladies Fitness Co-operative has now been operating as a co-op for close to six years, and operates entirely on volunteer time and effort from members.

The members and Board work together to create an atmosphere and co-op that is designed for their members and by their members. Regarding operations, the co-op was able to pay off the equipment within the year, buy some new equipment, and do some updates. A former employee, now a member, knew how to care for and fix the machines and continues to do so. She was offered a free membership and now she is given an honorarium for her services. The members began with three hours of volunteer work per month, and now this is one hour per month because everyone is very clean and respectful. Because it is not staffed, members can be at the location alone. Some people do not want to be there with others, some people like others around. Those who want to workout together can make plans to meet. They installed a keypad lock on the door, so the gym is now open 24/7. As one member trumpets, "Wide open whenever people want to go to work out." The landlord is really supportive; however, the rent has gone up due to inflation. "So now we need 45 members at \$55/month. We just increased the monthly fee."



Janet Cooper and Ginny Ross welcome ladies to drop in during the open house, which continues Sunday from 1-4 p.m., at the Kincardine Ladies Fitness Co-op  
source: kincardinerecord.com

Regarding governance, the co-op continues with the same people on the Board, mostly because people will not step up. According to Board members, it is not a lot of work, "some work, but pretty straight forward."

The leadership remains strong. Membership recruitment is the other important factor for the co-op. At one point the co-op had over 60 members, so they were able to bank some money,

which is what they have been able to draw on during the COVID-19 pandemic or low times. Membership is down at the moment to below the 45 required to operate successfully. If membership does not go up, the Board has made the decision just to keep going until the money runs out. They have lost some members. People die, get sick, and move away.

Although the co-op has advertised through local media, recruitment of new members has been most successful through word of mouth.

The COVID-19 pandemic context has hit the co-op hard because of the rotating protocols for gyms. The co-op had to be outright closed for four months. Then when it could open the capacity of members was limited due to social distancing edicts, locale size, and allowable activities. Plus since many members are vulnerable to COVID-19 due to their age (seniors), people feel less comfortable with going to the gym.



Kincardine Ladies Fitness Co-op hosting open house Monday  
source: kincardinerecord.com

However, despite this, “our gym” continues to be available to the niche membership that developed and continues to use this co-op. As one member deftly states, “There is a new attitude. Because we all have ownership, I need to help out.”

## Post-Conversion:

### Successes and Challenges

One of the successes of Kincardine Ladies Fitness Co-op is the ability to deliver exactly what members want. Because it is co-owned, operated, managed and governed by its members, they know exactly what members want and are able to deliver this. Where previously the franchise and private business were able to provide clients with services (workouts) that generally met their clients’ needs, now the co-op is able to flex, be nimble, adapt to members’ wants and needs. They wanted treadmills, stationary bikes and group workouts, so they made it happen for their members. The co-op has also been able to stay dedicated to their membership niche - 55 plus, women-only, quick workout - thus delivering specialized services that differentiate the co-op from other gyms. Moreover, they have been able to offer flexible memberships to the Snowbirder, the Golfer and the Cottager, which most gyms will not allow clients to do. This is important in a town with many other gyms to compete with for members.



Ladies fitness co-op gives back to the community  
source: [www.kincardinerecord.com](http://www.kincardinerecord.com)



While many members feel like the co-op is just like any other business in the community, clearly, its impact is felt from the work that members do in and for the community. Members are already people deeply involved in the community and they bring this civic-mindedness to the co-op to work together. The co-op has been able to support many community organizations i.e., Multiple Sclerosis society, Alzheimer's association, the Christmas Hamper, and the trail association.



Ginny Ross works out on one of the pieces of equipment in the circuit at the Kincardine Ladies Fitness Co-op  
source: kincardinerecord.com

There are some challenges that have been overcome, others that continue to plague the co-op, and others that are emerging. The volunteer trainers' time has been taxed, but not their good will. Taking time to train each new member on the machines is time-consuming but worth it if they continue to be a member. If they do not, it is disappointing. Solutions to promoting ongoing membership and also recognising trainers' time have been implemented effectively.

There are some succession planning issues for the Board. The leadership of the co-op has been in place since the start and they continue to be strong; however, as they tire or want to do other activities, new people will have to step up into those leadership positions. A succession plan for Board members is an enduring challenge for the co-op.

Membership recruitment is also a challenge. The co-op is able to pay its expenses because of good fiscal management; yet, there are fewer new members joining the

co-op. While the co-op does not generally lose members because they are unhappy, they terminate their membership because they moved, are sick, or, especially with this demographic, die. Membership with this gym means “people need to be committed to health and fitness and to the co-op.”

An additional challenge at this time is managing the co-op during the COVID pandemic. Due to the many different protocol changes and a complete shut down for four months, the Board is concerned about membership numbers and their ability to continue to pay all of their expenses. While at the gym members are being safe, wearing masks, and doing the necessary cleaning, there are members who worry about the ability to physical distance in a gym.

## Conversion Lessons from Kincardine Ladies Fitness Co-op

### From a multinational franchise to local non-profit co-op:

Sometimes big is just big and not better and in this case it did not fit the needs of local, rural residents. The conversion to a co-op model has meant better services and better business by responding and adapting more directly and effectively to the needs of members. As one member stated, “Now I feel a lot more committed. Previously if I stopped going, it wasn’t a big deal. Now I couldn’t quit! How can I quit? I would be quitting on myself.”

### New business design:

It works because they had the ability to design the co-op to be economically sustainable and to be a nimble and responsive organization, again responsive to the needs of members. It is a small gym with no employees and therefore no salaries. They can keep the costs down and plan membership fees accordingly, and no one is looking to take a personal profit out of the business. “People have taken ownership of it because they are owners.”

### Supportive former owner:

“We are so fortunate to have the previous owner. We couldn’t have thought to do this without her.” Resoundingly, members recognize the role the previous owner played in supporting them to convert to a co-op. Although she did not join the co-op, she was instrumental in giving the core group confidence to pursue the co-op idea and in supporting them financially and technically.

### Deliver exactly what the membership want:

With the co-op model they are able to deliver services (workouts) exactly tuned into the members’ needs. Flexibility is appreciated and built into the design of delivering what members want.