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# Healthy Growth

Health & Fitness Nordic has a strong commitment to providing innovative products and services across its entire spectrum of low-cost to high-end fitness and training solutions.

Images courtesy of Health & Fitness Nordic

**H**ealth & Fitness Nordic (HFN) encompasses a group of chains dedicated to offering their members the tools and assistance they need to live a healthy and active life. With over 545,000 members in more than 200 training clubs, HFN is the largest provider in the health-and-fitness sector for the Nordic region. It's fortunate, then, that the principal owners of the company—Altor and TryghedsGruppen—share a vision of happier and healthier Nordic people.

HFN ensures high standards across a wide range of training options, while continually developing new products and technology for the benefit of its customers. To gain some insights into how the group stays at the forefront of innovation in its sector, *The CEO Magazine* spoke to Olav Thorstad, CEO.

***The CEO Magazine:*** What is your professional background, and how has it informed the way you approach the role of CEO at HFN?

**Olav:** I hold a masters in economics, and have experience with firms like Orkla and Coca-Cola in various marketing roles. Before starting in my current role with Health & Fitness Nordic, I worked with NorgesGruppen for seven years. This company is the biggest grocery wholesaler in Norway, and I was director of marketing and strategy for the supermarkets division.

Coming from this background has given me a consumer- and retail-oriented perspective. This has been a strong starting point for me to look into how we at Health & Fitness Nordic can work toward developing our contracts to meet current and future consumer demand.

**What are the major challenges and changes you have overseen during your time as CEO of HFN, and what did you do to ensure the company's continuing success?**

When I started out, the company looked completely different from how it does today. When we began, the low-price sector had not yet taken off, and we saw that was emerging. In response, we launched our low-price chain Fresh Fitness in 2010 in two countries in the Nordic region. We have also grown the company into a multichain organisation.

Now, we are changing to build an effective administration so that we have a good understanding of the market, and are able to utilise that to drive our chains in both the premium and low-price segments.

The latest change has been the merger between Health & Fitness Nordic and ELIXIA. This has been a big change for the entire >





company—working within a new culture, with a new organisational structure. The key to our success will be for us to exploit our scale, while maintaining and increasing our speed to market, and ensure that our club managers still have a mandate to do what they have to do to keep our members happy.

**How do you work with partners and suppliers such as Exerp to provide great services for your customers?**

This is an area where we have a long way to go toward improving on our current performance. Using Exerp as an example, it's very important for us to form a closer relationship with them, as they are the key ERP system in our organisation. We need to make sure that we utilise our core competence and align our priorities, so that we have the best system going into the future.

Today, we have a good relationship with many of our suppliers, but I think there is a great deal of potential for us to grow and nurture those relationships into closer partnerships, to mutually drive our businesses forward.

**What would you say are HFN's key values and objectives, and how do you align the company behind them?**

We have a clear vision, which is to make the Nordic people healthier and happier. In order for us to reach that goal, we need to drive penetration. This means that we need more people into our clubs:

**“We have a clear vision, which is to make the Nordic people healthier and happier.”**

- Olav Thorstad

we have to find new ways, concepts, and services which motivate people to take up new activities and join our clubs.

In relation to our key values, we have an extensive project to identify and highlight the values of our company in both our premium and low-price chains. These values are the basis for our culture, and they are integrated into everything we do, to ensure that we are aligned as a company. For example, in our SATS ELIXIA chain, we have four key values, which have been defined by more than 100 employees throughout the different levels in our company, and they are: putting our members first, professionalism, accountability, and being extraordinary.

Putting our members first means that we start our decision-making process from a member-oriented perspective. Secondly, as a leading player in the health-and-fitness market, it's important that we lead in terms of professionalism, too. This shows through in the way we work to improve the business, and how we work with our employees to achieve great results.

The value of accountability speaks to how everyone in this company takes responsibility, not just for our own role, but also by helping each other to succeed. Our final value, being extraordinary, means that we reach for the stars and push ourselves in every aspect of our business, including how we serve our members and develop our clubs.

**What methods do you use to improve your understanding of your customers?**

We do a number of different things to achieve this goal. Looking at this industry historically, I think we have not been very good at understanding and identifying the underlying key drivers or preferences of our members. Previously, we have been looking at numbers enrolled in classes, and other such indicators.

What we are doing now is that we are conducting a massive research project throughout all the Nordic countries, to get a much clearer picture of what our members really need, what motivates them, and how we can develop our concepts and adjust our delivery to meet those needs.

In parallel with this, we have continuous online consumer feedback. This means that all of our members are continually giving feedback regarding the specific clubs they train in, where they tell us their impressions of our atmosphere, our products, and our service. So those are the two main ways we try to understand the current levels of consumer satisfaction, and how we can develop our organisation to perform even better for our consumers in the future.

**How are you planning to grow and enhance HFN now and in the future?**

I think one of the key contributors to achieving our vision is that we believe in the future. The borders between outdoor training, club training, home training, and online training are disappearing. The ones who really succeed in activating the people of the Nordic countries need to come up with solutions that make it much easier for their members to become active, regardless of where they are.

We will not only look at what we can do within our clubs, but also at what we can do in the different markets and spaces to realise our vision. The point we're at now is that we're developing these concepts and projects to make sure we can activate more people in the future. It's a very exciting time for the company, as we now turn our focus toward executing these plans. •

*“The challenging business requirements, in terms of functionality and scalability, have pushed Exerp to build the best enterprise system for health club operators. With the Exerp platform, Health & Fitness Nordic has been able to innovate and increase their lead in the market.” - Rémi Nodet, CEO, Exerp*

# A True Partnership Breeds SUCCESS

The CEO of Copenhagen-based IT company Exerp speaks about their winning collaboration with Health & Fitness Nordic.

“When I talk to potential clients, I ask whether their club management system is limiting or enabling growth,” says Rémi Nodet, CEO of the Copenhagen-based IT company Exerp. “The key to growth is a focus on business processes that have a positive impact on the customer journey and ultimately improve the bottom line.”

For 12 years Exerp has successfully helped Health & Fitness Nordic optimise and grow their brands (such as SATS and Fresh Fitness) by delivering high-quality, innovative software and services.

Initially the Exerp platform was developed in joint venture with SATS (Scandinavia's largest fitness operator), who needed a centralised club management platform to optimise the operation of 120 clubs in four countries.

Rémi explains, “With the SATS project we were given a unique opportunity to develop an enterprise system from scratch, with focus on streamlining, control, and scalability. Over the years we managed to build a versatile and solid ERP system with wider functionality than any single competing product, which is

now the backbone of Health & Fitness Nordic's operations.”

Today, Health & Fitness Nordic operates 192 clubs across Scandinavia on the Exerp platform. According to the latest European Health and Fitness report by Deloitte, Exerp serves 4 out of the 10 biggest fitness brands in Europe including Virgin Active and Pure Gym (UK).

Rémi continues, “Large fitness chains with half a million members face unique and complex challenges. Working with Health & Fitness Nordic for so many years as a strategic partner has been both challenging and rewarding. For example, we were recently given short notice to merge 60 Elixia Nordic clubs, with completely different processes from SATS, onto the Exerp platform. The high trust level between us made it possible to move quickly by simplifying decision-making processes and focusing on the tasks at hand.”

Exerp's sharp focus on enterprise clients has enriched their IT platform even further and increased penetration across 12 European countries including the UK, Germany, and France. Exerp has now become a European

industry standard, based on best-practice business processes for the fitness and leisure industry.

“When it comes to innovation, Health & Fitness Nordic has been able to push the boundaries by building on top of one of the most advanced IT platforms. Exerp has been a key enabler within Health & Fitness Nordic's IT strategy by delivering solutions such as an advanced open API and live data synchronisations,” Rémi explains.

“We are continuously learning and challenging each other in our thinking and solutions. We are doing our utmost to support their strategy and ambitions, which is one of the main reasons why we have come so far together,” Rémi concludes. •

Exerp's top five clients:  
Sats Elixia (164 clubs)  
Fitness World (154 clubs)  
Actic (131 clubs)  
Virgin Active (101 clubs)  
Pure Gym (92 clubs)

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