



COMMERCIAL EXCELLENCE



Occumen with Fitness First

The challenge

Fitness First is a global fitness industry leader with more than 337 clubs and 990,000 members across 16 countries. The business is structured as four relatively independent operating regions (UK, Germany, Asia and Australia). In 2013, under new ownership, Fitness First set out to create a single, industry-leading global brand. Occumen was engaged to transform the procurement approach. The objectives were to reduce cost and access supplier innovation; improve service (repairs and maintenance); reduce risk; and deliver sustainable improvements to the procurement process.

The fitness equipment category presented a particular challenge. Although Fitness First had 'global' deals with global suppliers, these amounted to little more than terms and conditions of supply, and procurement was actually being undertaken on an *ad hoc basis* at a local level. Fitness First was paying too much, receiving poor service and not getting access to the latest technology. The company was not benefiting from its scale.

The approach

Occumen began by establishing a fact base - we examined the 'total cost of ownership' under different scenarios; we worked with the brand team to understand the relative importance of having the latest technology in different types of clubs; we created a single group plan detailing how much of each type of equipment would be required over the next 4 years; and we set up a steering committee, chaired by the CEO, to make decisions.

We devised and managed a two stage tender process to deliver cost savings quickly whilst also allowing time to develop the strategic relationships with key suppliers that later delivered innovation and improved service. We invested time with management teams in each region to coordinate communication with suppliers, to send a clear signal that if they wanted to partner with Fitness First in future, suppliers would need to work differently.

The results

Occumen brought focus, procurement expertise, analytical skills, a structured, fact-based approach and an unwillingness to give up and go away. More importantly, we brought experience of bringing together different parts of an organisation to work collaboratively, agree specifications and manage suppliers differently.

By working together with Fitness First, Occumen built strategic relationships with previously sceptical suppliers, reduced costs significantly whilst gaining access to innovation and exclusive new technology deals. By providing suppliers with access to Fitness First's maintenance system, the average time to fix faults was reduced from 26 days to 12, and further reduced to 5 days in clubs that are piloting new fault-monitoring technology. All of which contributed to a better Fitness First customer brand experience.