

CrossFit at the Crossroads

"I'm not trying to grow a business . . . I'm doing the right things for the right people for the right reasons"

-Greg Glassman, Owner of CrossFit, Inc. [3]

It's a pleasant July morning in Carson, California, in 2016 as Greg Glassman, the founder of CrossFit, Inc. makes his way across the Stubhub Center turf and sits down on one of the black Rogue plyoboxes that line the back perimeter of the stadium. He gazes out past the ongoing rows of boxes, connected rigs, and zigzag sprint course to see the sun starting to rise over the grandstand canopy. Just 15 hours earlier those grandstands were filled with thousands of passionate screaming fans cheering on the final contestants of the 2016 Reebok CrossFit Games. A slight grin appears across his face as he lets out a faint but subtle chuckle to himself, almost as if he can't believe that he has built the fitness industry's fastest-growing brand.

The tenth consecutive CrossFit Games, the largest CrossFit sporting event in the world, was now over and Glassman started to reflect back on how quickly his creation has risen in just a few decades. In 1995, he was a personal trainer looking for a place to train his loyal clientele after being kicked out of yet another commercial gym because management did not approve of his unorthodox training methods, and now, he is a multi-millionaire who owns one the largest brands in the fitness industry. That unorthodox training method, well, it is now one of the most popular fitness workouts in the world and is arguably becoming one of the fastest growing sports of all time. Everything has happened so fast, he thought to himself while watching the cleanup crew start to tear down the event setup, we barely even have a concrete business plan, he jokes but deep down inside he knows that it is true. CrossFit has evolved so rapidly that Glassman and his relatively small but fiercely loyal employees have been forced to make important company decisions on the go. Evident by CrossFit's unprecedented growth, those decisions have more often than not been correct but with little time to reflect on the company's aim and future, how could he be fully confident in the

direction his company was heading and what does the future hold for a fitness company operating in an ever changing, potentially fad-like industry?

As Glassman got up to leave the stadium to catch the quick flight back to the Silicon Valley in the company jet, he decided he was going to disrupt his normal routine and take a few days off to think. His plan is to use this time to genuinely reflect on where his company has come and how the business has reached elite status as one of the largest fitness brands in the world. What can CrossFit, Inc. do to improve, what new trends can they capitalize on, where is the future of the company and sport going, and how can they avoid that dark irrelevant fate where so many fitness startup companies eventually end up?

History of Crossfit

Greg Glassman

Greg Glassman, born on July 22, 1956 to a rocket scientist father and a stay at home mother, was raised in the Los Angeles, CA suburb of Woodland Hills. Around the age of one, Glassman was diagnosed with Polio, a disease that affects the nerves in a person's spine and affects muscle movement. Growing up though, Glassman did not let this disease define who he was as he turned to sports such as gymnastics, cycling, and weightlifting to counteract his inability to participate in contact sports. His aptitude on the pull up bar along with having powerful upper body strength led him to excel at the rings in gymnastics, but a freak injury on a routine dismount in high school left him with a permanent limp and unable to compete. Glassman subsequently turned to coaching, a decision that would eventually define who he is and create a legacy most people only dream of.

Glassman refers to himself as a "rabid libertarian," [1] a term defined as "an advocate of the doctrine of free-will." [2] In high school, Glassman habitually read and studied the theories of Milton Friedman, an American economist who wrote such books as 'Capitalism and Freedom' and the 50th anniversary edition rewrite

This case was written by Andrew Callaghan and Dr. Charles B. Shrader of Iowa State University, July 2016. It is intended to be used as a basis for classroom discussion rather than as a demonstration of either effective or ineffective management of a situation. The case reflects the views of the authors and not the exact thoughts and opinions of CrossFit, Inc. management. Part of the information in this case is derived from the authors' personal experiences with the case company. Some of the opening and closing managerial situations included in the case are fictional and are for illustrative purposes only.

of F.A. Hayek's 'The Road to Serfdom.' It's here where Glassman's management theories would form the basis of his future business model, or lack there-of. At age 18, Glassman took a job as a gymnastics coach at the YWCA in Pasadena, CA. Little did he know at the time, this being his first real coaching gig, that it would eventually be his calling in life. He attended college but never graduated, stating "I went to a half dozen institutions, but I was just there for the girls." [3] His passion was fitness training and throughout the late 1970s and '80s he worked as a personal trainer. His commitment, knowledge, and extremely brash personality attracted people to enlist his services in the Silicon Valley area, but it was also his unique and unconventional methods toward fitness that allowed him to lure in not only the computer tech leaders and local service workers but also celebrities and professional athletes alike.

Results are what ultimately define success and Glassman knew how to attain them, but his methods were unusual and his workouts were seen as in your face and bordering on intimidating. So intimidating to the average gym goer in fact that he had been kicked out of seven or more commercial gyms as a result. Glassman's attitude toward fitness can be described as confident and assertive with firm beliefs, but that confidence can also be interpreted as defiant and arrogant. In a *60 Minutes* episode, when asked if he doesn't like to be told what to do, Glassman responded with a chuckle and said "Oh, I don't mind being told what to do . . . I just won't do it." [4] But that is who Greg Glassman is and that defiance is why he now owns 100% of the fastest growing fitness program and emerging sport in the world, CrossFit.

The Beginning

In the late 1980s and early '90s, Glassman tinkered with his workouts and found success with his clients by combining High Intensity Training (HIT) with heavy fundamental movements and sprints. His workouts were loud, intense, and demanding but also successful and his client base started to expand. In 1995, after being asked to leave what would be his last commercial gym, Glassman decided to open his own training facility in Santa Cruz, CA. CrossFit (at the time Cross-Fit) was born. Glassman had a goal in mind to establish a fitness program that would not only motivate participants to exercise but also to constantly work toward achieving a high level of fitness. [5] At the time, Glassman was still training clients solo, but after he started to become overbooked he soon realized that he could train multiple people together and

still provide a safe environment as well as the required attention to each participant to be effective. With that he would also be able to increase his profits by charging a reduced rate to each member but add more members to each session. [6] Glassman found that his clients enjoyed the idea of group fitness, and after he was hired to train the Santa Cruz Police Department, the idea of "The CrossFit Community" was formed.

In 2000, CrossFit, Inc. was legally established by Glassman and his (now ex) wife Lauren. When prompted by his oft-traveling clients to build a website and post workouts of the day (WOD), so that they could train on the road, Crossfit.com was created. In 2002, the first CrossFit affiliate was started in Seattle, WA (CrossFit North) by former Navy Seal Dave Werner and partners Robb Wolf and Nick Nibler. In the same year, the *CrossFit Journal* was published in which Glassman wrote three seminal articles explaining CrossFit's principles and theories, titled "What is Fitness?", "Foundations," and "The Garage Gym."

Crossfit Philosophy

What is Fitness? (According to CrossFit, Inc.)

One of CrossFit's first newsletter articles [7] set out to explain the company philosophy by questioning previously proposed definitions of what it meant to be truly fit. The article challenged the notions of Merriam-Webster, Outside Magazine ("Fittest Man on Earth"), and the industry leading National Strength and Conditioning Association (NSCA), by concluding that their definitions were either too broad or too narrow. The CrossFit article concluded that previous attempts to define fitness were inadequate. Glassman, however, defined fitness through a meaningful and measurable way as "increased work capacity across broad time and modal domains," [8] where broad time means "length of duration of effort" and modal domains "variety of activity." [9] In the *What is Fitness?* article, Glassman defines three standards/models that they use for evaluating and guiding fitness. Together they outline CrossFit's view of fitness as 1) ten general physical skills widely defined by physiologists, 2) performance of athletic tasks, and 3) energy systems that drive all human action (Exhibit 1). CrossFit's aim is not to specialize in one certain task of fitness but to be a "jack of all trades." The article states, "Our specialty is not specializing. Combat, survival, many sports and life reward this kind of fitness, and on average punish the specialist."

10 recognized General Physical Skills:

- 1) If your goal is optimum physical competence, then all general physical skills must be considered:
- 1) **Cardiovascular endurance/Respiratory endurance** – The ability of body systems to process, deliver, store, and utilize energy
- 2) **Stamina** – The ability of a muscular unit or combination of muscular units to apply force
- 3) **Strength** – The ability to maximize the range of motion at a given joint
- 4) **Flexibility** – The ability to minimize the time cycle of a repeated movement
- 5) **Power** – The ability to combine several distinct movement patterns into a singular distinct movement
- 6) **Speed** – The ability to minimize transition time from one movement pattern to another
- 7) **Coordination** – The ability to control the placement of the body's center of gravity in relation to its support base
- 8) **Agility** – The ability to control movement in a given direction or at a given intensity
- 9) **Balance** – The ability to control movement in a given direction or at a given intensity
- 10) **Accuracy** – The ability to control movement in a given direction or at a given intensity

The essence of this view is that fitness is about performing well at any and every task imaginable. Picture a hopper loaded with an infinite number of physical challenges where no selective mechanism is operative, and being asked to perform feats randomly drawn from the hopper. This model suggests that your fitness can be measured by your capacity to perform well at these tasks in relation to other individuals.

The implication here is that fitness requires an ability to perform well at all tasks, even unfamiliar tasks, tasks combined in infinitely varying combinations. In practice this encourages the athlete to disinvest in any set notions of sets, rest periods, reps, exercises, order of exercises, routines, periodization, etc. Nature frequently provides largely unforeseeable challenges; train for that by striving to keep the training stimulus broad and constantly varied.

3) Three metabolic pathways that provide the energy for all human action

- 1) Phosphagen Pathway – Dominates the highest powered activities (10 seconds or less)
- 2) Glycolytic Pathway – Dominates moderate powered activities (up to several minutes)
- 3) Oxidative Pathway – Dominates low-powered activities (excess of several minutes)

Total Fitness = The fitness that CrossFit promotes and develops requires competency and training in each of these three pathways or engines.

Source: Glassman, Greg. "What is Fitness?" *The CrossFit Journal* (October 2002): 1–4. Web.

Foundations

The *Foundations* article presented CrossFit's approach to generalized comprehensive fitness and away from the traditional workouts of isolation movements and extended aerobic sessions that the majority of the population participates in. [10] CrossFit works with "compound (functional) movements and shorter high intensity cardiovascular sessions" because they believe that the two theories combined are "radically more effective at eliciting nearly any desired fitness result" than any other form of fitness. The CrossFit workout can be universal as the movements and weights can be scaled to fit any participant, or "athlete," as CrossFit's members are called. Outsiders are often amazed that CrossFit athletes range from professional athletes and military special ops to the elderly and handicapped and everyone in-between. In the "60 Minutes" episode, when Glassman was asked if he would have a 75-year-old doing deadlifts his answer is simply, "Uh huh, yeah, to say no is to say that if you drop your pen on the ground, you're not going to pick it up. It's a deadlift, it's picking something up off the ground. It does not

require a physician's 'Ok.' If your physician doesn't think you should deadlift, you need to get a new doctor."

The Garage Gym

Glassman also strongly believed that the equipment in a typical gym was useless. In simple terms he believed a gym should resemble a barn or garage. It should be open and uncluttered, and the equipment should require the use of muscle in the most natural fitness sense. CrossFit boxes were basic and austere. Modern gyms had fancy weight machines focused on isolation work. CrossFit, on the other hand, tried to develop overall fitness and conditioning as a philosophy. The whole thing was oriented toward a natural and more primitive approach to basic conditioning.

Glassman is such a firm believer in his methodology that he strongly believes that between diet and exercise, CrossFit can even be a solution to chronic diseases. The Centers for Disease Control and Prevention (CDC) has identified lack of exercise, poor nutrition, tobacco use, and high alcohol intake as health risks that contribute toward many of the illnesses and early deaths related

to chronic diseases. Glassman advocates that CrossFit targets two of those four conditions which are normally prescribed with prescription drugs (high blood pressure) or steroids (low muscle mass), “the problem is being inactive and poor nutrition. It’s a lifestyle issue.” [1]

The *CrossFit Journal*, or newsletter, became an important means for the company to disseminate Glassman’s philosophy. Newsletters were published on a monthly basis and included articles dealing with box operations, fitness training, and lifestyle. For example, the August 2014 CrossFit Journal contained a story about how affiliate owners compensate coaches and trainers. The story offered ideas on how to go beyond simple financial incentives to motivate coaches and trainers. Motivational ideas included: equal pay for both affiliate owners and trainers, enhanced education and certification programs for trainers, specialty programs for members, and building long-term relationships with trainers. Examples and success stories from CrossFit centers in California, New England, and New Zealand were shared. The goal of the newsletter was to offer affiliate owners and trainers alike ideas on how to make each box more capable in terms of enhancing fitness and changing lives. [48]

Workout Methodology and Structure

CrossFit workouts are based on constantly varied functional movements (real-life movements) that incorporate a mix of aspects from gymnastics, weightlifting, and cardio all while being performed at relatively high intensity (Exhibit 2—list of exercises). The workouts are typically

performed in a gym, or “garage gym” because of the rough appearance and similarities to at-home stripped down style gyms, that the CrossFit community refers to as a “box” and which includes an array of weights, racks, boxes, bands, and balls but is void of commercial style machines (Exhibit 3—list of equipment). The workouts are roughly 60 minutes in length and typically include four phases: Warm-up/Stretch, Skill Development Segment (SDS), WOD, and an Individual or Group Stretch (Exhibit 4). The SDS focuses on Olympic type lifts or calisthenics (bodyweight movements), and the WOD generally contain a combination

Exhibit 3 List of Equipment

Weightlifting	Gymnastics	Cardio/Calisthenics
Squat Racks/Rig System	Pull-up Stations/Rigs	Medicine Balls
Bumper Plates	Rings	Bands
Barbells	Ropes	PVC Pipes
Dumbbells	Hand Chalk	Ab Mats
Kettlebells		Rowers
Sand bags		Boxes
Dip Belts		Hurdles
Steel Plates		Jump Ropes
Large Tires		Foam Rollers
Push Sleds		

Exhibit 4 Daily Workout Example

Weightlifting	Gymnastics	Cardio/Calisthenics
Deadlifts	Bar Muscle Up	Air Squats
Front & Back Squats	Rings Muscle Up	Box Jumps
Power Clean	Dips	Jump Rope
Hang Clean	Strict Pull Up	Rowing
Sumo Deadlift High Pull	Kipping Pull Up	Wall Ball
Snatch		Sprints
Overhead Squat		Jogging
Push Jerk		Jumping Jacks
Push Press		Sit Ups
Shoulder Press		Push Ups
Thruster		
Tire Flip		

Exhibit 2 List of CrossFit Exercises

Metcon (Time)	
5 Rounds for time	
3 Power Cleans 165/115 (male/female)	
6 Box Jumps 30"/24" (male/female)	
9 Toes 2 Bar	
*8-min time cap	
Rest 3 minutes then	
Metcon (Time)	
10,9,8,7,6,5,4,3,2,1	
Shoulder to Overhead 135/95	
Pull-ups	
*13-minute time cap	
Rest 4 minutes then	
Metcon (Time)	
3,6,9,12,15	
Deadlifts 225/155	
Burpees	
*12-minute time cap	
*ADD UP TOTAL TIME & RECORD	

of all movements performed in high-intensity bouts that can last anywhere from 4 to 24 minutes long depending on that day's goals. The workouts are designed to arouse an athlete's competitive nature not only within themselves but also with the other competitors. Times and repetitions are recorded on either large whiteboards or computer systems, which then rank the athlete's performances.

The CrossFit philosophy that workouts should be repeatable and measurable is the basis for self-improvement. The "Benchmark Workouts" were originally named after "girls," so that the athletes could easily identify the unified workout, and have grown to include Hero WOD in honor of fallen military, law enforcement, and firefighters (Exhibit 5). The intent of the Benchmark workouts is for athletes to perform them periodically, say

Exhibit 5 "Girl" WODs

"Amanda"	"Diane"	"Jackie"	"Nicole"
9-7-5	Deadlift 225 lbs	1000 meter row	Run 400 meters
Muscle Up	Handstand push-ups	Thruster 45 lbs (50 reps)	Max rep Pull-ups
Squat Snatch (135/95)	21-15-9 reps, for time	Pull-ups (30 reps)	As many rounds as possible in 20 minutes
"Angie"	"Elizabeth"	"Karen"	"Cindy"
100 Pull-ups	Clean 135 lbs	Wall-ball 150 shots	5 Pull-ups
100 Push-ups	Ring Dips	(men 20#-10' - women 14#-9')	10 Push-ups
100 Sit-ups	21-15-9 reps, for time	For time	15 Squats
100 Squats			As many rounds as possible in 20 min
"Annie"	"Eva"	"Kelly"	"Helen"
Double-unders	Run 800 meters	Run 400 meters	400 meter run
Sit-ups	2 pood KB swing, 30 reps	30 box jump, 24 inch box	1.5 pood Kettlebell swing $\times$ 21
50-40-30-20 and 10 rep rounds; for time	30 pullups	30 Wall ball shots, 20 pound ball	Pull-ups 12 reps
			3 rounds for time
"Barbara"	"Fran"	"Linda"	"Nancy"
20 Pull-ups	21-15-9 reps, for time	Deadlift 1 1/2 BW	400 meter run
30 Push-ups	Thruster 95 lbs	Bench BW	Overhead squat 95 lbs $\times$ 15
40 Sit-ups	Pull-ups	Clean 3/4 BW	5 rounds for time
50 Squats		10/9/8/7/6/5/4/3/2/1 rep	5 rounds for time
"Chelsea"	"Grace"	"Lynne"	
Pull-ups	Clean and Jerk 135 lbs	Bodyweight bench press	
0 Push-ups	30 reps for time	pullups	
5 Squats		5 rounds for max reps..	
each min on the min for 30 min			
"Christine"	"Isabel"	"Mary"	
rounds for time	Snatch 135 pounds	5 Handstand push-ups	
0 m row	30 reps for time	10 1-legged squats	
Body Weight Dead Lift		15 Pull-ups	
Box Jumps		As many rounds as possible in 20 min	

continued

Exhibit 5 (cont.) "HERO" WODs

Michael		Badger	Nate
JT	3 rounds for time	3 rounds for time	As many rounds as possible in 20 min
Handstand push-ups	Run 800 meters	95 pound Squat clean, 30 reps	22 Muscle-ups
Ring dips	50 Back Ext	30 Pull-ups	4 Handstand Push-ups
Push-ups	50 Sit-ups	Run 800 meters	8 2-Pood Kettlebell swings
Murph		Josh	Jason
Daniel	For Time	For time	100 Squats
50 Pull-ups	1 mile Run	95 pound Overhead squat, 21 reps	5 Muscle-ups
400 meter run		42 Pull-ups	75 Squats
95 pound Thruster, 21 reps	100 Pull-ups	95 pound Overhead squat, 15 reps	10 Muscle-ups
800 meter run	200 Push-ups	30 Pull-ups	50 Squats
95 pound Thruster, 21 reps	300 Squats	95 pound Overhead squat, 9 reps	15 Muscle-ups 25 Squats
400 meter run	1 mile Run	18 Pull-ups	20 Muscle-ups
50 Pull-ups			

*For a Complete List log onto <https://crossfitiota.com/benchmark-marks/hero-wods/>

a few times per year, and compare scores to track their overall fitness progress. Glassman presented his theory in the September 2003 *CrossFit Journal* article in which he introduced the "girls": "only by repeating workouts can we confidently measure our progress." [11]

The CrossFit Diet

Greg Glassman's regular response when asked about what CrossFit can do for a person is that it can deliver you to your "genetic potential." "Look at her! That's what nature would have carved from her a million years ago" was Glassman's reaction after seeing one of his well-toned athletes working out, but it is not just the workout that CrossFitters are encouraged to practice. [4] They are also urged to follow one of a few specific diets that, based on personal goals, will provide CrossFit members with increased energy, optimized health and will reduce the risk of chronic diseases. The seemingly most widely used diet is the Paleo Diet which is based on every day, modern type foods that "mimic the food groups of human's pre-agricultural, hunter-gatherer ancestors." [12] In Glassman's *World Class Fitness in 100 Words* [7] statement, he provides some CrossFit diet advice: "eat meat and vegetables, nuts and seeds, some fruit, little starch and no sugar. Keep intake to levels that will support exercise but not body fat." The Paleo Diet generally fits these criteria as its directions suggest people consume high protein, lower carbs, high fiber, and moderate

fat intake (Exhibit 6—Paleo Diet food options). While a few of CrossFit's top athletes have confessed about not following a strict diet to a "T" [13], it's made quite obvious that following one of the suggested diet options while participating in CrossFit is recommended and will positively affect the athlete no matter if they are beginners or top flight competitors.

Some CrossFit diet followers have become celebrities and authors in their own right. A good example is Christmas Abbott, author of the *Badass Body Diet*. [46] This diet combines healthy eating guidelines with high-intensity workout plans for individual body types. Following this plan, athletes at all levels can set personal goals for developing toned cores and reducing body fat. Ms. Abbott also has infused an element of fun into each workout—noting that people tend to stay with a workout plan longer if the workout is enjoyable.

Business

CrossFit, Inc. is 100% privately owned by Greg Glassman—an ownership situation that totally fits his style. In 2012, CrossFit began business as a 50/50 partnership between Glassman and his ex-wife. At that time, because of a contentious situation, Glassman's ex-wife's share was almost sold to Anthos Capital, an investment firm looking to invest in one of America's fastest growing brands. In the 11th hour though, Glassman was able

Exhibit 6 Paleo Diet Foods

Do's:	Seafood	Veggies	Oils/Fats	Nuts	Fruits
Meats					
Poultry	Shrimp	Asparagus	Coconut Oil	Almonds	Apples
Pork	Lobster	Avocado	Olive Oil	Cashews	Berries
Pork Chops	Clams	Brussel Sprouts	Macadamia Oil	Hazelnuts	Peaches
Steak	Salmon	Carrots	Avocado Oil	Pecans	Plums
Veal	Tuna	Spinach	Grass-fed Butter	Sunflower Seeds	Mango
Bacon	Shark	Celery			Grapes
Ground Beef	Tilapia	Broccoli			Lemon
Venison	Trout	Peppers			Lime
Buffalo	Walleye	Cabbage			Oranges
Bison	Crab	Zucchini			Bananas
Jerky	Scallops				
	Oyster				
Don't's:	Grains	Legumes	Snacks		
Dairy					
Cheese	Cereal	Beans	Pretzels		
Non-fat Creamer	Pasta	Peas	Chips		
Butter	Bread	Peanuts	Cookies		
Milk	English Muffin	Peanut Butter	Pastries		
Yogurt/Pudding	Sandwiches	TOFU	Hot Dogs		
	Crackers	Mesquite	Fries		
	Oatmeal	Miso	Artificial Sweeteners		
	Corn	Soybeans	Pop/Soda		
	Pancakes		Fruit Juices		
	Hash Browns		Energy Drinks		
	Beer				

*These are an option list/not exact. Please see source for more information.

Source: <http://ultimatepaleoguide.com/paleo-diet-food-list/>

to secure a matching loan through Summit Partners (Boston) for \$16,093,000 and put a halt to the potential sale. [14] With Glassman in full control, he could operate the company autonomously, without input from outside corporate investors.

CrossFit, Inc. does not have to answer to shareholders or a board of directors. The headquarters, which handles the business operations, is located in Washington, D.C. and the Media Office, the lifeblood of CrossFit's day-to-day technology operations, is based out of Silicon Valley. CrossFit's model resembles its owner's libertarian beliefs, as the growth of the company has come directly

from its affiliation program that permits individuals to own and operate their own box while using the CrossFit name and allows them to run their business with independence and autonomy.

Affiliation

CrossFit-affiliated boxes started in 2002 with the CrossFit North opening and have spread like wildfire throughout the world. To open a box, essentially all one has to do is fill out an application, pay \$3,000 per year, attend a 2-day seminar detailing the business and the workout methodology, and pass a test to become a Level 1

instructor (\$1000). When confronted about the seemingly easy nature of this process, CrossFit's fearless leader's response was:

"Amazing huh?... Here's how it used to be: all you had to do was have the money. . . and you don't even have to take a test. That's where every other chain came from, someone just launched 'em." [4]

CrossFit box owners have the freedom to manage their box in their best interests so that they can cater to the local demographic. To Glassman, his main concern is not about what hours the affiliate owners are operating, the location in which they choose to open their business, or the music that is played; his only concern is that they follow CrossFit's physiology and methodology. [1] Each affiliate is locked into their original annual fee in case the fee is ever raised. In fact, there are affiliates, who got in early, that still pay only \$500 per year.

CrossFit, Inc. created CrossFit RRG (Risk Retention Group), which is a captive stock insurance company that allows American affiliates to purchase specific CrossFit general liability and professional liability policies designed to cover the unusual risks boxes are susceptible to. [15] CF-RRG is a form of self-insurance where the affiliate owners purchase stock and become shareholders (1-time fee of \$1,000). Box owners who buy into the group are involved in the underwriting, risk management, claims administration, and financial committees. [16] Boxes earning less than \$125,000 per year pay a yearly premium of \$1,185 with boxes that earn greater than \$125,000 per year paying an extra \$8.70 per \$1,000 of gross revenue earned. Affiliations are urged to purchase insurance from CF-RRG rather than an outside vendor because CrossFit endures unique circumstances that most liability policies may not thoroughly cover. Owning this specialized policy, box owners are eliminating the possibility of omissions and will have the most comprehensive coverage available. International CrossFit boxes are insured through somewhat similar companies such as the *CrossFit International Insurance Programme*, which is run through Lloyd's of London and covers box owners in the UK. [17]

Growth

Glassman admits that when he started CrossFit he did not have a business plan, that his goal was simply "being committed not to screw it up," and that he has

stuck by that plan ever since. [18] The numbers, though, would suggest otherwise. In 2016, a little over a decade and a half since CrossFit, Inc. was formed, Glassman's corporation has become one of the fastest growing fitness companies of all time. With roughly 13,000 gyms in 142 different countries, CrossFit, Inc. rakes in close to \$100 million and the CrossFit brand's estimated ecosystem is approximately in the \$4 billion range (2016). [18] The scary part? The company is still growing. "I don't know how you compete against me" said Glassman in an interview with CNBC.

CrossFit, Inc. brings in most of its profits from two main sources: 1) affiliates and 2) CrossFit Training Certification courses. But even with CrossFit's rapidly growing business it is hard to look anywhere else but the core concepts that have brought them to this point: technology and having a loyal group dynamic culture that has adopted CrossFit as more than a workout but a way of life. CrossFit is a technology company. It started with Glassman posting workouts, journal articles, and an easy-to-use blog onto www.crossfit.com. Since then, the company's success has followed the growth of the Internet. One ten-minute browsing session on their website and you can find CrossFit's mission, workout methodology, limitless instructional videos, workouts of the day, nutritional ideas, gym locations, and much, much more, all for FREE. Yes, for *free*! When asked about the financial implications of giving away free content and how that makes sense in today's capitalistic economy, Glassman replied "it didn't until we did it, the more video we give away, the more money we make." [4] The *all exposure is good exposure* philosophy has assembled one of the largest viral communities in the world and when combined with their devout and enthusiastic allegiance toward the brand, largely explains why CrossFit, Inc. has been able to grow at the record-breaking pace it has.

The Community

CrossFit is much more than just a fitness regimen—it has evolved into a distinctive community within itself where its followers are amazingly loyal and dedicated. For many, CrossFit has become a way of life. CrossFit affiliates have been extraordinarily successful in creating an atmosphere where its members feel a sense of belonging which motivates them to come back day after day and push themselves harder, whether that's to beat the person next to them or just to improve from their previous scores. The CrossFit Community members have taken a leading role in marketing the

CrossFit brand. They have created an almost obsessive-like adoration for CrossFit to the point where they actively promote the sport through any outlet possible. It has prompted outsiders to joke that “the first rule of CrossFit is that you never stop talking about CrossFit,” parodying a line from the Brad Pitt movie, *Fight Club*. [19] Whether box members are viewed as loyal, fanatic, annoying, or crazy one thing for certain is that their dedication to spreading the brand, whether intentionally or unintentionally, has been an exceptionally lucrative model for CrossFit, Inc.

Glassman insists that he has not recruited one person to CrossFit. To him CrossFit has an open door policy and anyone who wants to join is welcomed to do so. [4] Through tremendous leadership and coaching, CrossFit has been able to provide an atmosphere where its members seek to live their lives in a state of optimal health and fitness in a time where health and fitness are becoming less of a priority. [5] The members work out together multiple times per week often creating a team-like bond. This type of interaction, uniting by a common goal or interest, is similar to the family-like atmosphere most sports or military teams have. The CrossFit Community is also able to attract members through their group volunteer and charitable.

American sociologist Ray Oldenburg introduced the idea of a “Third Place” for healthy human existence. [20] He believed that humans must live in a balance of three realms: 1) Home/Family Life, 2) Work Life—where people spend most of their time, and 3) a Third Place—inclusively sociable places. Third Places are described as “anchors” of community life and facilitate & foster broader, more creative social interaction. One of the main characteristics of Third Places is that they act as a “leveler,” which means they place no importance on an individual’s status in society and allows for a sense of commonality between members. They are highly accessible places, where friendships develop that fill the human need for “intimacy and affiliation.” In what used to be the traditional Third Place, church, studies have shown that the new generation of millennials have been leaving the religious life behind, [21] thus creating a void in many people’s lives. The CrossFit Community, through its affiliates, have been able to provide that Third Place for many of its members. The box offers its athletes a place where they can build those social relationships and have a sense of “place.” In turn, its members adopt the CrossFit lifestyle as one of their main identities and that which becomes a part of who they are. This could explain why they “always

talk about CrossFit” or post CrossFit related content to social media outlets. CrossFit, in a (smaller) sense, is as much a part of many of its members’ lives as say their families, therefore creating that automatic impulse to constantly want to talk or interact with other about their CrossFit lives, the same as they would about their children or significant others.

In a 2014 CrossFit demographic study, the data did illustrate that the millennial generation had the highest level of participants but not by as much as many would think. They only comprised 40% of participants while the 35–44 age group consisted of 20% with the under 18’s covering 18%. [22] Along with the age demographic they found that CrossFit is evenly split 50/50 between female and male participants thus attesting to the fact that the CrossFit workout is feasible at any age, male or female.

Technology and Social Media

The shift toward social media outlets becoming a primary form of contact in today’s society has vastly affected the field of communication, marketing work and advertising. Gone are the days where the majority of adults actually dial someone’s number up and speak to them over the phone as social media has increased the ability and frequency in which people can “checkup” on one another in a much less personal way. In a 2014 social media study, it was found that 52% of online adults now use at least two forms of social media sites and the numbers showed that usage of young adults (18–29 y/o) on Instagram, just one form of social media, was around 53%. [23] The CrossFit Community is no stranger to this as the basis of their growth can be attributed to increased action on the Internet and social media sites from its members.

When CrossFit, Inc. launched its first blog system, which allowed box owners to communicate not only with headquarters, the media team, and other affiliates at the click of a mouse but also with their own clientele, they created an easy medium where information could be shared at a faster pace and to a larger audience. Just because Glassman himself has not recruited anyone over social media that does not mean his loyal followers have not. The Internet communication concept has spread to more common and interactive uses of social media (YouTube, Facebook, Twitter, Instagram, etc.) now within specific box communities as a way to mass market their new and exciting fitness program with outsiders. Since the mid-2000s box owners and community members have hit the social media world

running and are no strangers to posting pictures, videos, or workout statuses from their experiences or the CrossFit world. Social media is an incredibly accessible and cost-effective way to reach a wide audience in little time, and the more community members post the more CrossFit's ecosystem grows. It's a multiplier effect that spreads the CrossFit brand like wildfire. A 2012 study on Internet usage found that 23% of U.S. Internet users under the age of 35 said they would buy a brand because of a friend's social endorsement, such as a "like" on Facebook. [24] This is a growing trend in the capitalistic technological world we live in, and for businesses looking to grow it is almost a must that they use social media as a marketing outlet.

Although many of the CrossFit customers who actively post personal information on social media understand the logic or intent of spreading "the word" about CrossFit, often times they are also engaging in a form of self-promotion. As adults, people start to have fewer tangible goals they can point to and share as a source of pride. Their high school accolades have lost social value and their current work accomplishments usually do not translate well to social media. CrossFit fills that void and allows members to take pride in their accomplishments, whether it is losing weight, hitting a new personal record, or even simply proving that they have gotten off the couch and are participating in an intense workout. [25] A 2014 sociological study [26] on "trophies of surplus enjoyment" (photo's, merchandise, trinkets, etc.) found that people hunt for trophies at events they attend not just for their fandom and remembrance but also as envy-inducing commodities they can share on social media so that others can acknowledge them through "likes," "favorites," and "retweets." This is often what CrossFit community members are doing when posting photos and videos to social media. The pictures or videos of them participating in CrossFit act as "acquired trophies" so that others can socially recognize their efforts and potentially elevate their "status" in the viewer's eyes.

The CrossFit Community's indulgence in social media, evidenced by the rapid success of CrossFit as a sport and a brand, further proves that their presence in the technological and social media world has been a surefire benefit. The CrossFit Community as a whole understands the value of social media, and whether their intentions are of the conscious or unconscious nature, they use this medium to pique the interest of outsiders about as well as anybody.

The CrossFit Games

From the very first journal article introducing CrossFit to a larger scale, Greg Glassman has challenged the idea of who is the "fittest on earth." The CrossFit philosophy of defining fitness through meaningful and measurable ways opened up a door for competition to exist. Enter, The CrossFit Games, which have been held annually since 2007 and continue to grow at record numbers each year. The games are a physically and mentally demanding competition held over a few days where competitors are blind to the certain events until right before they participate. At the end, the overall winners are awarded the title "Fittest on Earth."

The first games in 2007, held on CrossFit Games Director Dave Castro's parents' land in California, consisted of first-come participation with the winner receiving a \$500 prize. Popularity grew with The Games as the company grew and in 2011 The CrossFit Games hit a banner year as CrossFit, Inc. signed Reebok to a 10-year title sponsorship as well as having the games broadcasted through ESPN3 (online). [27] With the rising number of participants yearly, CrossFit adopted an online qualification format that included three stages. Stage 1, known as 'The Open,' occurs in March when contestants submit weekly scores online from recently released competition workouts from crossfit.com. The scores are validated through affiliates, or video is uploaded proving participants score times. The top qualifiers from pre-determined regions will participate in Stage 2, regional events, held throughout the world in order to qualify for Stage 3, The CrossFit Games. In 2011, online participation totaled 26,000 submissions and has grown exponentially as 2016 online submissions totaled 308,000 people, a CrossFit Games record. [28]

With Reebok and ESPN on board, The CrossFit Games are now considered a top flight fitness competition and are broadcast worldwide live on ESPN. The winners in 2016 will receive \$275,000 and the total prize pool, paid from the Reebok contract, is \$2,200,000 and will rise annually throughout the length of the contract (Exhibit 7). Even though The CrossFit Games are not a large profit source for CrossFit, Inc. the magnitude of what The Games brings to the company is immeasurable. The exposure of the competition alone is one of the driving forces in making CrossFit the number one fitness enterprise on the planet and looking at the yearly increase in participants, prize money and attendance, The Games momentum does not appear to be slowing down.

Exhibit 7 The CrossFit Games History Data

Participant Data		
Year	# of Participants	
2007	60 (no open)	Games
2008	300 (cap - no open)	Games
2009	146 (post regionals)	Games
2010	86 (post regionals)	Games
2011	26,000+	Open
2012	69,240	Open
2013	138,000+	Open
2014	209,000+	Open
2015	273,000+	Open
2016	308,000+	Open

Participant Data (Open)		
Year	Winner	Sponsor
2007	\$500	Progenex
2008	\$1,500	Reebok
2009	\$5,000	Reebok
2010	\$25,000	Reebok
2011	\$250,000	Reebok
2012	\$250,000	Reebok
2013	\$275,000	Reebok
2014	\$275,000	Reebok
2015	\$275,000	Reebok
2016	\$275,000	Reebok
2017	?	Reebok
2018	?	Reebok
2019	?	Reebok
2020	?	Reebok

*Spaces with '?' mean we were unable to find accurate numbers.

Sources: <http://www.everylastrep.com/fitness-for-beginners/look-crossfit-games-history>
<http://games.crossfit.com/content/history>

Industry Competition

At the beginning of 2016 there were numerous fitness centers competing in a growing national and global market. Primary activities for this industry included operating health clubs, gyms, aerobic and exercise centers, and other fitness-related facilities. The industry was fragmented with many companies that were growing and

combining across regional and product lines. Demand for fitness and recreation centers continued to increase thereby causing the number of people employed in the industry to increase. By 2015 there were almost 33,000 fitness centers in the United States. The industry employed approximately 568,000 people that same year. [29] In 2016, the overall industry had grown to \$27.1 billion in revenue and \$2.8 billion in profits. Membership fees were the

single largest revenue component and member retention was the key to a center's profitability. Fitness centers competed on brand recognition, customer service, price, and services offered. [47]

Even though competition was great, industry entry barriers were considered to be low. It was possible to lease equipment and buildings and both equipment and buildings had long life spans. Many start-ups were able to use second hand or previously used equipment. Wages were low. There were not many regulations other than zoning and building permit processes at the local levels. Access to capital for start-ups was readily available in most instances. The only real entry barrier was the brand loyalty and recognition built up by established gyms and fitness centers. Fitness center memberships were on the rise. However, in the future, it was expected that entry barriers would rise due to the possibility that corporate wellness programs would create strong demand for large-scale memberships, thereby creating barriers for newer companies. [47]

Yet even with all this activity in the business of fitness there was evidence that additional growth was possible. A 2016 study of nine countries by Censuwide, a global consultancy, found that the average person spent only 0.7% of their life exercising—or stated differently, out of an average person's 25,915 days on earth, they tend to spend only 180 days exercising. [30] However, the number of adults aged 20 to 64 spending leisure times exercising and on sports was increasing. Plus, the number of employers viewing exercise as an important component of employee health was also on the rise. Therefore, in the minds of many these findings established the need for increased emphasis on global fitness. The view of industry experts was that there was plenty of room for growth for both large companies and niche players (See Exhibit 8 for possible fitness niches). The industry was expected to grow, in terms of industry value added (IVA- a measure of the industry's contribution to the economy overall) by approximately 3% from 2016 to 2021. [47]

CrossFit competed in this industry with a unique value proposition that was more a philosophy of fitness than a business model. It appealed strongly to the largest market segment—consumers aged 34 years and younger. [47] Still, other companies thrived in the industry as well. Among the industry leaders were Anytime Fitness, Arcadia Fitness, Gold's Gym, GoodLife Fitness, LA Fitness, Planet Fitness, 24 Hour Fitness and Zumba. LA Fitness and Planet Fitness were publicly traded companies while most other competitors were private or closely held firms. Each company sought large-scale expansion while at the same time targeting particular segments for growth.

Anytime Fitness. As the name implies, Anytime Fitness operates fitness centers that are open for workouts twenty-four hours a day 365 days a year. Anytime Fitness, with more than 3 million members, was one of the fastest-growing and most progressive fitness businesses in the world. It received notoriety as one of *Entrepreneur Magazine's* top 10 fastest-growing franchises across all industries in 2015. From its first center in 2002 it grew into all fifty states and twenty countries with 38 wholly owned and approximately 3,000 franchised centers worldwide in 2016. For example, they opened a fitness center in Rome in 2016. The co-founder Chuck Runyon, used private equity and franchising to finance the company's rapid growth. Also to facilitate growth, in 2016 it moved into a new building and expanded to 300 employees at its headquarters in Woodbury, Minnesota. Runyon expected to continue growing the company at a rate of approximately 400 franchisees annually toward goal of 4,500 centers by 2020. Starting a franchise cost between \$100,000 and 500,000 plus a \$30–37,500 franchise fee. Anytime required franchise owners to pay a \$549 monthly royalty. In 2017, the parent company of Anytime Fitness, Self Esteem Brands, was diversifying into salons and other fitness-related businesses. [31]

Arcadia and GoodLife. With more than 365 operating fitness centers, GoodLife Fitness was the largest fitness company in Canada. Members could join for around

Exhibit 8 Top 20 Worldwide Fitness Trends for 2017

1. Wearable technology
2. Body weight training
3. High-intensity interval training
4. Educated, certified, and experienced fitness professionals
5. Strength training
6. Group training
7. Exercise is medicine
8. Yoga
9. Personal training
10. Exercise and weight loss
11. Fitness programs for older adults
12. Functional fitness
13. Outdoor activities
14. Group personal training
15. Wellness coaching
16. Worksite health promotion
17. Smartphone exercise apps
18. Outcomes measurements
19. Circuit training
20. Flexibility and mobility rollers

Source: Worldwide Survey of Fitness Trends for 2017 by Walter R. Thompson, PhD, ACSM's Health & Fitness Journal, November/December 2016

a month and specific classes were available for an additional fee. TRX suspension training classes were the most popular starting at \$199 for six weeks. These classes kept members involved through a progressive training structure—each new class building upon what members learned in previous classes. Many GoodLife centers were oriented toward women's fitness. GoodLife provided individual trainers as well as individualized workout sessions for class members in order to mesh with member work schedules. Another Canadian fitness company, Arcadia, specialized in fitness programs for women taught by women that emphasized the use of gravity and body weight as resistance. Arcadia and GoodLife occupied some of the same competitive space in a growing market. The Canadian fitness industry generated over \$2 billion in revenue and was growing at an annual rate of over two per cent. Approximately five million Canadian citizens were members of fitness clubs in 2012. [32,33]

LA Fitness. This company began in 1984 in Covina, in Southern California. Its mission is to provide lifelong good health benefits to an increasingly diverse membership base. The business model was to tailor each individual fitness center to the specific needs of the community into which the company expanded. LA Fitness viewed its competence as being able to understand and meet the distinctive needs of the metropolitan communities in which they operated. They offered workouts and programs to people of all ages and fitness levels. The company strove to be family-friendly. Growth goals for LA Fitness centered on the idea of making fitness more available to larger segments of the community. It offered access to free weights, weight machines, and cardio to members. [34]

Planet Fitness. Planet Fitness was also a large and fast-growing competitor in this industry. In 2015, it maintained over 1,100 spacious and clean facilities (most of these were franchises) in 47 states with a large selection of Planet-Fitness branded equipment. Their slogan is: 'We're not a gym. We're Planet Fitness.' Typical centers were 20,000 square feet filled with purple and yellow cardio and weight-training equipment of all types. Memberships were inexpensive relative to other centers and Planet Fitness offered unlimited fitness instruction to all members. Their goal was to appeal to a broad market by creating a welcoming and non-intimidating, 'judgment-free,' fitness environment for anyone. Company revenue for 2015 was \$1.5 billion and it had aggressive plans that included growing equipment sales, expanding franchise royalties, driving revenue growth, and growing into a broad range of markets. Planet Fitness planned to

increase the number of stores in the United States to over 4,000 and to grow into Canada in the near future. [35]

Gold's Gym. Gold's Gym considered itself the original fitness company. Founded by Joe Gold in Venice, California in 1965 it gained notoriety in the documentary movie *Pumping Iron* starring two young weight-lifting sensations Arnold Schwarzenegger and Lou Ferrigno. Gold's had over 3 million members in 22 countries and 38 states in 2016. It offered weight-training primarily but also cycling, martial arts, muscle endurance, Yoga, and Zumba. However, it was strength training that set Gold's apart from other centers. The company claimed to be able to enhance the strength of members, with the additional claim that with physical strength came strength to excel at other aspects of life. Gold's Gym was privately held. [36]

24 Hour Fitness. 24 Hour Fitness competed in a market space similar to Anytime Fitness and Planet Fitness. 24 Hour operated 400 centers for four million members in seventeen states. The company had run successfully for over thirty years offering convenience to its members. It had accessible, affordable, convenient places for people of all fitness levels and abilities. Its business model was oriented toward allowing each individual to seek out his or her own fitness goals and pursue them on their own terms. [37]

Zumba. Zumba began operations in 2001. By 2016 it had grown to almost 200,000 centers or locations worldwide. The basic idea of Zumba fitness was to burn calories through dance-related aerobic routines. Zumba centers or classes were found in churches, hospitals, schools, and universities. Almost any room large enough with a good sound system would suffice as a Zumba center. The company also aggressively sold Zumba workouts on CD. The main goal was to provide a non-threatening atmosphere where participants could dance and have fun. Zumba tended to appeal to mothers because they could work out at home. Company executive also claimed that people tended to stay with Zumba longer than other competitors because it was fun. Zumba sold itself as being 'fitnessainment.' [38]

Criticism

The growth of CrossFit is undeniable and the future of the company and sport is still as bright as ever, but CrossFit like most fitness industry startups is facing a certain degree of criticism and skepticism. Throughout the first decade and a half, CrossFit has faced an array of

naysayers who criticize CrossFit's methods, techniques, safety measures, and legitimacy. The following are a few of CrossFit's most common criticisms:

Cult. One of the most widely mentioned criticisms of the CrossFit industry is that it is a "cult." Doubters of CrossFit feel that the family-oriented atmosphere that CrossFit revolves around resembles that of a cult-like following. Typical arguments insist that CrossFit brainwashes its members with their workout effectiveness, paying large membership fees (generally around \$100/month), to being led by a 'leader' who dictates how they should act, to being elitists who only socialize with other CrossFit members.

Injury/Safety. Outsiders have often claimed that the CrossFit workout can be unsafe for its participants. The intensity and competitive nature can lead to too much heavy lifting and improper form all the way through the rep sets opening up opportunities for injury. The most commonly mentioned injury/disease used against CrossFit is rhabdomyolysis. Shortened in the CrossFit world to "rhabdo," this is caused by the death of muscle fibers and the release of their contents into the blood stream. [29] Rhabdo results from overexertion, which leads to the body's muscles breaking down and potentially causing kidney failure. Although it can be deadly, it is usually a treatable disease.

Legitimacy. Many proponents of CrossFit argue that the workout methods do not produce realistic results—that the libertarian methods of allowing box owners to create their own workouts within an entire methodology opens up the risk for unqualified coaches to piece together workouts that are not safe and do not translate into results. [30] High Intensity Interval Training (HIIT) is widely considered one of the best forms of exercise to burn fat, and CrossFit is no stranger to utilizing this method. But many feel CrossFit fails at this in their mix of intensity versus volume. Some contend that CrossFit uses HIIT as a fitness test and not necessarily for the best results. For example, a widely used HIIT method is TABATA (named for Japanese Scientist Dr. Izumi Tabata), which uses eight rounds of one exercise (bike, sprints, etc.) that includes 20 seconds of all-out work and 10 seconds of rest. CrossFit has a workout called 'TABATA THIS' in which athletes complete rows, air squats, pull ups, push ups, and sit ups... for 40 intervals! Critics say that this far exceeds the accepted mix and exposes participants to a decrease in intensity because of the large volume as well as a breakdown in technique,

which both can lead to less effective and more dangerous results. [31]

Saturating the Market. While most of CrossFit's criticism comes from outside the community, there are affiliate owners who have concerns regarding the rapid pace at which CrossFit has grown. One box owner who has seen the rise of CrossFit through increased usage of social media pointed out that "growth doesn't equate to quality." He wonders if the rapid growth is just inflating a trend or if CrossFit will become a permanent fitness fixture. [32]

While many business owners are reluctant to respond to public criticism for fear that it will damage their reputation, CrossFit, Inc. and their legion of followers are the exact opposite. CrossFit has a team of employees who patrol the Internet looking to defend the brand with an iron fist against anyone and everyone who tries to deface it. Glassman has an entire team of lawyers dedicated only to defending the brand name as well as its trademark from people around the world who attempt to use the CrossFit name without paying for it. When asked why, Glassman explains, "if you don't defend it, you won't have a brand for long. We are in shark-infested waters and I've got shark-repellant attorneys." [4]

What Next?

After a few days of relaxation, reflection, and thought, Glassman came to the confirmation that he was content as to where CrossFit was, both the brand and the workout. He understood that he is one of the fortunate ones to break through the "fad" stage in the fitness industry and is truly on the verge of creating not just a revolutionary workout but an entirely new sport, and he did it his way. With that thought though, he knows that there are future decisions that must be made to allow the brand to continue to grow and some of those decisions could conflict with CrossFit's current culture, values, and philosophies.

Sticking to CrossFit's roots as a technology leveraging fitness company, he thought about the future, how they can continue to stay on the cutting edge of technology and what avenues would be beneficial to continue to grow the CrossFit brand. Now that CrossFit, Inc. is in a place of financial stability, he also kicked around the idea of starting to get involved in large outside advertising to increase the brand's recognition and reach, such as stadium naming rights and national television advertising. Would the opportunity to increase his brand awareness through mainstream advertising, a path that CrossFit typically has not followed, help or hurt the loyalty aspect

of this devout followers, and what would the impact be at the local affiliate network?

The sport of CrossFit is undoubtedly growing. The Reebok CrossFit Games are increasing each year in participants, attendance, and revenue. His firm belief that CrossFit athletes are the “fittest on earth” due to their well-rounded abilities is something that he would adamantly defend anywhere. With the Rio 2016 Olympic games approaching, he cannot help but dream about CrossFit being an event in future Olympics. The exposure of CrossFit, at the largest stage of worldwide competition, has the capability to solidify CrossFit as a major sporting event, not to mention the potential financial impact. The ability for CrossFit’s dedicated athletes to have the opportunity to compete for their countries would be incredible, Glassman thought. But, for this ever to happen, he knows that drastic changes would have to take place. First off, in addition to the International Olympic Committee (IOC), an international governing body would be needed to oversee the sport [33], undoubtedly limiting his power as CrossFit’s sole decision maker. Policies and regulations would be altered and CrossFit staples such as the random nature of events that the CrossFit Games are known for, amongst others, would most likely change. Is this something that he, personally, is willing to do to grow the sport? Can the sport of CrossFit survive and grow on its own? What would the impact be at the national and local levels with the radical changes that would likely occur?

Glassman’s thoughts then reverted to CrossFit, Inc.’s affiliate business model and how current trends could impact the company’s growth. How could they address some of the criticism surrounding CrossFit and how would potential remedies impact the company financially? For example, should CrossFit, Inc. mandate continuing education for coaches and do they charge for this, or do they go in the opposite direction and invest in their coaches, in an attempt to increase the competency at each affiliate? Lastly, his attention turned to how he should handle the issue of large corporate CrossFit gyms, such as Boston’s Reebok CrossFit Back Bay, who operate full-service, state-of-the-art boxes. [34] Since the beginning, the “Garage Gym,” a stripped down, rather unsightly facility with only the essential equipment needed for a hard-core workout, has been the standard. Allowing corporate companies to open “globo-gym” type facilities with full service amenities such as locker rooms and all hours’ access could change the landscape of CrossFit affiliations as they currently exist. Even if these facilities stay true to CrossFit’s roots (equipment, loud music, etc.), what would the effects be

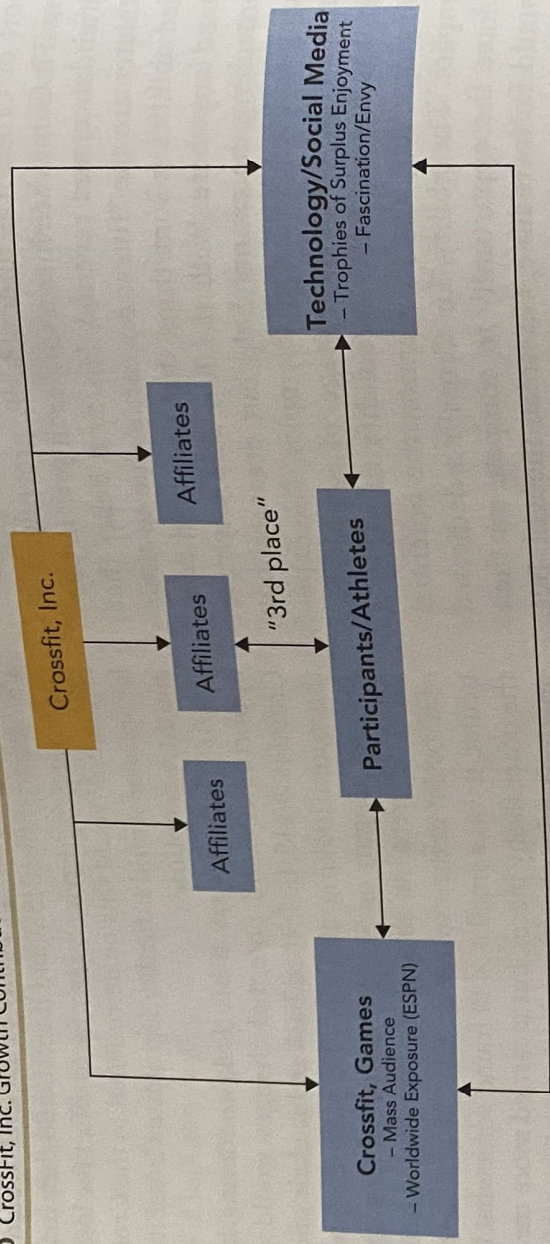
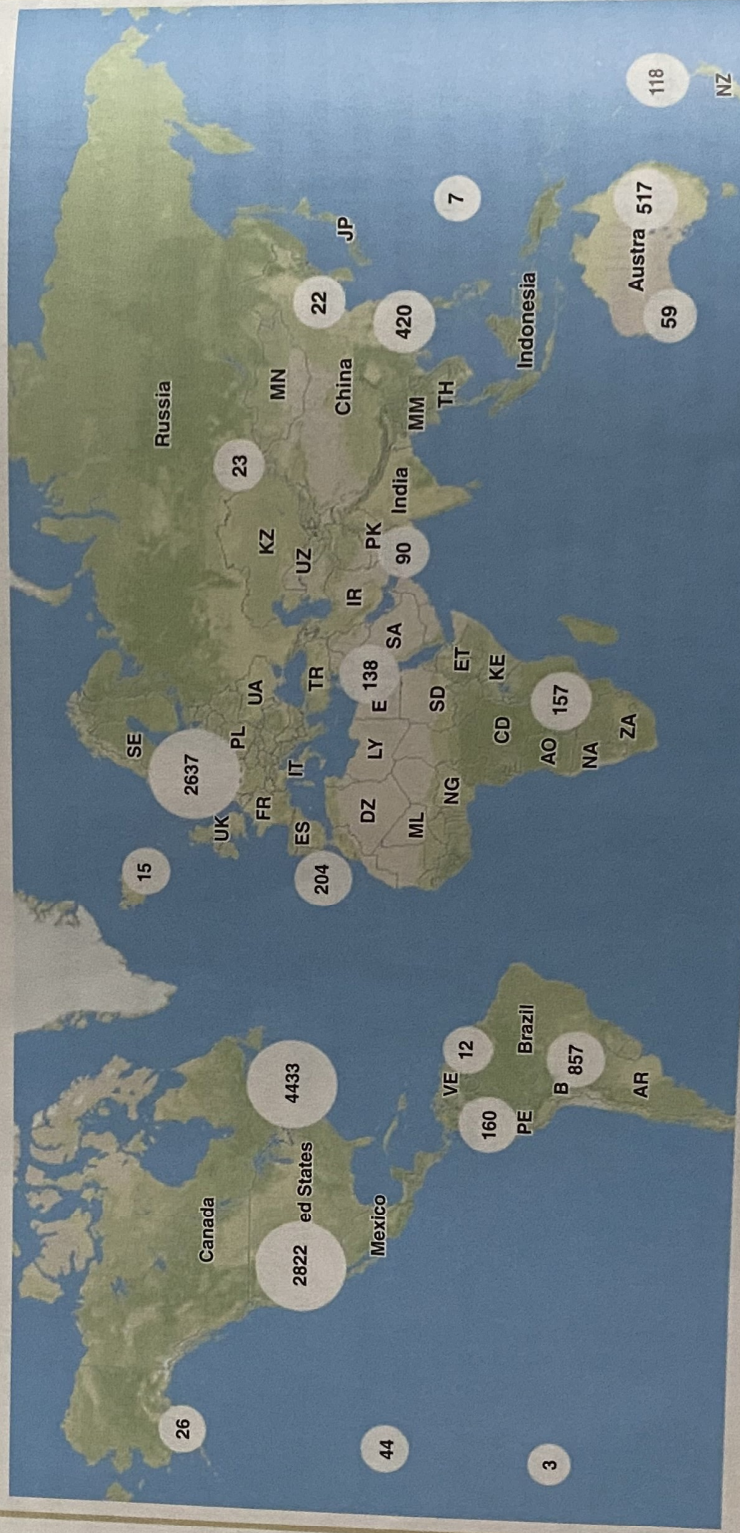
on the local affiliates’ ability to survive? Would there be a ‘Walmart-Effect’ [35] and if so, should they increase the corporate-sized gyms’ yearly fee to offset the loss of small affiliates? Would this be detrimental to the CrossFit philosophy or would it further legitimize CrossFit as a high end fitness option?

As Glassman sat at his desk wondering how these opportunities and potential changes would affect the CrossFit world, he leaned back in his chair and scanned the room looking at all of the pictures, posters, and plaques hanging on his wall. Each one represented something different but all of them contributed to the growth of CrossFit in their own way. Then he noticed one in particular. It was a small 8×10 frame, somewhat lost among the other flashy pieces, but it carried more meaning than anything up there. It was a photo of him and the officers from the Santa Cruz Police Department, the original CrossFit group. He realizes that changes are inevitable, but the photo reminds him that CrossFit grew from the dedication, commitment, and loyalty of its community. Moving forward he would like his decisions to remain true to those roots and his libertarian approach, because that is the essence of his success.

Exhibit 9 Eight Things You Probably Didn’t Know about Crossfit

- 1. You don’t have to be young or in great shape to try CrossFit** (CrossFit is for beginners, experienced athletes, the fit, and the un-fit)
- 2. CrossFit works out your mind as well as your body** (a common reason for gym cancellation has to do with mindset of the member—CrossFit defeats this by training the mind to work through soreness and fatigue)
- 3. CrossFit has a strong connection to law enforcement and military officials** (CrossFit is popular with police and military specialized teams across the country)
- 4. CrossFit commemorated a set of workouts to fallen soldiers** (common in boxes around the world—these workouts are named in honor of fallen soldiers who were CrossFit followers)
- 5. CrossFit gyms have exclusive owners** (in order to open up your own CrossFit ‘box’ you need more than cash—you will need to write an essay, complete an application, pay a yearly fee, and complete instructor training courses; this enhances the quality of gyms across the board)
- 6. CrossFit offers a ‘Kids’ program** (parents can bring their kids to a growing number of the gyms)
- 7. CrossFit has a Paleo Diet kitchen on premises** (for member convenience—works like a subscription service at many of the boxes)
- 8. CrossFit is 60% female** (there are about 6 million CrossFit women members)

Source: <http://www.interearticle.com/fitness-and-health/8-things-you-probably-didnt-know-about-crossfit>

Exhibit 10 CrossFit, Inc. Growth Contributors**Exhibit 11** Worldwide CrossFit Box Locations Map

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