

# Maximizing Asset Value in Healthcare Wellness Centers A Strategic Turnaround Case Study: Active Wellness Center at NorthBay Health

## EXECUTIVE SUMMARY

In 2023, NorthBay Health, a nonprofit hospital system in Solano County, CA, hired Active Wellness to assume management operations and initiate an operational reset of its 53,000-square-foot medical wellness center. The facility had been operated previously by two different management companies, and under both did not achieve the organization's desired financial and operational objectives, leading to growing operating losses even as membership levels expanded. By optimizing operating standards, enhancing program offerings, improving facility layout, and introducing a targeted marketing strategy, Active Wellness transformed an underperforming asset into a high performing community asset. Within six months of taking over, the center achieved its two-year membership growth goals and continues to outperform industry benchmarks across all operational and marketing metrics.

## CHALLENGE

- **Turnaround a Distressed Asset:** Reverse over three consecutive years of significant operating losses and missed revenue targets despite increasing membership.
- **Correct System Flaws:** Deploy sales management systems to ensure every membership contributes to building a viable retail operation.
- **Optimize Revenue Per Square Foot:** Maximize the footprint of the 53,000-square-foot facility to support higher-yielding ancillary programming and attract a broader, multi-generational demographic.
- **Build a Scalable Public Acquisition Engine:** Establish a modern, connected marketing strategy to replace the unoptimized outreach of the former operator, driving sustainable Marketing Qualified Leads (MQLs).

## SOLUTION

Active Wellness deployed its proven management framework and integrated digital marketing strategies to restructure the center's business model:

### Operational Overhaul & Layout Optimization

- **Sales Management & Value Systems:** Restructured the membership model to eliminate non-paying membership offers that were artificially inflating performance, ensuring EBITDA and revenue per member would be the driving performance metrics.
- **Strategic Floor Plan Redesign:** Adjusted the equipment layout to create targeted workout zones, including specialized small group training spaces, boutique fitness studios, stretch/recovery zones, and an upgraded strength-training weight room.
- **Staffing Optimization:** Recruited and onboarded 32 professionals to deliver an optimized and elevated member experience.
- **Strategic Brand Positioning:** Refreshed the facility's market presence through enhanced branding, sales, marketing, and member engagement strategies. Whether operating under the Active Wellness Center brand or a client's existing brand identity, our framework creates a stronger value proposition and deeper community connection.

“Active Wellness has delivered a novel business strategy...and it has exceeded our expectations. We struggled for three-plus years with significant operating losses and membership growth. In just six months, our wellness center is now well on its way to becoming the asset we'd always envisioned.”

- NORTHBAY HEALTH LEADERSHIP TEAM

## Lifecycle-Driven Public Marketing Strategy

Active aligned all marketing and engagement strategies around the core phases of the member lifecycle:

- **Awareness & Consideration:** Deployed focused digital tactics, localized community outreach, and targeted search engine campaigns to re-establish the facility's value proposition.
- **Conversion:** Built frictionless online pathways coupled with automated sales follow-ups to maximize conversion efficiency.
- **Retention & Engagement:** Synced external brand messaging with internal onboarding systems and social proof to establish trust, resulting in sustained member engagement and long-term brand loyalty.

## RESULTS

### Sustained Marketing Excellence (Quarterly Performance Benchmarks)

Our performance framework ensures efficient acquisition costs across varying market conditions:

- **Lead-to-Member Conversion:** Sustained a 50.6% quarterly conversion average, outperforming the 30% industry benchmark.
- **Cost Per Lead (CPL) Efficiency:** Achieved an ultra-lean quarterly average CPL of \$4.20, maintaining efficiency far below the standard \$25 industry cap.
- **Cost Per Acquisition (CPA) Efficiency:** Generated new members at a \$7.80 average CPA, beating the \$100 industry threshold by over 90%.
- **Audience Engagement:** Maintained a 49.7% quarterly average email open rate, exceeding the 25%–32% industry baseline and demonstrating strong local trust.
- **High-Intent Traffic Volume:** Captured digital intent with a quarterly average of 1,000 unique monthly visits to the digital guest pass page, doubling the regional baseline of 300–500 average monthly visits.
- **Dominant Market Visibility:** High-intent local SEO efforts secured the #1 primary organic ranking position for critical regional keywords, completely displacing competing local clubs and hospital-based programs.
- **Optimized Membership Dues Yield:** Re-engineered the facility's legacy pricing model to align actual member yield with premium market value. By fixing backend errors and implementing sales management systems, historical average monthly dues were successfully driven upward from \$35.18 toward the target valuation of \$85, with standard individual adult memberships now positioned at \$74/month and senior tiers stabilized at \$69/month.

### CONCLUSION

By working collaboratively with NorthBay Health leadership, Active Wellness aligned operational, programming, sales, and marketing strategies around a shared vision for long-term community impact. This partnership demonstrates the profound impact of replacing unoptimized operations with proven management standards. By aligning backend data infrastructure with a sophisticated marketing engine, medical wellness assets can maintain clinical integrity while operating as profitable, self-sustaining community hubs. This data-driven framework is scalable and designed to yield predictable, measurable growth across diverse healthcare markets.