

Return on Investment Case Study

Generating Additional Revenue with the AlterG

Summary

Salus Inc. of Delafield, Wisconsin is a corporate and personal wellness center providing rehabilitation and fitness services. Salus created a new business model utilizing the AlterG, generating an additional \$1,200 in monthly revenue (and growing). They have achieved a significant return on their investment by selling flat rate monthly memberships to use the AlterG.

Data

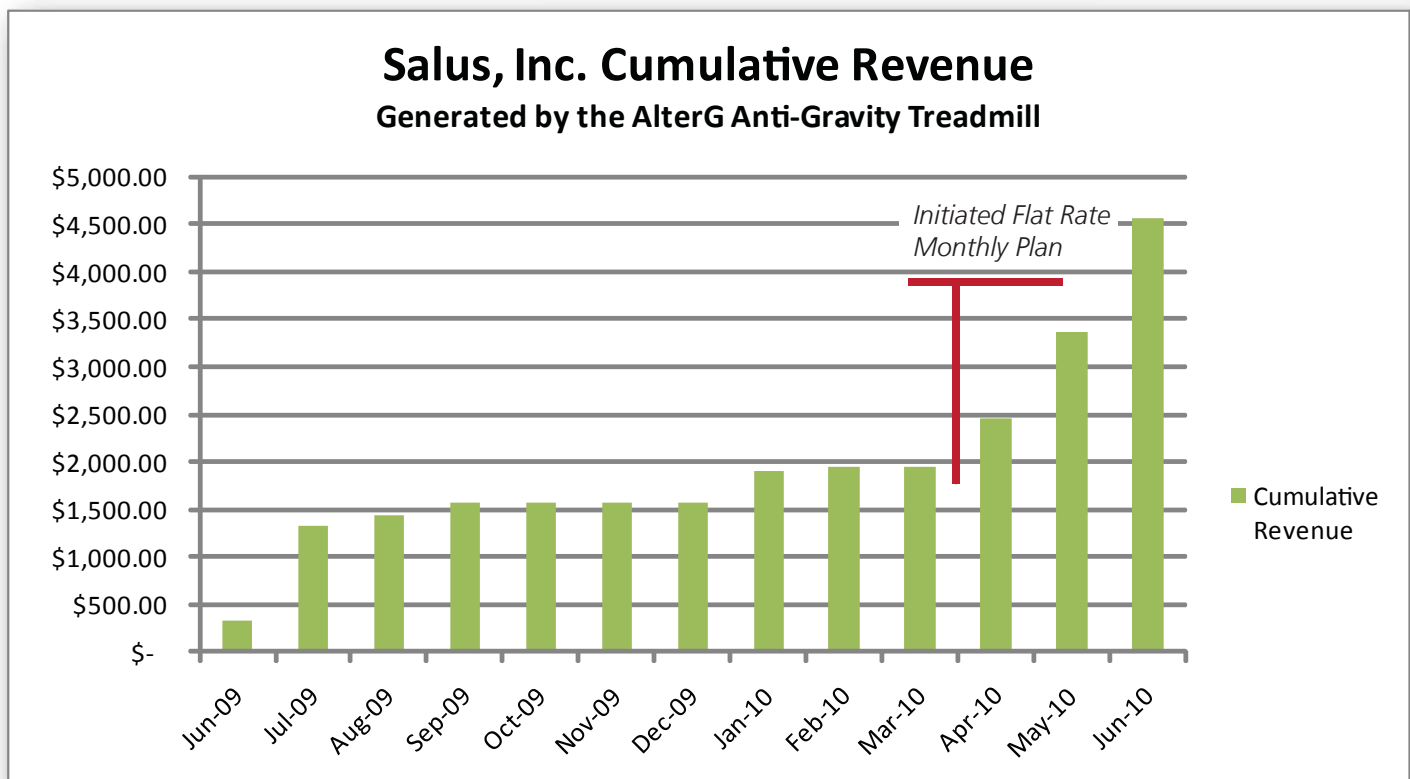
Salus initially sold multi-visit cards, but soon felt they could do better by changing their approach. In April they switched to a monthly membership model and immediately saw an increase in revenue from the previous rate of \$200-\$400 per month to over \$1,000 per month. The table below illustrates the rapid growth in their AlterG revenue since April 2010.

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"Members are choosing to invest in the monthly memberships we offer because they see the AlterG as a way to enhance their training and prevent injury. Athletes have stated that they would not have been able to compete in 1/2 Ironmans if they had not used the AlterG. We have certainly generated some buzz within the end-user community here, thanks to the AlterG."

- Briana Boehmer, Salus, Inc.

Table 1 Cumulative Revenue Generated by the AlterG Anti-Gravity Treadmill at Salus, Inc.



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Generating Additional Revenue with the AlterG (cont.)

Conclusion

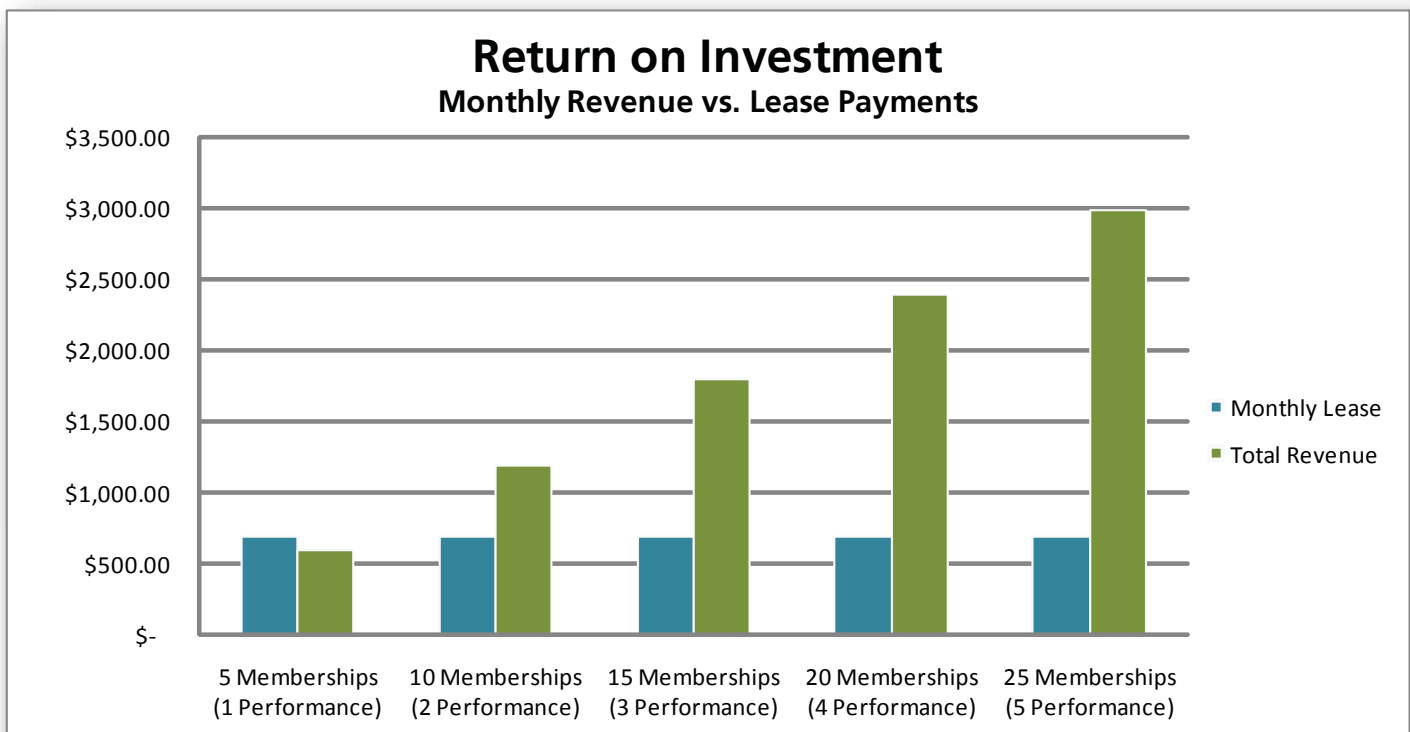
Salus' new two-tier membership program tripled their revenue versus the multi-visit card approach. In addition, it only took three months from the launch of their membership program to build a recurring revenue stream of \$1,200 per month. This represents an annualized profit of \$6,000 per year, based on a \$700 per month lease rate for an AlterG M320. Table 2 on the right describes the membership program they created. Table 3 below demonstrates their return on investment based on different levels of membership.

Table 2 Membership Levels

	Lifestyle Membership	Performance Membership
Number of memberships available	25 Total	
Max. session length	45 minutes	90 minutes
Max. number of sessions per week	3	4
Initiation and set-up fee	\$25	\$25
Monthly cost	\$100	\$200

In addition to marathon runners and triathletes, Salus' memberships attract physical therapy patients wanting to continue use of the AlterG. The two-tier program gives each client a choice that best fits his or her requirements and budget.

Table 3 Return on Investment: Monthly Revenue vs. Lease Payments



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