

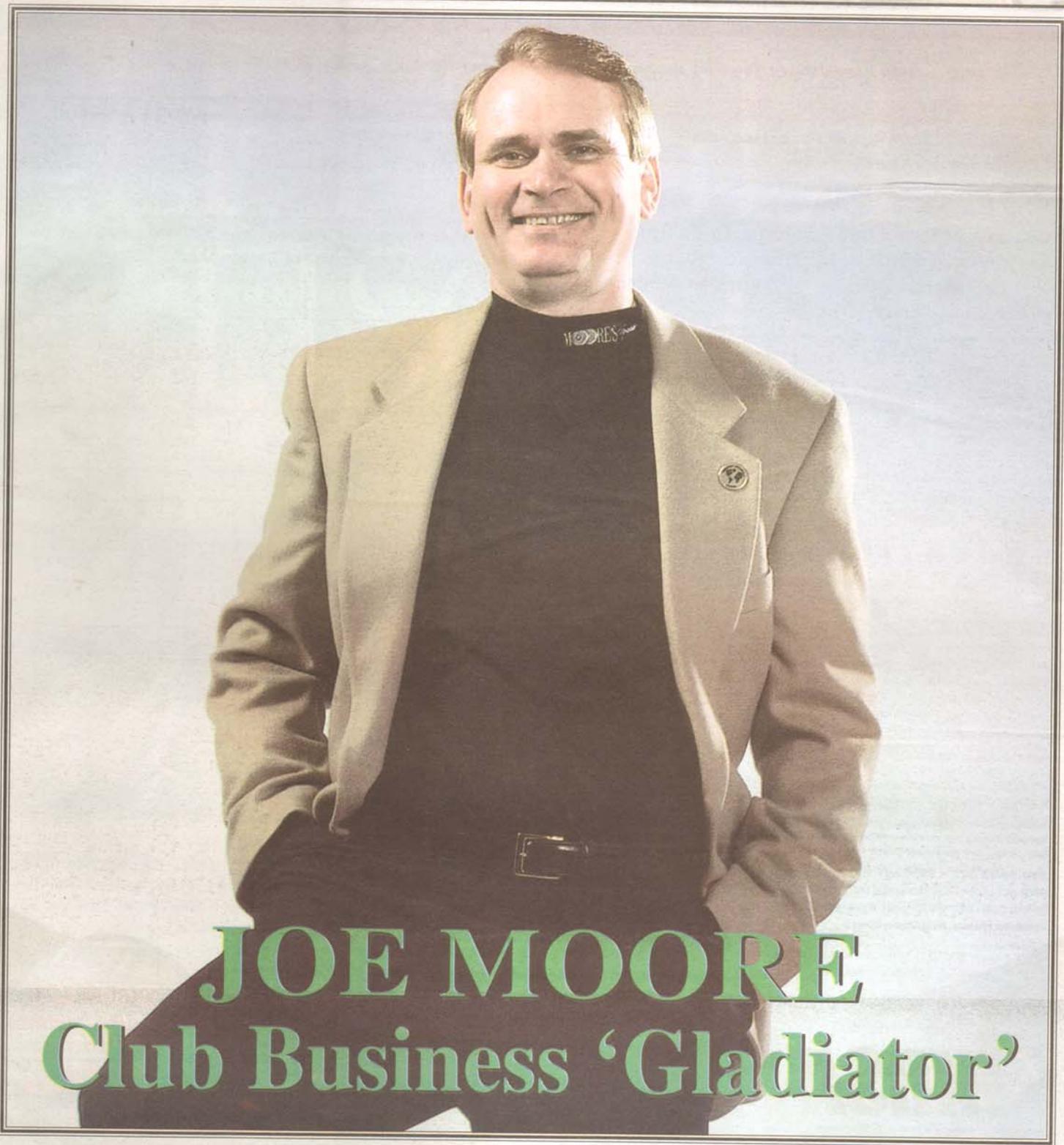
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THE Club Insider[©] NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

January 2001
VOLUME VIII NUMBER 1



JOE MOORE
Club Business 'Gladiator'

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NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

JOE MOORE Club Business 'Gladiator'

By Norm Cates, Jr.

The Joe Moore story is one of a warrior - a true 'Gladiator' of the health, racquet and sportsclub industry. Warrior-'Gladiator', you might be saying? What's up with that? Read on and learn about another great success story in the health, racquet and sportsclub industry. And, learn why we refer to the mild-mannered, soft spoken 49 year-old, Ohio native, Joe Moore, as the Club Business 'Gladiator.'

\$100 A Month Beginning

Thirty years ago, Joe

Moore was a college student and Police Academy trainee. Upon graduation from the Police Academy he became a police officer with the Montgomery County Sheriff's Department. In 1968, Moore had joined the Holiday Health Spa and had become very interested in weight training and Martial Arts. While he was finishing college and Police Academy training, he established his first gym in 1970 in the garage of his home. He installed free weights and other training equipment. He even purchased several of Arthur Jones' first Nautilus machines. The first was a triceps machine, for which he paid \$410. (He borrowed some of the money for that purchase from his sister, Joyce.) He graduated from

the Police Academy and became a full-time Police Officer at age 21. The garage gym was going strong as his police force friends and other pals regularly came to work out. His interest in weight training, martial arts and the fitness business grew so that in 1971 he opened his first commercial facility, a 1,000 square-foot gym on the ground floor of a building on North Main Street in Dayton, Ohio. But, Moore really didn't open the North Main Street facility to get into the health club business; he just wanted to be able to have access to more equipment. Moore recalls, "When we wanted to get a new piece of equipment, or some more

barbells or dumbbells, we would pitch in and get what we wanted. It was like an exercise community where a bunch of friends got together to work out. I really decided to move to that little place on North Main street so I could buy more equipment. I just wanted to make enough money so that I could add equipment. So, it was more for my enjoyment than it was a true commercial operation to start with." That facility was not a risky venture for Moore as the rent was only \$100 per month and he figured that even if he couldn't pay the rent from the gym income, he could supplement the rent from his police officer's salary.

Weight Lifting And Martial Arts

Moore's interest in weightlifting and Martial Arts was keen and his plans included developing his facility into a weight training facility offering Martial Arts instruction. Moore recalls, "At the same time I opened the North Main Street facility, I had been going to the Police Academy and working as a Police Cadet. I had been taking Jiu Jitsu for a long time. By then I had my Martial Arts instructor certificate and was teaching Policemen self-defense. Part of the plan was to develop the health

(See Joe Moore page 6)

LATE BREAKING NEWS! Bally Total Fitness Joins IHRSA

SEE NORM'S NOTES PAGE 4

Richard Branson's Virgin Active Acquires Leisurenet Clubs

By Norm Cates, Jr.

On December 15, 2000, Richard Branson's Virgin Active Holdings acquired the South Africa-based Health & Racquet Clubs, recently declared bankrupt by Leisurenet.

The acquisition of these 85 upscale clubs by Richard Branson's organization marks a true milestone for the health, racquet and sportsclub industry worldwide. Branson is one of the

world's most successful entrepreneurs and has built an empire that includes music, airlines, real estate and much more. To have him step up to the plate and become involved in this situation is really a good thing for the industry. Branson had already entered the health club business in the United Kingdom with the installation of 3 Virgin Active clubs with plans to build many more.

Branson views the acquisition of these 85 clubs for only \$41.6 million in a bankruptcy liquidation sale as a springboard to

other South African investments. He became involved at the request of South Africa's Nelson Mandela.

Branson was quoted as saying, "Whenever we bring in a new product to market, people expect us to come up with something a bit different, knowing it will give them better quality and value than before. That's exactly what we will do here."

And, Branson is not wasting any time. Frank Reed, Managing Director of Virgin Active, reported plans for immedi-

ate rebranding and reorganization of the company. This will be something very interesting to watch as Branson is one of the world's best in the product branding business and his amazing reputation precedes him everywhere. The mere mention of the Virgin name will be a big step toward success of the revived Leisurenet Clubs in South Africa.

As a first step, Branson has indicated that Virgin Active will honor all of Leisurenet's Health and Racquet Club mem-

bership contracts through March 31, 2001. Some of the former Leisurenet members will most likely pursue any remaining Leisurenet assets for refunds on short term, and get this, 10-year and 40-year membership contracts sold by the Health and Racquet Club group. The potential for those damage suits totals \$146,300,000 (USD).

STAY TUNED as we plan to attempt to reach Mr. Branson for his further comments in the future.

ICON Health & Fitness Acquires Ground Zero Design

Inside The Insider

- 10 Tips On How To Market To The Older Adult
- An Innovative Way To Attract Non-Exercisers Or The Self Image Barrier
- Is e-learning Right For Your Organization?
- IHRSA's 20th Anniversary Convention & Trade Show Pre-View

Logan, UTAH - ICON Health & Fitness announced in December it will continue its expansion into the commercial fitness market by acquiring Ground Zero Design, an innovative manufacturer of commercial strength training equipment, for an undisclosed purchase price. ICON, the world's largest manufacturer and marketer of home fitness equipment, recently launched into the commer-

cial fitness industry at the Club Industry Show last October.

"Ground Zero's Free Motion™ strength products and the new line of NordicTrack commercial aerobic equipment are perfect complements for the institutional fitness industry," said Scott Watterson, Chairman and Chief Executive Officer of ICON. "Both lines are based on patented, cutting-edge design and fresh approaches to doing business."

"We always want innovation to be our point of differentiation in the marketplace," Watterson said. "By adding Ground Zero to the ICON family, we have a comprehensive offering for the institutional fitness marketplace distinguished in all categories by innovation."

Ground Zero's current CEO and founder Roy Simonson, and Jeff Leeson, the current President, COO and Co-Founder will (See ICON page 24)

• NORM'S NOTES •

IHRSA (The International Health, Racquet and Sportsclub Association) will celebrate its 20th Anniversary with the 20th Annual International Convention and Trade Show, March 21-25th in San Francisco, CA. Check out pages 23 & 24 in this issue for our IHRSA Pre-Convention Preview. This single event will help you enhance and improve your club business more than any other opportunity during the year. I hope to see you in San Francisco!

Bally Total Fitness has been invited by IHRSA to join the International Health, Racquet and Sportsclub Association's over 6,000 member clubs after a unanimous vote of the IHRSA Board of Directors and Advisory Board. Bally Total Fitness has accepted and is officially an IHRSA Member now. Given the significant changes and improvements that **LEE HILLMAN** and his Executive Team have made with Bally, the IHRSA leadership felt really good about inviting Bally to join. This news broke just at press time and my report here just covers the late breaking news. I will have an in-depth article about Bally joining IHRSA next month, featuring interviews with **IHRSA President, JOE CIRULLI**, **IHRSA Executive Director, JOHN MCCARTHY** and **Bally Chairman, CEO and President, LEE HILLMAN**, **IHRSA Co-founder and Spectrum Club Chairman, RICK CARO** and others. Bally closed out the year trading at about 35, a huge increase from 4 just about 5 years ago and 6 when Hillman took over. Amazing. Also, Bally just announced that they are now providing their customers with yet another service advance: Online Membership Account Access. Nothing but good news about Bally Total Fitness for the New Year, except for some nasty articles published by a newspaper in New York City that in my view, have obviously been published just to sell newspapers during the annual New Years Resolution charge of old and new members into health clubs. (Article dates were Jan. 2, 3 and 4th, so go figure!) My guess is that the writer, could use the benefit of a subscription to **The CLUB INSIDER News**, so she could really understand what has been going on with the Bally organization of over 20,000 people! The articles rehashed a bunch of old news about Bally, lambasted the collection methods of the financial companies that Bally does business with and

in general, seemed to be focusing on only negative items. Nowhere did it mention that BTF has added nearly 20,000 pieces of new, state-of-the-art equipment and facility upgrades at a cost of over \$200 million, amongst many other initiatives. We will get into these many Bally improvements next month in the aforementioned article. **STAY TUNED!**

•Congratulations to my old friend and 26 year industry veteran **BOB PROVOST**, as his **Greenville Racquet and Fitness Club** has been named 'Favorite Fitness Facility' in Greenville, S.C. by **Greenville Magazine**. The **Greenville Magazine** described Bob's club as a "family-owned fitness facility that hasn't stopped growing since it opened more than 25 years ago. Way to go Bob and **MARY BETH!**

•**TIM and LIZ RHODE'S Maryland Athletic Club and Wellness Center (MAC)**, opened in September, 1996 and is growing to become one of the top club businesses in the United States. Assisted by club business guru, **RICK CARO**, the Rhodes opened with just 26,000 square-feet and with the Grand Opening of the Lifestyle Center addition on January 20th, 2001, the club will be at 60,000 square-feet. In addition to having Rick Caro in their corner, the Rhodes have one of the top Fitness Directors in the country as part of their team, **LAURIE CINGLE**. Laurie was honored by IHRSA in the past as the **Fitness Director of the Year**. Among the many new facilities and services the MAC now offers is the new state-of-the-art **Lifestest Ultrafast CT Heart Scanning Facility**, the first of its kind in the state! Congratulations Tim and Liz and keep up the great work.

•It is good to see that **DR. DAVID SATCHER, Surgeon General of the U.S.**, has announced a one-year long effort to develop a national action plan to combat the prevalence of overweight and obesity in the United States. Noting that obesity among children has nearly doubled since 1980 and it is increasing among both genders, all age groups and all population groups, Satcher has set this plan to find solutions to this nationwide problem.

•"**PEP**" Bill passes! The U.S. Congress has authorized the **PEP (Physical Education For Progress)** which will appropriate \$400-million over 5 years to improve the nation's

physical education programs in grades K through 12. Adding to this Holiday Gift to the health club industry, Congress passed the '**Porter Initiative**,' a \$125 million 'healthy lifestyle' media campaign aimed at promoting regular exercise, better nutrition and less drugs, violence and alcohol among the youth of America.

•I heard a radio commercial the other day that really irked me. It was promoting Nordic Track Treadmills and Elliptical machines. It went something like this: "By acquiring a **Nordic Track Treadmill or Elliptical Machine**, you can get out of bed, jump right on the machine for 30 minutes and you won't have to make that drive to the health club anymore!" Well, I've got this to say about that. I think that it is terrific for companies to be selling home exercise equipment, because I strongly believe that if and when that equipment is truly used, it could very well cause the user to become a bona-fide health club prospective member. However, I strongly protest companies that are "bad-mouthing" health club memberships in their advertisements. It is just not right. Life Fitness, for example, does a terrific job of their consumer marketing without any bad mouthing of health clubs or health club memberships. NordicTrac, owned by Icon, the huge consumer company that just last December acquired **ROY SIMONSON'S Ground Zero Design Company**, should reevaluate their advertising and quit bad-mouthing the health club industry and health club membership in their broadcast and print messages. That would be the right thing to do.

•**JILL STEVENS KINNEY**, former IHRSA Board Member and long-time club industry leader continues to grow her company, San Francisco-based **CLUB ONE, Inc.** Club One, a product of years of effort by Jill and her husband **JOHN KINNEY**, have signed 12 more contracts with corporate fitness centers, including a global contract with **Motorola**. As of March 1, 2001, Club One will be serving 60 corporate centers.

•**Life Fitness' Total Body Cross-Trainers, the CT 9500HR, 9100 and 8500** and for consumer use, the **CT 5500HR**, won the **GOOD DESIGN Award** from the **Chicago Athenaeum Museum of Architecture and Design**. Presented since 1950, the **GOOD DESIGN Awards** are one of the oldest and most prestigious design recognition awards worldwide.

•**JUDI SHEPPARD**

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MISSETT, the Founder and CEO of Jazzercise continues to do great events. Recently, Jazzercise brought over 1,200 fitness enthusiasts from throughout the U.S., Italy, Japan, Canada, Holland, Mexico, Switzerland and the West Indies together at the Fountainebleau Hilton for an event called **Jazzercise On Location**. Highlights of the event included the filming of a training video for 5,000+ Jazzercise instructors, a Health, Fitness and Fashion Expo and a Shoe Drive which collected 600 pairs of shoes for local Miami charities.

•Congratulations to **DANNY ERRICO**, as he sold his 9 New York City and 1 Scarsdale, N.Y. Equinox clubs to Greenwich, CT-based **North Castle Partners** and Boston-based **J.W. Childs Associates**. The price was allegedly "north of \$150 million! What are you gonna do now Danny? Go to Disney World? Continuing Equinox CEO **HARVEY SPEVAK**, commented to one party about the Equinox plans to take its urban upscale club and day spa formula "to cities where there is a significant percentage of wealthy residents. We will not be building in Albuquerque," said Spevak. Well Harvey, let me tell you. I'll bet you that the nice folks out in Albuquerque will be really, really relieved to hear that!

•I received copies of new company newsletters from two of our advertisers that I want you to know about. **Body Training Systems** (formerly **BodyPUMP** and **The STEP Company**) has produced a very nice four page newsletter that does a terrific job of sharing their mission. The truth is, there are some of you out there that are not listening to the Body Training System message and you really should. Call (800) 729-7837 to obtain a copy of the newsletter from Body Training Systems (producers of **BodyPUMP**, **BodyATTACK**, **BodyFLOW**, **BodySTEP** and **RPM**).

•Also, **KAREN WOODARD**, the President of **Premium Performance Training**, has produced a newsletter which updates you on Trends in the international and domestic markets and provides management tips. Karen Woodard has been one of **The CLUB INSIDER News's** most dedicated Contributing Authors and she does a terrific job for her clients. To contact Karen call: (303) 417-0653 or to request a complimentary copy of the new **PPT News**,

call the same number and leave your name, phone # and mailing address.

•**Crunch Fitness International, Inc.** has announced that it has entered into a long-term agreement with a company formed by **Manrico Holding, S.p.A. and Progetti International** for the exclusive distribution and license rights for Crunch apparel and accessories worldwide. Owned by **DOUG LEVINE**, one of the club industry's greatest branding gurus, Crunch now owns and operates facilities in New York, Los Angeles, San Francisco, Mission Viejo, Miami, Chicago and Atlanta. The Crunch brand includes group fitness, original television programming, exercise, music, books, videos and apparel.

•It is great to see that the **State of Montana Senate and Business and Labor Committee** has filed **Senate Bill 151** which would prohibit university fitness centers and community fitness centers from selling memberships to the public if there is already a tax-paying fitness center serving the market. And, in **New Jersey**, legislators have filed a bill which would provide New Jersey employers with a 10% tax credit (up to \$50 per employee) for expenditures toward the cost of individual or corporate health club memberships. **STAY TUNED.**

•**The Fitness Company**, under Chairman **STEVE SMITH** and President, **RICH MANDLEY**, has acquired the **Birkdale Health and Fitness Center** in Iselin, New Jersey. The club will be renamed **FitCare LifeCenter** and will become a for-profit, tax-paying facility after previously being operated as a tax-exempt facility. A day spa and physical therapy unit will be added to the 40,000 sq.ft. facility.

•**TOM LINCIR, President and Founder of the Ivanko Barbell Company**, may be the pre-eminent expert on free weights in the world. He founded the market leading Ivanko Barbell Company over 31 years ago and is a collector of all kinds of very interesting historical information about weight lifting. He is like talking to an encyclopedia when it comes to the world of free weight lifting. If you want to know all there is to know about barbells, dumbbells and free weights, check out Tom's excellent article in the **January, 2001 edition of WALLY BOYKO's National Fitness Trade Journal**. If you don't receive Wally's Quarterly Magazine, give Wally's offices a call at: (541) 830-0400.

•Congratulations to **JERRY NOYCE**, veteran club in-
 (See Norm's Notes page 5)

Norms Notes

continued from page 4

dustry professional, as he has just been named as **Chief Executive Officer and President of the Health and Fitness Corporation**. Jerry has over 20 years of management experience and was previously the Executive Vice President of the Minneapolis/St. Paul-based Northwest Racquet, Swim and Health Clubs.

*More Congratulations also to **DAN LEVIN** and his team at **Chicago's EAST BANK CLUB** as they celebrated their **20th Anniversary** in December. This 400,000 square-foot (10 acres under roof) mega-club is clearly the most incredible, most successful club on the Planet Earth. In 1980, Mr. Levin built the club on the North Fork of the Chicago River in an area abandoned by developers for decades. This club generates over \$42 mil-

lion per year in revenues! Happy Anniversary everyone at East Bank.

***Club Corporation International and Fitness Holdings (d/b/a 24 Hour Fitness)** have been named to the **Forbes 500** (private companies) list. Dallas-based Club Corp, with 1999 revenues of over \$1 billion was ranked 227th and Fitness Holdings Worldwide with 1999 revenues of \$736 million was ranked 363rd.

*Boston-based **Fitcorp** has added 4 new units to their line-up of 32 facilities. And, Denver-based **Wellbridge** (formerly **CSI**) will open two corporate centers in New York City for the **Deutsche Banc**. This will increase Wellbridge's facility count to 55. And, industry veteran, **ED WILLIAMS**, acting Wellbridge CEO, continues to do an outstanding job leading Wellbridge into the 21st Century. In my view, the **Wellbridge Board of Directors** could look far and wide and not find anyone in the industry that would be better suited for the job of CEO than Ed Williams. Ed is one of two founders of the company (along with **TOM LYNEIS**), he knows the markets, he knows the facilities (in fact, he lead the acquisition efforts on most of them) and his people are very loyal to him. What more

could a Board of Directors ask for? I say take the 'acting' off of his title and appoint **ED WILLIAMS** for Wellbridge permanent CEO! **STAY TUNED!**

*Congratulations to **J.D. and VARNER HOLMES** on their acquisition of the **Impact Fitness Center** in Fayetteville, GA. The name of the facility has been changed to **Gold's Gym** and this now gives J.D. and Varner a stronghold on Fayette County, Georgia with 3 Gold's operations. Fayette County is a bedroom community south of the Atlanta Hartsfield International Airport and a haven for those rich and greedy Delta Pilots. (Just kidding. I taught several of those guys how to fly jets years back in the late 60s and early 70s and Delta Pilots are excellent, but their greed is seriously hurting the company.) Also, the Holmes' did a good thing when they donated some of their old equipment to the new **Peachtree City Fire Department's Wellness Center**.

***MIKE CHAET**, one of our esteemed **Contributing Authors** (see 'Clubdoc's Corner, page #16), completed the first global **"Train the Trainer"** program, an exclusive service to CMS worldwide consultants. 13 attendees from the Dominican Republic, Russia, Scandinavia, Germany, California, North and South Carolina, Michigan, New

York, Virginia and Ohio obtained **Master Trainer** status. Also, congratulations to **MIKE** and **MARY CHAET**, as their son, **BENJAMIN CHAET**, has earned a full football scholarship to Utah State University as a kicker!

*The January, 2001 **IHRSA Trend Report**, sponsored by **Life Fitness**, has several very interesting items. (1) Average health club member attendance is up to 90 days per year as opposed to 72 days per year in 1987. (2) For the 5th consecutive year, clubs reported that payrolls remained flat or declined as a percentage of total club revenues. And, according to the report, a majority of the clubs participating in the survey raised their prices for the second consecutive year in 1999 and improved their membership retention rates. (3) There is a strong movement afoot to provide program memberships, short-term memberships and even by the visit memberships and this segment of the market draws 24.2 million in addition to the 30.6 million 'regular' health club members. (4) In terms of the average household income of members, there is virtually no difference between U.S. commercial health clubs and their non-profit competitors. This report is just one of many services provided by **IHRSA**. For membership and 2001 Convention and Trade Show information, call: (800) 228-4772.

Norm Cates' **THE Club Insider** NEWS

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New, In-Club Weight Loss Program Projects 200+K Annual Profit With Using Just 750 Sq. Ft. of Space in Your Club

Casey Conrad, long-time industry consultant, has developed a complete turnkey weight loss program that's designed to be installed within health clubs that combines proven weight loss programming with sales, service and marketing systems. It's easy to fit into almost any layout. It can add a valuable service to your existing members and help you attract an additional target group within your local area. Most importantly, it is proving to be a huge profit center. It's called **HEALTHY INSPIRATIONS** and here are the results from the first three licensees of the program:

HEALTHY INSPIRATIONS at Bull Run Athletic Club, Manassas, VA: 1st month, September = \$34,000

HEALTHY INSPIRATIONS at Contours Express, Warrenton, VA: 1st month, November = \$36,000

HEALTHY INSPIRATIONS at Bodez by Tasso, Ormond Beach, FL: 1st 10 DAYS, December = \$46,000

Imagine what these clubs will do in January! Call today to receive a FREE 12-page info-pack that gives you an executive summary of how **HEALTHY INSPIRATIONS** can give you extra profits and a valuable service to your club. Act quickly and you could still take advantage of the January weight loss market.



FOR FREE INFO-PACK CALL TODAY

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..Joe Moore

continued from page 3

club and expand it and also to teach Jiu Jitsu. Back then, some of the Martial Arts were much more violent than they are today. To obtain the Jiu Jitsu Black Belt at that time you had to fight black belt opponents that were armed with weapons. Real knives, clubs and other weapons. So, my black belt test was very interesting. The Black Belt test called for me to be attacked 52 times. During the test there was an audience present, so the attackers were required to tape certain weapons to their hands to keep them from flying across the room and hurting someone. On the 5th attack, a guy tried to attack me with a club and I blocked him well. But, because the club was taped to his hand, it ended up hitting me on the side of the head. I took him down and he submitted. Then another black belt was on me with an underhand knife attack. I took him down but I was reeling from the club hitting my head. He got a lock on my left leg and broke it over the ankle. That is when the test really started. That was the 6th move and I still had the other 46 attacks to go. By the time the whole thing was over, I had a broken nose, a broken leg and was bleeding profusely from the head. I passed the test. The whole purpose of the test is to get your defensive moves where they are fluid, where you act without thinking. When you are injured like that, it's the only way you can possibly win. By the time that I got to the hospital to get my leg set, I was just happy that I had passed the test. Other Black Belts that had gone through the same thing had experienced much worse injuries than just a broken leg. They had been stabbed and suffered much more serious injuries than I. This was serious stuff. We thought at that time that Jiu Jitsu was a dying art, that it couldn't be taught commercially. But, in Japan and Brazil, it has really caught on. So, today with mixed martial arts championships, Jiu Jitsu has become popular again. After getting my Black Belt in Jiu Jitsu, I also got my Black Belt in Karate." In 1999, Moore was honored by being selected to the Black Belt Hall of Fame which is located in Pittsburgh, PA."

A Big Jump

The 1,000 square-foot facility was too small for both weightlifting and martial arts classes, but Moore realized that from the beginning and went ahead with it anyway because he wanted a better place to workout. Once he had expanded into a bigger space down the road he began teaching Karate and Jiu Jitsu. He recalls, "I found very quickly that the violent

art that I had been taught didn't sell commercially. People didn't want to be beaten up and go through the type of program that we had. So, I changed the Karate and Jiu Jitsu studio into an aerobics studio. By 1978 we had gone from Moore's Fitness and Martial Arts to just Moore's Fitness in a new location of 7,000 square-feet." Also, by 1978, Moore had left police work to devote full time to his fitness center business. He had also opened his second (2500 square feet) and third (3,000 square feet) facilities in Centerville and Kettering, Ohio. Moore adds, "This expansion was a big step for me because my education had been in criminology and I had planned for a career in that field. I had taken a hobby and made it my life's work. That was a big jump." Moore's facilities were operated until 1980 using the old male/female alternating day schedules and during the late 1970s, Moore spent a lot of time and money expanding those facilities to provide 7-day-a-week co-ed operations with locker rooms for men and women and expanded workout areas. In early 1980, Moore began to expand to nearby Cincinnati, Ohio, where he now owns and operates 7 Moore's Fitness Centers. Moore's Cincinnati growth thrust was through the takeover of failed fitness centers. By the end of the 1980s, Moore had 9 locations in operation.

Dedicated and Experienced Management Team With A Leader That Makes Things Click

The Moore's Fitness Centers are reaching the big leagues now with 12 locations in operation and growth of two new units per year slated over the next 5 years.

Moore's growth plan calls for larger units in the 25 to 30,000 square-foot range. He has grown his business carefully and conservatively. Moore's Fitness Centers management team is led by his wife Darlene Moore, Ron Byrd, and Delana Jackson all serving as Regional Directors and supervising the Managers of the 12 clubs.

Darlene Moore, wife of 28 years (they have been together since the 7th grade when they began to 'go-steady') and co-worker with Joe for over 26 years, summarizes the reason for Joe's success in one sentence. "Joe is just such a great guy that he just makes everything 'click'."

Ron Byrd has been with Moore for 22 years and is Vice President of Moore's Fitness. In addition to serving as a Regional Director, he also supervises the business office operations. Byrd

comments on working with Joe Moore, "Joe is just a great person to work with. He is easy to get along with and very easy going. I've been with him for 22 years and I am still amazed with how good he is in dealing with everything."

Delana Jackson, Regional Director, adds, "I think there are two primary reasons for the success of Moore's Fitness Centers. The first is that Joe Moore is very easy to get along with and he is also very fair. Second is training, training, training! Moore's Fitness Center training is comprehensive and includes every facet of the business that people need to succeed."

In addition to Joe Moore and the Regional Directors, there are several other long-term employees that are important and key members of the Moore's Fitness Center Team. They include Jan Hicks (Joe's sister), 22 years, Club Manager, Judy Petkewitz, 18 years, Club Manager, Greg Fagan, 12 years, Maintenance Director, Ann Callahan, 15 years, Corporate Office Manager and Debby Boomershine, 12 years, Director of Human Resources and Aerobics.

Together, this team has grown the Moore's Fitness Center organization to become a well respected market leader in the Dayton/Cincinnati, Ohio areas.

While visiting with Joe Moore and seeing his operations in Dayton, Ohio, we asked him to share with us his thoughts on keys to success in club management. This is what he had to say:

Joe Moore's Keys To Success In The Club Business

#1. LISTENING TO THE MEMBERS - "Probably the biggest thing is listening to the members. Finding out what they think. What they want. Finding out what those needs are and satisfying those needs. Over the years there have been many shifts. You could hardly recognize one of our clubs today compared to what it looked like just five years ago. Whatever the members want we try to do."

#2. HAPPY MEMBERS PROVIDING STRONG REFERRAL BUSINESS - "We teach our people to promise prospective members a lot, but then to deliver more. Because this is such a people business. They come here to have a pleasant environment. Sometimes they are not here just to lose weight or tone their muscles. They are here for the environment. They enjoy coming to their club. Those long-term members are the ones that are connected to us socially as well. They are bringing in their



(L to R) Darlene, Joe & Stacey Moore

friends. We know it is a product of our members being happy and bringing in friends that drives our business and that will drive our business in the future. We think that there is a base level of service that every health club is required to give. I don't believe people think about finding a clean health club or wanting a club with good equipment. They believe that just comes with every membership, no matter whether they are joining our health club or any other health club. It is the things that you do above and beyond that base level of service that makes a club profitable. So, we are constantly trying to do things to get people's attention, such as adding new equipment all the time. As soon as there is something on the market that we identify as a productive piece of exercise equipment that people will use, we purchase it. Even if it is a piece that I'm afraid may not last, I'll get it anyway, just to give them something to talk about. Something to be happy about. Then when the new version comes out that is more commercial strength, then we'll get that. We have a constant turnover of equipment and we are constantly remodeling. We want members out in the community saying, You know why I go to Moore's? It is because they have new equipment coming in all the

time. The personnel are always friendly. We think that word of mouth drives the business more than anything we do." We asked Moore, "What percentage of your new business would you estimate is derived from member referrals?" Moore responded, "It is about 65 to 70% that come in as a result of a friend. Either the friend drags them in here or they come in on a guest pass given to them by our members. The best type of member is constantly out there in the community saying, 'I get in shape by going to Moore's. You've got to come with me.'"

#3 THE 'FITNESS-ENTERTAINMENT' BUSINESS - "We have an ongoing training program. I've never been too impressed with hiring people from other health clubs. The left-over 'corporate-culture' from former clubs always causes a problem. There are people that are too intent upon pressuring people to join, not servicing people. They don't understand that the facility has to be cleaned. There is always some corporate clash between our culture and other cultures. Occasionally, we have hired an employee from another club that has done well. But, our greatest success has been from hiring people that have a true desire for fitness. They want to work out themselves and they want to be in this environment.

(See Joe Moore page 8)

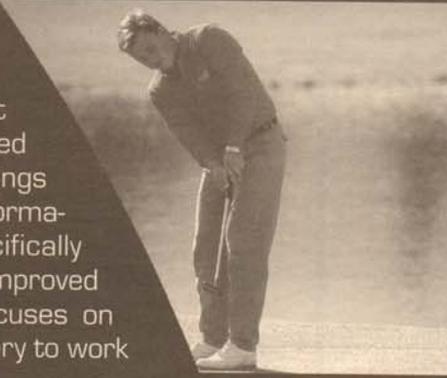
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..Joe Moore

continued from page 6

We like to take that raw material and teach them that this is the 'fitness-entertainment' business now. It is not just selling a person a membership. It is keeping that person entertained and enthused to stay here and work out over an extended period of time. So, not only is it just the fitness, we think it is the entertainment business as well. I think so many club owners have come to that same realization that entertainment keeps that member coming in and bringing their friends. We start our new employees by having them go through a six-week training program. Then they are assigned to a coach. That coach reinforces what those people learn in their classroom training. After they are finished with the 6 weeks they are working in the club, we still have ongoing training because we want to make sure that only safe exercises are shown to our members. The rule is first, 'Do no harm.' Just because somebody has a certification doesn't

mean that we will let him out on the workout floor to do whatever he wants. I've seen too much experimentation. When a major fitness organization says that an exercise is dangerous, we won't teach it. We want to make sure that our members have safe, productive exercises. We asked about the contents of the six-week training course. Moore responded, "It includes basic anatomy and exercise protocols, customer service and membership sales training. We also have a segment you might call 'manners training.' Many people out in the health club work force don't understand that the health club business is an enthusiastic-friendly business. So, your average person may not have the right attitude until we explain exactly how to act in a health club. For example, you can never be rude to people in a health club; because, they can always go to another club. They can just as easily go down the

street and find basically the same equipment. So, it is the people who drive the industry. We try to integrate our people into every phase of the fitness business. We want the members to participate in as much variety as they can. We want them in the classes. We want them using the cardiovascular and strength training equipment. We want them to do whatever they are most comfortable with. It is the same old answer to the question: "What is the best exercise?" That's the one that YOU do, that YOU are happy with. We try to get our staff to understand that. Debby Boomershine is our trainer. She trains all of our new employees and our aerobic instructors. Debby also choreographs all of our group exercise classes and evaluates our instructors to be sure they are teaching according to our protocols."

#4 REGIONAL MANAGERS SERVE AN IMPORTANT ROLE- Moore summarized the Regional Management job description as follows: "We have 3 Regional Directors that are in each location on a daily basis to see to it that the needs of the club managers are met. Whatever the club needs is taken care of as soon as possible. If there is a piece of equipment broken, we get it fixed immediately. The Regional Directors are out in the club talking to the members everyday to find out what those members want and need."

Fair Prices - Clean-Well Equipped Clubs - Member-Oriented Management Equals Success

Over the years, Moore's Fitness Center membership numbers have grown progressively in relation to his number of facilities. By the end of 1980 he had approximately 8,000 members. By the end of 1990 the number was 14,000 and by the beginning of the year 2001, the membership numbers had reached 22,000.

Joe Moore provides prospective members with a monthly dues option which allows them to cancel their membership with a 30-day written notice should they desire. He also provides a one-year and two-year membership option. New month-to-month members pay a \$150 Registration Fee while those that are willing to commit to one or two year plans pay \$80. Single monthly dues are \$37 and couples pay \$57. Children may be added to a membership for \$20 per month per child. Moore also uses Electronic Funds Collection (EFT) rather than billing for his monthly dues collections.

While Moore declined to disclose the annual sales revenue for the Moore's Fitness Center

chain of 12 locations, this writer estimates that revenues exceed \$8 million annually. Not bad for a guy that started in his garage!

But Why The Nickname 'Gladiator'?

You may be thinking that we've nicknamed Joe Moore the 'Gladiator' because of his involvement and accomplishments in Martial Arts. That is not the case. We gave Joe Moore the nickname 'Gladiator' because he has tirelessly and successfully fought non-profit tax-exempt competition in his market for years and for 8 years, has led the Ohio Fitness Association, as President, in the fight to repeal an unfair and unwarranted sales tax on health club memberships in Ohio.

And, very importantly, Joe Moore has taught others how to go about that fight. John McCarthy, Executive Director of IHRSA, says this about Joe Moore: "Joe Moore is a warrior who is absolutely fearless. As a result, he has put together a string of victories against tax-exempt Taj Mahal fitness centers of which the entire industry can be proud. If anyone wants to know how to win in this arena, they need to borrow Joe Moore's playbook. He is a master from whom all of us can learn." While this story is about Joe Moore and his successful club career, it is also very much about his role in the fight against tax exempt non-profit competition and his fight against the Ohio health club membership sales tax. Joe Moore and this writer believe that commercial clubs owners everywhere should understand why these fights should be fought and how to go about fighting them. So, please read on.

Ohio's 'Sin - Tax' On Health Club Memberships - A Tax That Shouldn't Be

Imagine what it would be like in your market if your legislature imposed a tax called a 'Sin-Tax' on the following: alcohol, cigarettes and soft-drinks. And then, for good measure, your elected State Legislature included health club memberships in that 'Sin-Tax category! And, at the same time, they totally ignore the fact that taxes that they are collecting support non-profit, non-tax paying fitness centers owned by the government. I mean, if you used the logic of what is going on in Ohio, it would be appropriate for the communities to fund, build, open and operate grocery stores, drug stores and department stores. Wow, what an intriguing concept! How in the world could such tax legislation have passed and what is stopping that Ohio 'Sales-Tax' from being repealed? Here is the history of the Ohio 'Sin-Tax' and why attempts every year for 8 years have failed.

Joe Moore The Club Business 'Gladiator' Shares His Knowledge and Experience On Fighting Non-profits

Joe Moore, in my opinion, may be the single most experienced and successful fighter of non-profits in the health club business at this time. He has an acute realization of how to go about this tough challenge and he does it well. And, he wants you to learn how to join the cause. The fact is, this Ohio territory is one of many areas in the country where the commercial health clubs are seeing their territory invaded by tax supported, non-tax paying recreation and parks fitness centers, non-profit tax-free hospitals and State supported University fitness centers. But, in Joe Moore's territory, several public recreation and parks fitness centers and one major hospital fitness center have been stopped dead in their tracks by Joe Moore's efforts. Those who heed and come to understand what Joe Moore is about to say in the following paragraphs have a good chance of fighting off what could be non-profit, tax-free competition that could be ruinous to their business.

I said to Joe, "After numerous successes in fighting non-profit, tax-exempt public and hospital owned fitness centers here, you are going after and working on repealing the Ohio State 'Sin Tax' on health club memberships." "Tell us about this experience." Moore replied, "Eight years ago, the State of Ohio passed what they called a 'Sin tax' which was to be on alcohol, cigarettes, soda pop and health club memberships. The real reasons we were lumped in the tax were two-fold: (1) We had no advance knowledge it was being proposed. We found out the tax bill had been proposed on a Monday and the tax bill was voted on and passed by the Ohio Legislature on Wednesday. (2) We had no representation in the State of Ohio. There was no lobbyist telling the legislators that we should be exempt from this tax. The health club industry in Ohio knew nothing about it. There was no input from the industry. So, I got in touch with IHRSA and with their assistance, we immediately formed a coalition of health clubs to try to repeal the sales tax. We saw immediately that it was going to be impossible to succeed in the repeal effort during the first year. So, the goal became to make sure the YMCA had to pay it. We were successful making that argument in front of the Senate that the YMCA is in the same business that we are in. And, if our members have to pay the "Sin-tax", the YMCA members should have to pay it as well."

Moore continues, "About (See Joe Moore page 10)



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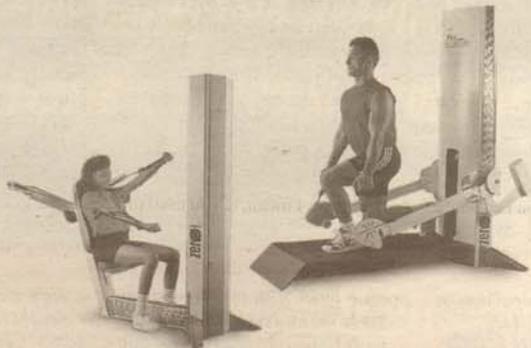
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...Joe Moore

continued from page 8

this same time, public parks and recreation departments around the country became very aggressive in their development of fitness centers. Naturally, parks and rec facilities are owned by the government, so they exempted themselves from the tax. A member that buys a park and rec membership does not have to pay that 6 1/2 to 7 1/2% sales tax. We've had many hearings about repealing this tax and we've won every one of them. The fact of the matter is the leadership of the Senate has blocked the Bill. We hope with the new session coming on and many conservative anti-tax representatives coming in, we can get the Repeal passed this year. Last year the repeal Bill passed the House Ways and Means Committee by a vote of 16 to 1. When it was sent over to the Senate, the Chairman of the Senate Ways and Means Committee said, 'You're right. This Bill needs to pass.' But then, it was just tabled. If we could just get a vote at the House of Representatives and the Senate, this Bill would win by an overwhelming majority. It is hard when you look at the facts for anybody to say that this tax is fair."

TAXPAYERS FUNDING THE TAX FREE COMPETITION!

Moreover, for 8 years now, the State of Ohio has been charging sales taxes on memberships to tax paying health club operations, while at the same time, exempting Government-funded, built and operated Community Fitness and Recreation Centers. Now Ohio's commercial club operators and, believe it or not, the YMCAs, have been forced to compete with publically funded recreation department fitness Centers funded by the VERY SALES TAXES THE COMMERCIAL HEALTH CLUB OPERATOR'S CUSTOMERS ARE PAYING!

Year after year, the Ohio Fitness Association has sent lobbyist Robert Doyle to the State House to attempt to convince the legislators to repeal this tax on health club memberships. And, year after year, the movement to repeal the tax has been approved overwhelmingly by the Committees, but when passed on to the Legislature leadership, the measure has been killed before going for a vote! With all due respect to the Ohio Legislature leadership, now would be a good time to repeal this health club sales tax because it is contributing to the failure of health clubs all across Ohio. Clubs that are trying to compete with Publically funded and operated health clubs! And, clubs that if they stayed in busi-

ness would help enrich the overall economy of the State of Ohio.

Consider this. During the early years of the sales tax on health club memberships, the tax generated was approximately \$8 million annually. This past year, due to the many club closings in Ohio, the membership sales tax revenue has dropped to \$6 million. And, this decline will not stop there.

All of the leaders of the Ohio Legislature should give consideration to the following:

* This \$6 million in health club membership sales tax revenue is a tiny, tiny, drop in the bucket of Ohio's \$38.7 billion annual budget. This revenue would not be missed for even a moment if the Ohio Legislature voted to repeal it.

* The Surgeon General of the United States has stated unequivocally in 1996 that regular exercise is very important to the health and well being of everyone.

* Regular exercise is strongly promoted and supported by corporations all across America because it is a statistically proven, indisputable fact that it helps: reduces employee absenteeism, improves employee production, improves employee morale, reduces corporate medical and insurance claims and in general, make businesses financially more successful and longer lasting.

* The repeal of the sales tax on health club memberships would help increase corporate revenues because more health clubs would be available to serve workers. This would help reduce employee absenteeism and increase employee productivity. An additional benefit would be the reduction of medical and health insurance costs for corporations due to reduced employee illness.

We contacted Mr. Robert Doyle, the lobbyist for the Ohio Fitness Association to discuss this issue. He commented "I was a member of the legislature at the time this tax was passed. Ours was a 'lame duck' legislature and many of us that voted "yes" on the measure would not be back for the next session. I remember that many of the legislators did not fully understand the measure, but instead, voted "yes" on it in support of very popular Ohio Governor at the time, George Voinovich. (Now a member of the U.S. Senate representing Ohio). I truly believe the Ohio Legislature should now be able to vote on this tax repeal Bill because the people of Ohio would

support it overwhelmingly."

Joe Moore Honored By IHRSA In 2000

Joe Moore's efforts to fight off non-profit, tax exempt hospital and recreation and parks fitness centers has not gone unnoticed. At the International Health Racquet and Sportsclub Association Convention in March, 2000, Joe Moore was honored by the Association as the recipient of the President's Award. That honor is given to the IHRSA member each year who has distinguished himself in the area of governmental relations.

A Member of IHRSA and the Faust Executive Roundtable #4

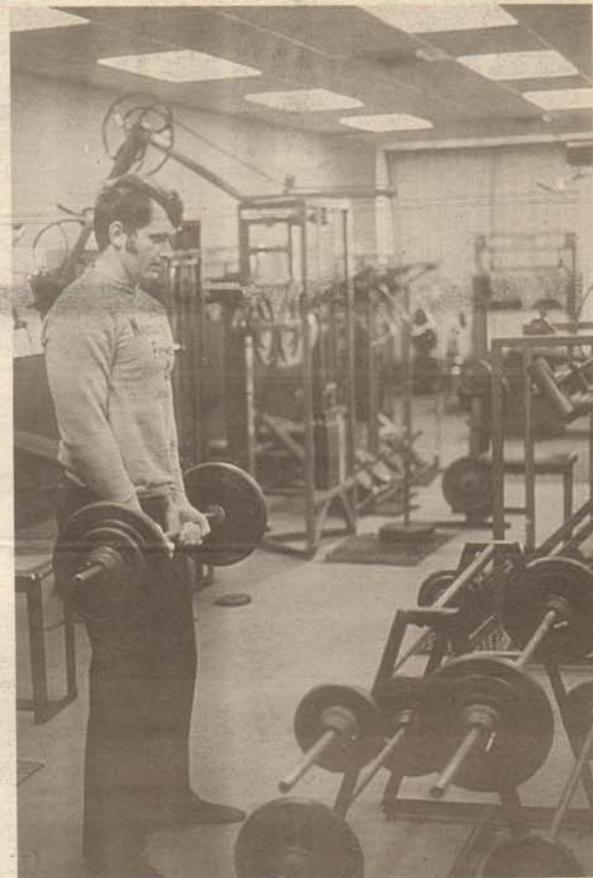
We asked Moore about things he had done to further his education and he mentioned IHRSA and the Faust Executive Roundtable #4.

Moore comments on IHRSA, "We joined IHRSA in 1982. I think having a central location where you can go for information has been a real boost to the industry. We are just starting as an industry. It helps people to become professional much more quickly. When I started, there was little information about how to run a health club. I found one book called: "Business Is Great" written by Stan K. Mann who was in the health club business way back in the 1950s. IHRSA is also a great organization to meet other people in the industry and network. IHRSA's government relations is also excellent. It is time that this industry actually stood up and showed some muscle and that more club owners get involved in the fair competition issue."

We asked Moore his thoughts on his participation in the Faust Executive Roundtable #4 and he replied, "It is an excellent tool. I go to those meetings and come back very well focused. It is a good way to talk with other people in the industry that you don't directly compete against. I think Gerry Faust has done a great job with the Executive Roundtable Groups. He really understands the club business and I wholeheartedly recommend the Faust Roundtable Groups to everyone in the industry.

Advice To Commercial Club Operators From Joe Moore About the Non-profit Fight

Moore, "The key to defeating recreation and park fit-



Joe Moore Working Out In 1975 In 1,000 Sq. Ft. Start-Up

ness centers is to see that it actually gets on the ballot in your city. Another key is to speak up. I get tired of club owners saying, 'I don't want to oppose the rec center because I don't want a bad image in the community!' I don't think that hurts that image at all. I think that most of the community will get behind you. In Springboro, Ohio, in 1997, we opposed what was supposed to be a \$9 million rec center that would be owned by the city and leased to the YMCA for \$1 a year. That was a vote of the citizens that defeated it by a margin of 70% No vs 30% Yes. It was overwhelmingly defeated. When people understand these issues, they vote against them. They don't want their tax money going for these recreation facilities. They want it spent on police and fire departments and other essential services. In Miamisburg, Ohio in 1995, the citizens helped us fight another rec center. The politicians hurt themselves. One citizen put up a huge sign in his yard that read, VOTE NO FOR THE REC CENTER! The Mayor sent public employees out and tore down this guy's sign! It made the television news and the newspapers. The Mayor apologized. That was going to be a \$25 million rec center. We won that vote as well. In

Beavercreek in 1999, we opposed a bond issue for the funds to do a feasibility study for building a \$10 rec center. We stopped it before it ever got started. So, club owners should keep their eyes and ears open in their community for proposed projects of this kind. As soon as club operators hear any rumbling of a public fitness center, they should get the details, tell the citizens that their taxes are going to be used for this purpose. My advice to club owners is to start speaking up. Also, join IHRSA, they will help you a lot."

In closing our time in Dayton, Ohio with Joe Moore, I asked him to tell me what he feels the three biggest challenges that face the club industry are. He replied:

- (1) Government non-profit competition.
- (2) Proper training of people.
- (3) Professionalism

Thanks to Joe Moore for his time in the preparation of this article.

(Norm Cates, Jr. is the Publisher of The CLUB INSIDER News. Cates is a 27-year club industry veteran with 20 years of club ownership and operations prior to entering publishing. Cates was the 1st President of IHRSA and a Co-founder of the Association in 1981.)

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10 Tips On How To Market To The Older Adult

By Colin Milner

For the past 50 plus years, society's method of marketing to the older adult has been to offer senior discounts. Having originated during World War II when money was scarce, the tradition continues today - even though the older adult now has 80% of the nation's wealth and 55% of the discretionary income.

So why are clubs continuing to offer them the cheapest rates?

The growing legion of older adults has come of age bringing, with them a lifetime of experiences and wealth. Marketers worldwide are discovering that to gain the business of these seasoned buyers - who account for 50% of total consumer demand and internet purchases but only 13.9% of the fitness industry's business - one has to change.

The first step is to embrace this market and its values - starting with the recognition that the older we become, the more unique we become. In gerontology they call it 'variability,' which when translated means what worked for the younger adult will

not work for the mature market. Their values have little to do with sex appeal and ego and more to do with maintaining their functional ability and independence. By customizing your facility, staff, assessments, equipment, sales and marketing message to them, you will be seen as speaking their language and sharing in their values - making you an appealing choice.

But how do we get them to buy into our message? Change the message.

Let's take the first step by looking at 10 easy ways to create more age-friendly marketing.

1. Know your market.

In the same way that every restaurant isn't a McDonald's, every member of the mature market isn't a 'senior.' Those over 50 are part of a multi-segmented group, with each segment having its own wants and needs. Plus, each age segment can be defined further by income, ethnic status, health, discretionary time and more. Is your target market in its early 50s, possibly with children still in college and likely still part of the working force? Are you talking to those in their early 60s who may have

an impending retirement and health concerns? The point is, when it comes to the mature market, one size does not fit all. It's important that you identify the segment to which you are marketing, and take the time to incorporate that knowledge in everything from your copy and design to your choice of media.

2. Just the facts, please. "Been there, done that," may well be the mantra of the over-50 set. The most effective sales messages to this group may be to simply explain in a clear and straightforward way exactly why they should be interested in what you have to offer and exactly what benefits they will receive.

3. Build relationships.

As a whole, this market values personal ties, and will take the time to get to know you and your product or service. Experience tells them that few things require an instant decision. They are unlikely to respond well to pressure tactics.

4. Use life-stage marketing.

Life-changing events (a child's marriage, retirement, moving, health problems, etc.) are defining moments for this market. Use these events to cre-

ate connections. For example, focus on the parents' free time now that the kids are gone or focus on prevention for health issues.

5. Educate the market.

Some of the most successful campaigns educate the market about real-life concerns while subtly slipping the product message between the lines. This is all part of a whole-person wellness program - where you use elements other than just physical to get a person to see your facility and hear your sales message. Example? Create a seminar series that each month deals with a different chronic condition, such as osteoporosis.

By educating the customer, you're showing that you care about them and speak their language. What club will they choose to belong to now?

6. Design with their eyes in mind.

No matter how young they may feel and act, diminished vision is a fact of life for most people over the age of 50. Set type in a readable size (12 point minimum is recommended, depending on the font) and use plenty of white space, bold headlines and subheads to make copy a pleasure, rather than a chore to read. Similarly, consider column width when designing. While long copy is acceptable to this group (which overall prefers a strong rationale for buying), shorter columns are easier to read than type set across an entire page width. In photography and graphics, full color is preferable to black and white. Choose models with some sensitivity to your market. Clearly today's over-50 group is not confined to rocking chairs or to the golf course. Use photography and art that reflect the lifestyle of the people to whom you are speaking.

7. Avoid Scare tactics.

Scare tactics and discouraging news about aging won't motivate this group to act or buy. Direct marketers who recognize the joys of aging stand a much better chance of reaching this market than those who use fear (like the insurance industry sometimes does).

8. Don't call them names.

Probably the quickest way to turn off the younger members of the over-50 group is by offering them 'senior' discounts, or products designed for 'seniors.' When speaking to those over 65, it pays to avoid labels such as 'old' and 'elderly.' About the only label this



Colin Milner

group likes is 'grandparent.'

9. Demonstrate your credibility. If your company has been in business for 25 years, say so. If you're new on the block, emphasize your commitment to customer service. Testimony from satisfied clients, research results, professional endorsements, documentation and evidence are all key copy elements. Example, 49% of all hospital fitness center members are 55-plus - as opposed to 13.9% for clubs. Potential members may have a credibility issue with your club's goal to minimize or ignore this gap.

10. Remove the risk. Offer a money-back guarantee, free trial period or lifetime warranty. Reassure the reader that there are real human beings at the other end of the correspondence. Use names in your copy as you talk about the people who will be making the product, handling the account, or providing the service you offer.

A marketer's dream occurred January 1, 1996, and will continue to do so every eight seconds for the next 20 years. The demographic movement society now calls the 'Age Wave' is cresting. It's up to you whether you ride it or not.

(Colin Milner is the Vice President of Sales and Marketing with IDEA Health and Fitness Association and former Chief Operating Officer of the Keiser Institute on Aging. He sits on the advisory board of the American Senior Fitness Association and the Canadian Fitness Professionals Association. He has consulted for the U.S. government, contributed to the development of various industry magazines, presents internationally, and has authored numerous industry articles.)

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AN INNOVATIVE WAY TO ATTRACT NON-EXERCISERS or... THE SELF IMAGE BARRIER

By Robert MacPhee

Statistics show that 23% of our population is exercising regularly, and that 2% do not even recognize the benefits of exercise. Personally, I've never met anybody who fits into that 2%, but if we believe these statistics, we are left with 75% of the population knowing that exercise is good for them and not doing it regularly. How can that be? With all of the resources and support available through commercial clubs, YMCA's, corporate wellness programs, community centers, equipment manufacturers and retailers, how can so many people still not be exercising?

If we ask inactive people, chances are we will hear the same old excuses: "I don't have time", "I can never stick with an exercise plan" or "I hate to exercise". But don't we all know plenty of very busy people who do not necessarily like to exercise but find a way to fit it into their schedule? What is it the difference between those that get started and stick with a plan and those who can never seem to do it? Dr. Jim Annessi, in his book "Enhancing Exercise Motivation", says, "the number one factor effecting exercise adherence is a person's level of self-motivation". Other researchers agree that what is going on in the minds of our prospects and members is the main determinant of whether they will succeed or fail.

More specifically, the self-image people have, and their attitudes and beliefs about exercise, weight loss and fitness may be the most important

factors in determining whether people get started exercising and get the results they are after. Imagine if a person has a crystal clear image in his own mind of himself not being fit, and while he holds on to this image he is trying to get himself in shape. The single most powerful resource available to him, his own mind, is not only not supporting him, it's working against him. Trying to get in shape for him will be like swimming upstream against a very strong current. Combining this negative self-image with limiting beliefs and attitudes like "I hate to exercise" and "I don't have time", creates a recipe for disaster. Its as if you owned a restaurant and your target market was very busy people who were not hungry and didn't like to eat.

Knowing all of this, doesn't it make sense to offer these non-exercisers the missing motivational resources that we know will help them make the transition to becoming more active? One way some clubs already do this is by offering a level of service that is so personalized and hands on that they become the source of motivation for their members. By using in depth orientations, detailed fitness assessments, one-on-one personal training and closely monitored tracking programs, they effectively support their members in reaching their goals. This is a labor intensive and expensive way to run a business, but the

clubs who do it believe that the benefits of increased member satisfaction and retention more than justify the cost. Anybody who has heard IHRSA President Joe Cirulli talk about the way he runs Gainesville Health and Fitness Centers, (and the results he gets!), knows what I am talking about.

Many clubs may be unwilling and/or unable to make the transition to running their business this way. The good news is:

- 1) not all members and prospects want this much hand holding anyway, and many believe they cannot afford the expense of belonging to a club that provides this kind of hands-on service, and
- 2) it is possible to take productive steps in the direction of offering the emotional, goal-setting support that research shows your members and prospects need. And you can do it without having to dramatically change the way you run your business.

One way to make emotional support a part of what you offer your members is to choose from the vast amount of proven goal setting and personal growth material that is available and simply begin making it available to your members. There are many ways you can do this. You can offer motivational seminars at your facility, (an effective way to attract excellent prospects), provide access to books and tapes for members, and/or teach your staff how to be more emotionally supportive of your members as they pursue their fitness goals.

Whatever steps you take, involving your staff, (all of them!), in the process will improve the results you get.

Taking a step in the direction of becoming a source of motivation for your members and prospects will allow you to reap the benefits of attracting more and better prospects and increasing sales, retention and referrals. Involving your staff in the process will improve their job satisfaction and performance, because they will have even more of a sense that they are providing an incredibly valuable service to your members. This approach will also positively differentiate you from your competition because members and prospects will see that you offer more and that you are serious about supporting them in reaching their goals.

There are only three ways people are motivated to take action: sufficient desire for a positive outcome, and self-motivation. Many of those who are currently members of fitness facilities are self-motivated enough to have responded to the information available about the benefits of exercise and negative ramifications of not doing it. The simple fact that so many people are inactive tells us that millions of people are not motivated to action by just knowing the benefits of exercise. It's going to take more than additional information about these benefits to get currently inactive people to take consistent action.

Because we know that what people need to succeed at getting in shape is to adjust their mindset, it seems clear that in the coming years the clubs that make offering emotional support a part of

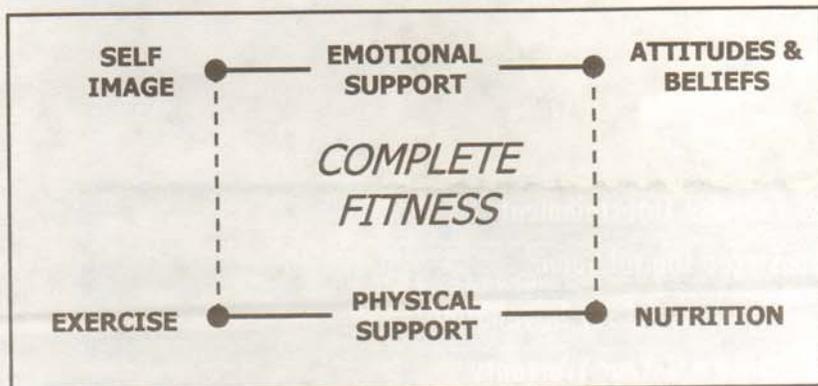


Robert MacPhee

the way they run their business are going to experience the greatest success in the industry. Starting to expand your range of products and services to include the emotional support that the inactive population needs will position you to be an industry leader with a facility full of long-term, loyal members who refer their friends and family. Best of all, you will be facilitating positive changes in not only their physical condition, but potentially every other area of their lives.

(Robert MacPhee is the Founder and President of Heart Set, Inc. in San Diego, California. He created the "Heart Set on Fitness" audio and seminar programs to help people get started on and stick with their exercise plan. He was a featured speaker at December's IHRSA/Athletic Business conference in Orlando and can be reached at by phone at (800) 528-0991 or by e-mail at robert@heartset.com.)

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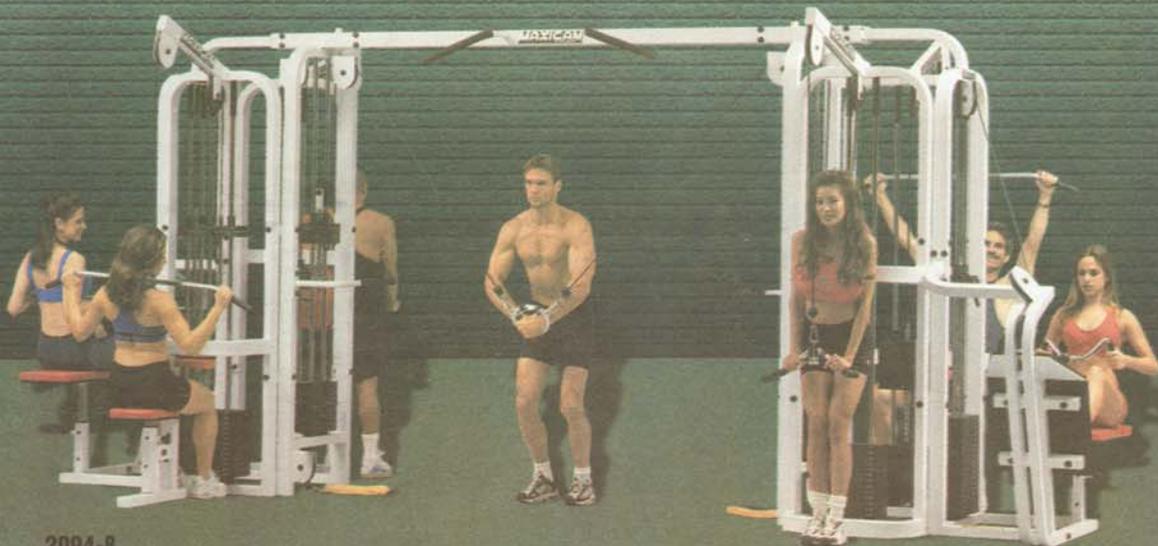


Providing both the physical resources the public expects, (exercise equipment, personal trainers, nutritional products and information...) AND emotional support, will lead to more members who get long-term results.

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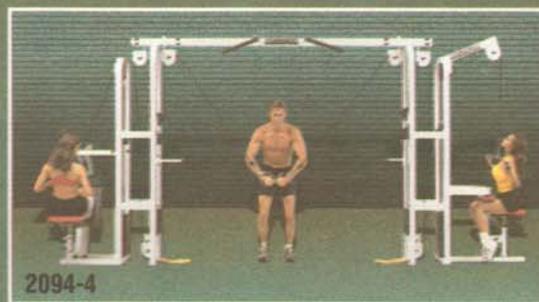
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Clubdoc's Corner

By Mike Chaet, Ph.D.

The following questions, issues and situations are commonly brought up during my visits with clients and clubs around the globe. The Clubdoc's Corner is designed to share my solutions with you as well as to challenge you to come up with solutions of your own.

Q: Clubdoc, is there any value to publishing a club newspaper?

A: I can't imagine running a health club and not having a quarterly newspaper. And I know many don't. Knowing the power of owning your own media, I see no reason why you shouldn't be doing this already.

I have a friend that owns a health food store. When he moved his store to a new location, his rent shot from \$2,000 a month to \$12,000 a month! That's a lot of money for a small health food store in a very small town! He came to me with his tail between his legs and said, "I'm in deep trouble. I signed this lease, and I've got this store producing only \$400,000 bucks. I'm obviously going to implode. What do I do?"

One of the first things I did for him was create a 4-page newspaper. He's now at a million and a quarter in gross sales. And he puts that newspaper in once a month as an insert in the local paper. (See the related question below). That's almost his sole form of advertising. Don't underestimate the power of the media.

As for a club newspaper, product on newsprint. It's basically a 4, 8 to 16-page newspaper featuring health articles, fitness articles, people in the news doing fitness things, and other related items of interest.

But what the club newspaper actually represents is an invaluable vehicle by which you can distribute your own print ads and other messages. I'm a huge believer of he who owns the media wins the game. If you own the newspaper, you win the game. If you've got to buy the newspaper, you're at a disadvantage to the guy who owns the newspaper. Therefore, it's my position that you create your own newspaper.

In the newspaper, you place your own ads. You're going to run an open house, have a grand opening, membership specials, reg-

istrations for the spring programs... whatever it is. The news stuff is secondary but essential. From the consumer's standpoint, that's what they're reading, but you're the owner of your own media and use that to guide, entice and communicate YOUR messages.

Q: How do I produce this "Health & Fitness newspaper"?

A: What you do by using an insert is that you utilize the vehicle, distribution and print channels that are already in place your local newspaper. You go to your local newspaper and tell them you want to put in an 8-page newspaper insert. And you want to do it quarterly. And you want it to have a Sunday distribution to this specified market. "How much?"

The local newspaper will do 3 very crucial things for you: number 1, they'll typeset it. Number 2, they'll print it. Number 3, they'll distribute it for a single package price. If you go out and find other people that want to advertise in your insert, you can defray the cost to virtually zero.

We did this in New Orleans. Our cost for something like

30,000 inserts was \$1200 a shot, everything included. That's dirt cheap. We got some local health food stores and other merchants to advertise and got it down to about \$200 net cost. The thing about having your own newspaper insert is that people sit down with it... people take your special section, throw it on their coffee table or their bathroom library. Wherever it gets read, it nonetheless gets read a lot more than the other sections that just get thrown away.

We know that because we performed an extensive study... inserts, such as these, hang around in the household for almost a week. Plus, different people with different interests read it within the household, as opposed to limited-interest food sections, sports sections that are just read by the guy, etc. Consider the results we got for a couple of independently-owned Scandinavian clubs that illustrates how inserts worked in terms of an open house for already-established clubs. Both were independent operations appealing to different people in markets of less than 60,000 people. We created two separate newspaper inserts for the two clubs. For optimum placement, the insert ap-

peared on a Sunday, the day preceding the open house.

Each one of those club newspapers produced for each club in a single day—an excess of 300 members! Impressive results by any standard, especially considering these were mature clubs running an open house, not new clubs in a Grand Opening situation. Huge, impressive results translating out to a closing rate of nearly 60%.

And that was just the direct numbers—that day, each club had from 1500 to 2000 people walking through. How many of those turned into constructive referrals in the future?

(Mike Chaet, "Clubdoc", is president and CEO of Club Marketing International, Inc., a club consulting company located in Helena, Montana. Mike is considered by many to be one of the leading consultants in the industry and has received many awards for this work. To contact Mike, you may call him at (406) 449-5559, fax at (406) 449-0110, or visit his website at cms-clubweb.com. To receive Clubdoc's free monthly newsletter, simply send your e-mail address to clubdoc@cms-clubweb.com)

The CLUB INSIDER News World View

• **Esporta of Las Rosas** in Madrid has accelerated its expansion with the acquisition of 7 Healthland sites (5 in Spain, 1 in France and 1 in Sweden), two of which are already under construction. Esporta has also acquired former Healthland sites in Glasgow and Essex in the UK. Esporta had plans to open 7 clubs in 2001 and 8 clubs in 2002, but has now changed those plans. They now plan to open 13 clubs in each year,

which would bring their total to 57 clubs by the end of 2002.

• **Industry legend and powerhouse, CLARK HATCH**, will end FY 2000 with 51 centers located throughout the Pacific Rim and Southeast Asia. Hatch began in 1965 with one location. **Clark Hatch Fitness Centers** is headquartered in Kuala Lumpur. Hatch has locations in Guam, Hawaii, Japan, Taiwan, Thailand, Malaysia, Singapore, Philippines, China, Indonesia, Cambodia,

Nepal, Vietnam and India.

• **ANDRE BARBIERI**, COO of Sao Paulo, Brazil's **Runner S/A** announced in late December that he had sold a significant stake in his company to a local private equity fund in order to improve his existing 9 clubs as well as to add more clubs as soon as possible. **Runner S?** had revenues this past year up 40% from \$9.9 million (USD) to \$13.95 million (USD). Membership grew

31.2% from 19,017 to 24,950.

• **People Company** in Japan reported 1999 revenues of \$432,785,596 (USD).

• **HARMTEGELAARS**, the CEO of **Cannons Group**, put his company up for sale in late December. Since the announcement, the price of shares has risen 26%. The Times of London reported that interested parties might include: Compass Partners International, Crown Sports, Fitness Holdings and

Bally Total Fitness.

• **STEVE PHILPOTT** has resigned his post as Managing Director of **David Lloyd Leisure**, a subsidiary of Whitbread PLC to become CEO of **Crown Sports**, which trades on the Alternative Investment Market (AIM) of the London Stock Exchange. **Crown Sports** owns 7 golf clubs and has recently placed a bid to acquire the 14 **Dragons Health Clubs**.

CLUB INSIDER News Contributing Author Team

The 2000 **CLUB INSIDER** News 2000 Contributing Author Team is listed below. Our thanks to all of our authors for sharing their expertise and taking the time to write for The **CLUB INSIDER** News.

• **MICHAEL HOFFMAN** - President-Heart Communications

(949) 489-0301

• **KLAUS HILGERS**- President-Epoch Consultants- (727) 447-1773

• **KAREN D. WOODARD** - President-Premium Performance Training- (303) 417-0653

• **JULIA WHEATLEY**- Owner- Women's Fitness Center- (540) 434-9692

• **DR. GERRY FAUST**- Founder and President-Faust Management Corp.- (858) 536-7970

• **RAY GORDON**- President-Sales Makers- (800) 428-3334

• **EDDIE TOCK**- Vice President- Sales Makers - (800) 428-3334

• **ART CHAPPELL**- Owner-Courthouse Athletic Clubs- (503) 885-1964

• **PATRICK PINE**- Founder-

National Fitness Therapy Association- (970) 726-0697

• **RICK BARRERA**- Founder and President- Rick Barrera & Associates (800) 835-4458

• **MICHAEL SCOTT SCUDDER**- President-FITNESS FOCUS- (505) 751-4236

• **CASEY CONRAD**- Communications Consultants - (800) 725-6147

• **RICK CARO** - Chairman, Spectrum Clubs Inc. and President, Management Vision, Inc. - (212) 987-4300

• **BONNIE PATRICK MATTALIAN**- Fitness Company - (732) 548-0970, Ext. 111

• **JIM EVANS** - President & General Manager - Peninsula Athletic Club - (619) 224-4644

• **MIKE CHAET** - Ph. D.

President - Club Marketing & Management Systems - (406) 449-5559

• **MIKE CONNORS** - President, Optifitness, - (413) 567-7300

• **BRIAN McBAIN** - President, Club Market Vision, - (480) 946-9600.

• **SANDY COFFMAN** - President - Programming For Profit - (941) 795-7887

• **NANCY FRIEDMAN** - President - Telephone Doctor - (314) 291-1012

• **JOE MOORE** - President - Moore's Fitness Centers - (937) 435-0072.

• **KIM DONOVAN** - Brick Bodies Director of Marketing and Advertising - (410) 252-8058

• **GEOFF HAMPTON** - President Club Marketing Resources - (619) 267-6862

• **TED LAMBRINIDES** - Director of Education for MEDX Corporation - (352) 622-2112

• **JIMMY MACK** - Partner - Health Club Experts.Com (877) 732-7528

• **MIKKI WILLIAMS** - President - Mikki Williams Unltd. - (203) 762-2526.

• **COLIN MILNER** - VP Sales/Marketing - Idea Health & Fitness Association - (800) 999-4332.

• **PAT NECERATO** - President - www.success-ercise.com

• **CINDY SCIBETTA** - Associate - JLR Associates - (401) 245-0077.

• **ROBERT MACPHEE** - President, Heart Set, Inc. (800) 528-0991.

• **PAUL GOLDNER** - Sales & Performance Group (914) 232-4184.

Norm Cates

The Club Insider

NEWS

Seeks Contributing Authors

Contact: Norm Cates, Jr.
770/850-8506



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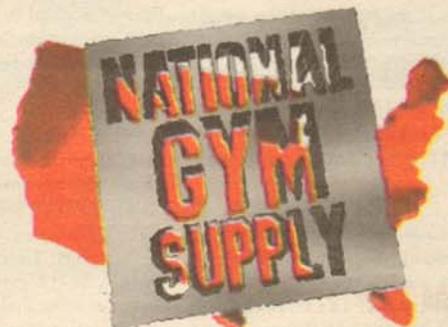
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IHRSA's Capitol Report

Capitol Report Reprinted Courtesy Of IHRSA

VICTORY: FUNDS AUTHORIZED FOR PEPACT!

IHRSA applauds last week's passage of the Physical Education for Progress (PEP) Act, which was included in the omnibus fiscal year 2001 spending bill. This legislation is a major step toward improving the overall health and fitness of the nation's youth. The measure authorizes up to \$400 million over the next five years for the PEP program. Under the PEP program, the Secretary of Education, who must develop application guidelines, can award grants to help initiate, expand and improve physical education programs for students in kindergarten through 12th grade. Funds can be used to buy equipment, develop curriculum, hire and/or train PE staff, as well as support other initiatives designed to enable students to participate in physical education activities.

IHRSA is grateful to all health club operators and employees who urged their members of Congress to support this important legislation!

IRS PERMITS DEDUCTION FOR WEIGHT-LOSS PROGRAMS

The Internal Revenue Service has revised its policy to give tax relief to many individuals who pay out-of-pocket for weight-loss programs.

The IRS explains, "You can include in medical expenses the cost of a weight-loss program undertaken at a physician's direction to treat an existing disease (such as heart disease). But you cannot include the cost of a weight-loss program if the purpose of the weight control is to maintain your general good health."

WASHINGTON CLUB OWNERS PLAN SALES TAX REPEAL

On December 1, 2000 Washington club operators met to discuss ongoing efforts to repeal the State's sales tax on health club memberships. The main speaker was lobbyist Mark Gjurassic, who has worked for WHFCA for 4 years.

As has been the case every year since 1994, a bill will be introduced in 2001 to repeal the tax on fitness services. Governor Gary Locke has already pledged to sign

the bill when and if it is presented to him.

According to Scott Gilreath of Western Athletic Clubs, "We also have a commitment from the House majority leader to make our bill a priority in this year's legislative session, which begins February 8. We are focusing our efforts on the Senate, where we need to find the same level of commitment."

Contact Scott Gilreath (sgilreath@scadct.com) for more information on the Washington efforts.

YMCA CRITICIZES IHRSA MEMBER'S PROPOSAL

Last month we reported that IHRSA member Jim Blair has been trying to convince Monroe, Washington city council members to approve his proposal to build a community swimming pool.

The Monroe Athletic Center (MAC) would include a full service recreational facility to be owned and operated by Blair and his business partners. The proponents project construction costs of the pool with public locker rooms and a gym at \$600,000 of a total construction budget of \$1,680,000. Blair asked the council to consider making city property available or contributing funds to help build the pool as a one-time financial commitment. According to Blair, investors are ready to start the project if an agreement can be reached with the city. MAC would be privately owned & operated and would pay about \$24,000 in annual property taxes.

In competition with Blair's proposal is an effort by local public agencies to build a similar facility to be operated by the YMCA. Funding for the proposed \$6 to \$8 million dollar public project would require voter approval of a bond to increase property taxes (approximately \$60/year for 20 years on a \$150,000 home).

East County Family YMCA board member Perry Asher claims that a publicly owned facility would have advantages over Blair's proposal. "The Y really has the experience to pull this off. The danger of a public/private enterprise (like Blair's proposal) is if the project fails, the city is stuck with a building, and what to do with it.

If he's going to borrow money, he's going to have to recoup expenses and have a profit margin. It's very hard to imagine he's going to have a sliding scale" [affordable rates for lower income citizens]," Asher told The Monroe Monitor.

Blair's proposal does, in fact, include verbiage about low income subsidies. In addition, The Monroe Monitor reports that employment records of the private partners indicate they have successfully developed and operated other similar facilities. Asher concedes that Blair could build a facility more quickly than a public pool could be built. "Clearly if Blair has private resources, he could put a building up quickly. It took the city three years to build the youth activities building."

City Council members have requested detailed financial information about each proposal to review before deciding which one to support.

STATE LEGISLATIVE UPDATE

Several industry-related bills have been pre-filed and introduced for the 2001 legislative session. They include:

MONTANA: A bill has been introduced that would prohibit university fitness centers and community fitness centers from selling services to the general public when there is a for-profit fitness center operating in the community. Senate Bill 151 allows an exception for universities that sell memberships only to students, employees and their immediate families. The full text of this bill is at <http://data.opi.state.mt.us/bills/2001/billhtml/SB0151.htm>.

NEW JERSEY: Assembly Bill 596 would allow corporation business tax credit and gross income tax credit for employer expenditures to provide certain physical fitness benefits to employees. This bill was carried over from last year. Read the full text at http://www.njleg.state.nj.us/2000/Bills/a1000/596_i1.htm.

TEXAS: Senate Bill 19 would require students in kindergarten through grade 9 to participate in daily physical education classes which "involve physical exertion of an intensity and for a duration sufficient to provide a significant health benefit to a student." Read the full text at <http://www.capitol.state.tx.us/tlo/77r/billtext/SB000191.HTM>.

VIRGINIA: Last year, the Assembly requested that the Commonwealth Competition Council (CCC) conduct a study into the ongoing or permanent commercial ac-

tivities of not-for-profit organizations and report back by December 2000. A favorable recommendation on behalf of the fitness industry from an independent third party could have far-reaching implications. Not only could the Taskforce's conclusions begin to eradicate the practice of unfair competition in Virginia, but they could act as a catalyst for the entire country. The CCC informed IHRSA today that it has completed its research and has started preparing the report. IHRSA will let you know as soon as that report is made available to the public. Visit the Public Policy section of www.ihrsa.org (and click on "my state") for updates on these and other important bills.

CALIFORNIA GOVERNOR DAVIS VETOES LEGISLATION

Governor Gray Davis has vetoed legislation that would have allowed exceptions to California's \$1,000 cap on health club memberships.

A 1981 law prohibits California health club contracts from requiring member payment in excess of \$1,000. Senate Bill 1744 would have allowed a club's contracts to exceed that amount as long as the club maintained a surety bond of at least \$500,000. The bond would not have been required once a club was in operation for 10 years.

SB 1744 was vetoed on Sunday, five days after it was sent to the Governor's desk.

Governor Davis said he was "not convinced that the bill would continue to ensure consumer protection against excessive fees charged by health clubs." Furthermore, he felt the requirement that health studios maintain a \$500,000 surety bond for the first 10 years that they are in operation appeared to be "excessive" and "could adversely impact smaller health clubs and force them to go out of business."

Contact IHRSA Public Policy with any questions on this legislative development.

MILWAUKEE YMCA TO MAKE PAYMENTS TO CITY

The city of Milwaukee and the Y have reached a 3-

year agreement which declares that Y properties are tax-exempt through 2001, the Milwaukee Journal-Sentinel has reported. The Y, in return, will make a payment to the city of about \$30,000 for 1999 for its downtown facility, and a similar amount for 2000 and 2001. This will give Y officials time to seek a clarification at the State level of whether their properties should be taxed at all.

Under Wisconsin law, some groups are specifically listed as tax-exempt, and others fall under the category of benevolent groups. Because the Y isn't specifically listed, it asks to be classified in that category.

This issue arose in Milwaukee when City officials moved to tax a portion of the Y's new \$6.5 million health club. They compared that facility to a private club and argued that it should be taxed in the same manner.

The Legislature may have the final say since the Y will likely ask it for a specific exemption.

The \$30,000 "payment in lieu of taxes" the Y has agreed to is less than the tax bill of nearly \$48,000 the Y received in April.

SUIT CLAIMS Y DAY CARE VIOLATED ADA

A \$650,000 discrimination lawsuit has been filed against Ohio's Greater Toledo YMCA, according to the Toledo Blade.

The suit, filed by a mother on behalf of her 7-year-old son, contends that the boy was removed from the Y's child care program because he is autistic.

The Americans With Disabilities Act (ADA) requires public accommodations such as child care centers to take reasonable measures to accommodate individuals with disabilities.

The action seeks \$150,000 in compensatory damages and \$500,000 in punitive damages. It also asks that the court readmit the boy to the program.

The YMCA would not comment on the case.

This lawsuit serves as a reminder that club operators need to make reasonable accommodations to allow children with disabilities to benefit from the same services and programs as other children. For more information, read IHRSA's "Americans With Disabilities Act" legal briefing paper (available at www.ihrsa.org or by contacting IHRSA's member service department).



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A F F I L I A T E D A C C E P T A N C E C O R P O R A T I O N

Is e-Learning Right for your Organization?

By Paul Goldner

In case you are not familiar with the term e-Learning, it means "training over the Internet". Believe it or not, the Internet is perfectly suited for a whole host of training applications. There are a number of options available to you today, and a whole lot more being developed as this article is being written.

What types of e-Learning applications are available now?

Generally, e-Learning applications fall into three general categories; text-based applications, audio-based applications and video-based applications.

Text based applications allows you to read information about a particular skill over the Internet. The big benefit here is that it is quite easy to access and there will generally be few, if any, technical difficulties. A text-based application will allow you to review information in either a text-based format or a PowerPoint based format. And, you'll have the opportunity to move at your own speed through the training program. On the downside, text-based applications may not be as engaging as either audio-based applications or video-based applications. Again, the big advantage to this form of learning is that it is available 24/7 and there are limited costs to distribute or administer the program.

The next generation of e-Learning applications are audio-based applications. Here, you have the ability to listen to a training program over the Internet in much the same way as you would an audiocassette program. The strengths of an audio-based application are again ease of implementation on the end user side and limited costs in terms of distribution and maintenance. The downside of an audio application is that it may be more convenient to listen to the program in a conventional manner (i.e.: an audiocassette player).

I believe that e-Learning applications really get exciting when we move into the realm of video-based learning systems delivered over the Internet. Here, you

have the opportunity to view a full motion video in a streamed format over the Internet.

In case you are not familiar with video streaming, I want to point out that you do not have to download the video file in order to view it. Streaming means that you can view the program over the Internet in much the same way as you do when watching television or watching a taped program on your VCR.

The strength of video based e-Learning is that it is the most engaging form of learning over the Internet. This is in addition to the ease of distribution and administration of the program. On the downside, there may be some technical issues on your end in terms of getting the video application up and running. Issues such as a corporate firewall and optimizing either your Real Player or Media Player may require technical assistance on your end.

Is e-Learning here to stay?

With all of the issues associated with e-Learning, you may be wondering if e-Learning is a viable application. I believe strongly that it is. Peter Drucker, the famed management consultant, predicted that adult education over the Internet might be our greatest growth industry (Forbes, May 2000). Selling Power Magazine (May 2000) predicts that over half of the \$65 billion North American training market will be delivered over the Internet within the next three years!

e-Learning is here to stay because it brings so many value-based advantages to the learner.

* **F**irst, e-Learning is typically very cost effective. If you compare the cost of an e-Solution to a comparable instructor led solution, the results will be dramatic.

* **S**econd, e-Learning eliminates the time and expense of traveling to a program. You

can view an e-Learning application from the comfort of your home, your office, or, while on a business trip in your hotel room! I predict that e-Learning technology will some day allow you to take training using a wireless device on an airplane or on a hand held device anywhere in the world. Image waiting in a reception area for your customer to come out to greet you and taking a fifteen-minute segment of a sales training program.

* **T**hird, e-Learning is just in time. With e-Learning, you can get your training exactly when you need it. You no longer have to wait until you have the time to attend a training program and then find one that is available.

* **F**ourth, e-Learning is can be extremely focused. If developed properly, an e-Learning application should give you the ability to focus on one, very specific aspect of your skill set. I call this "Laser Training". For example, suppose you were a sales person and wanted to improve your objection handling skills. With an appropriate e-Learning application, you should not have to sit through the entire sales training program in order to learn one new skill. Rather, you could go directly to the program or module of interest and start your learning there.

* **F**ifth, e-Learning is repeatable. Since your e-Learning application will reside on the Internet, it will be available 24/7, anywhere in the world. Simply, go to the Internet and continue your personal development process.

What to look for in an e-Learning provider.

Because e-Learning is a high growth industry, you must select your e-Learning providers very carefully. First, you should make certain that the e-Learning content is already proven in an instructor led environment. Taking a poor program and placing on the Internet will not improve the effectiveness of the program.

Second, you should make certain that your e-Learning provider also offers conventional, instructor-led training programs. I believe that e-Learning is part of the overall training mix and will be more effective if integrated into a well developed training plan.

Third, you should make certain that the programming placed on the Internet was developed specifically for the Internet.

In its early stages, there will be a "rush to content" with e-Learning providers taking conventional programs and placing them on the Internet without considering both the advantages and the pitfalls of this type of training vehicle.

Fourth, you should consider the depth and breadth of the learning options. Yes, e-Learning is really cool but at the end of the day, you must still get a Return on Investment from your training dollar.

What are the technical requirements for video based e-Learning?

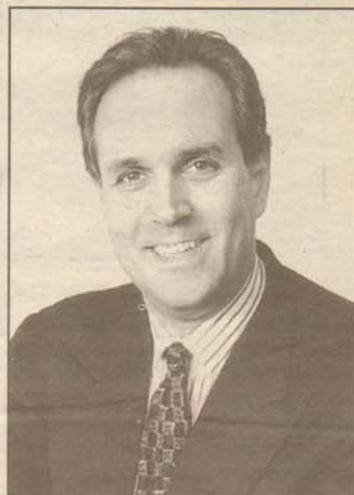
Believe it or not, the technical requirements for video based e-Learning are limited. All you really need is a Pentium class computer, a 28K or greater Internet connection, and a current version of the Real Player or Microsoft Media Player. A current version of the Real Player can be downloaded for free from www.real.com. The Microsoft media player comes with Windows.

A word of caution is recommended at this point. At slower Internet connection speeds (28.8KBS and 56KBS), the quality of the video program will be variable. Do not expect an image quality similar to what you see on the TV screen. However, at higher connection speeds (T1, T3, cable modems, DSL, etc.), your video quality will be quite good. Further, Internet connection speeds are getting faster, not slower, so the video quality that you receive today will only get better.

What are the training issues associated with e-Learning?

Unfortunately, e-Learning does come with a few training issues. Foremost among these issues is the ability to monitor compliance with the program. In other words, did the learner actually participate in the program or did they let it run while doing the laundry?

I believe that this issue can be addressed with a number of conventional training mecha-



Paul Goldner

nisms including pre and post-testing, the ability and requirement to interact with the program in the form of individual and group exercises, the ability to ask questions and when designing the program, the ability to make it as engaging as possible.

The bottom line is that e-Learning will not be without implementation issues. However, when you consider the benefits of e-Learning, they far overshadow any implementation issues that may arise.

Is live, instructor led training still important?

Of course it is. I believe that live instructor led training will be important for most training applications. Remember that learning and training is a process, not an event and the best training strategy is to develop a comprehensive approach to your learning that includes both instructor led and self directed options.

(Paul S. Goldner is a noted author, entrepreneur and professional speaker. He is the author of *Red Hot Cold Call Selling, Prospecting Techniques That Pay Off!* (AMACOM, 1995) and *Red Hot Customers, How to Get Them, How to Keep Them!* (Chandler House Press, 1999). Paul's company, the Sales & Performance Group, is the developer of REDHOTSALES TV(tm), a market leading e-Learning application. Paul can be reached at (914-232-HOT2(4682), 914-232-4845, 8 Paul@REDHOTSALES.COM and WWW.REDHOTSALES.COM.)

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You've never seen anything like this - Inter-active streaming video training sessions, on-line networking with clubs like yours, consistently updated marketing materials, royalty free stock photography, instant access to current and successful promotional ideas and marketing strategies, with ongoing additions and updates! Our program appeals to clubs at all levels. Even during our "beta" testing period, 80% of the clubs we showed this product to are now clients. And here's what they have to say:

"After implementing your program, I'm more excited about owning a club than I've ever been" - "In the past, we would always start to train a new employee, but until now, we never finished" - "I used several of your stock photos the day we signed up, that alone saved us money" - "We experienced a dramatic increase in new member sales our first month with Club Performance Network" - "I'm really looking forward to sharing ideas with other managers around the country about what works and what doesn't" - "This is the best tool I've seen for General Managers in the Fitness Industry"

You already know that it's critical to give your employees the tools they need to succeed. The front desk staff must assist in member retention by consistently exceeding member expectations. The sales department needs to generate their own leads by building rapport with members and focusing on community outreach. But it's easy to get inundated with daily operations, allowing your staff to lose their focus. This program was designed to save you time by reducing the repetition of training and keeping current staff on track. We can also save you money with a stream of proven promotional materials to keep you from wasting money on "trial and error" marketing campaigns.

There has never before been a more cost effective way to ensure that your club will perform. Let us show you. We are Club Performance Network.

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- Customer Service Training
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IHRSA's 20th Anniversary Convention & Trade Show Preview

*San Francisco,
California
March-21-24, 2001*

International Convention
IHRSA/ACE
Fitness Business Conference
IHRSA/ISPA
Spa Business Conference
IHRSA
Corporate Business Conference
Trade Show

Featuring

Tom Peters - Best Selling Author
of 'In Search Of Excellence'
Herman Cain -
World Class Entrepreneur

Don't miss this event! The following guide will give you all the information you need to make an informed decision to attend. Remember this. Both IHRSA Members and non-IHRSA Members may attend. The registered IHRSA Member clubs may attend both the educational seminars and trade show. Non-IHRSA

member clubs are eligible for complimentary attendance at the huge trade show.

For additional information or to register call: (800) 228-4772

Below is an overview of the schedule and also information about some of our advertisers that will be exhibiting their products and services at the Trade Show. But first, we want to acknowledge and thank the many IHRSA Associate Member companies that are sponsoring this great event.

Special Thanks and Appreciation To IHRSA's Associate Member Convention & Trade Show Sponsors

The American Council On Exercise (ACE), Best Lights, Inc., Body Bar Systems, bodytraining systems, Check-Free, FitLinxx, Forza, Ground Zero, HealthGuard, International Fitness Club Network, ISpa, Keiser, LifeFitness, Polar Heart Rate Monitors, Powerjog, Precor, Sage, Sport & Fitness Insurance Corporation, Spri,

StairMaster, Techno-Gym, TCA, USRA and YogaFit.

Tuesday, March

20th- Registration 3:00 p.m. to 8:00 p.m.; Certification Exams and Workshops - 8:00 a.m. - 6:00 p.m.

Wednesday, March

21st-Registration - 7:00 a.m. to 7:30 p.m.; All day-Certification Exams and Workshops, Orientation session, Group Fitness Management Training by Body Training Systems, Concurrent Workshops, Focus Group Program, Fair Competition Open Forum.; Opening Reception - 7:30 to 10:00 p.m.- IHRSA's 20th Anniversary Celebration!

Thursday, March

22rd- Jazzercise Class, Canadian Forum, Registration all day.

IHRSA Annual Meeting, Awards Presentation- IHRSA/Polar Electro Community Service Award, Dale Dibble Distinguished Service Award and President's Award and General Session with Tom Peters - 8:15 a.m.-10:00 a.m. Concurrent sessions, Corporate Business Conference General Session, Focus Group Program, Global Industry Summit and Tennis Forum; Trade Show- 3:00 p.m. to 7:00 p.m.; Vanguard Event - 6:00-7:30 p.m.; Planet IHRSA- International Attendee Reception

Friday, March 23rd-

Kick Box Exercise, YogaFit Basics Class, Registration all day, Going BALListic, Total Body Challenge Workout, Early Morning Workout; Awards Presentation- Person of the Year, IHRSA ACE Fitness Awards, General Session, Spa Business Conference General Session, Concurrent Sessions, Focus Group Program II, Club Controller's Networking Forum, Human Resources/Legal Council Forum; Trade Show - 11:00 a.m. to 6:00 p.m.

Saturday, March

24th- Dynamic Stretch, YogaFit Class, Balance, Line, Strength with the Body Bar, Early Morning Workouts, AOTAKE-bics Bamboo Step Exercise Class Awards Presentation- IHRSA/TCA Community Development Award IHRSA Racquetball Programming Award IHRSA/Keiser

50+ Programming Award, Concurrent Sessions All Day.; General Session - Herman Cain - World Class Entrepreneur; Trade Show - 11:00 a.m. to 4:00 p.m.; Grand Finale!- 7:30 p.m. - 10:00 p.m.

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•**Affiliated Acceptance Corporation - Booth #1932-** AAC's Success Track Programs feature professional receivables management billing and full collections back-up utilizing EFT, credit card, payment booklet and monthly statements with a full service commitment to maximize revenue for our clients. Phone #: (800) 233-8483.

•**Body Bar Systems, Inc. - Booth # 2605.** Boston - Sherry Catlin, Phone - 800. 290.0525, Fax - 671-298-0123. Atlanta - Andrea Dyer, Phone - 678.339.0261, Fax - 678.339.0261. Corporate Headquarters - Arno Niemand - 1942 Broadway Suite 310, Boulder, CO. 80302. Website Address - www.bodybars.com

•**Body Training Systems - Booth # 2401-** See page #26 and 27 in this issue.

•**Cardio Theater - Booth #2217 -** Cardio Theater puts you in control by allowing you to choose from a multitude of crystal clear audiovisual selections. Systems include Wireless Cardio Theater LCS and Fitness FM Plus. All are reliable, easy to install and easy to maintain. Differentiate your club and entertain your members. Dgould@cardiotheater.com http://www.cardiotheater.com

•**Club Performance Network - Booth # 2533 -**

CLUB PERFORMANCE NETWORK WELCOMES BRENDA ABDILLA

Club Performance Network is proud to announce that Brenda Abdilla, top club industry presenter at national conventions and owner of Club Profit Systems, has video taped ten sessions to be included within the CPN e-learning centers. Brenda offers very specific skills and knowledge for Sales Representatives and Sales Managers. Some of her topics include "15 Ways to

Motivate Your Sales Team," "25 Ways to Make Your Sales Meeting Soar," "What Top Reps Have in Common," and "Handling the Info Call." As with all Club Performance Network e-learning presentations, very specific information, tools, and suggestions are presented within her sessions to assist your club in achieving your primary goal of membership sales and membership retention. Brenda will also be providing a wealth of marketing ideas and resources that will be made available to Club Performance Network subscribers.

Based in Colorado, Club Performance Network offers sales and marketing tools, staff and management training, and an interactive bulletin board via the Internet and iMac computers. Sales and marketing tools include unlimited access to a constantly updated database of promotional ideas, marketing tools, and an extensive stock photo library. Staff and management training is provided utilizing multi-media training sessions with audio, video, and PowerPoint. Presentations cover a large selection of subjects targeted to frontline staff, supervisors, sales representatives, sales managers, and management. All topics are directly related to making your club more profitable. The website bulletin board offers a way for staff to develop a network of relationships between employees of subscriber clubs across the country.

Club Performance President Bob Chaiken says, "Our initial subscribers have been overwhelmingly positive and have found many ways to use the services offered. One club immediately upgraded their marketing pieces by utilizing the photo stock library. Another club is now offering e-learning training sessions during their weekly sales meeting. It's exciting to hear of clubs that now have all new employees watch the e-learning presentation called "How to Deliver Five Star Service" on their first or second day of employment. And, finally, it has been rewarding for general managers and owners to personally thank me for bringing new tools and insights into their work environment."

Club Performance Network provides something for everyone - from front line employees within all departments, to supervisors, to managers and owners. Janet

(See IHRSA page 23)

Norm Caton
THE Club Insider
NEWS
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...IHRSA

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Lossick, VP - Sales and Marketing, encourages you to stop by to watch a demonstration of the e-learning center at IHRSA 2001 in San Francisco (Booth #2533). For more information contact Club Performance at 800-850-2582 or bob@clubperformance.net.

•Ground Zero - Booth # - 2223 - See story on page #24 of this issue.

•Healthy Inspirations - Booth # - 2411 - Healthy Inspirations is a new weight loss company founded in late 2000 by club industry consultant, Casey Conrad. Casey Conrad, Founder & President of Communications Consultants, has launched a chain of weight loss centers called Healthy Inspirations. Conrad has now opened 9 Healthy Inspirations Centers, 2 company owned and 7 licensed centers. The Healthy Inspirations program consists of 4 major components: nutritional counseling services, exercise, Tranquility treatments and Synergie. Existing club owners may install a Healthy Inspirations business within their club through franchising. For information on Healthy Inspirations or Communications Consultants, call: (800)725-6147.

•Life Fitness - Exhibit Area -1301 - Life Fitness, a Brunswick Company, is a global leader in designing and manufacturing a full line of reliable, high-quality fitness equipment for commercial and consumer use. Its cardiovascular and strength-training products, including the renowned Lifecycle exercise bike, are used in health, fitness and wellness facilities

as well as in homes worldwide. The company is headquartered near Chicago, Illinois and distributes equipment to 80 countries. Phone #: (800) 634-8637.

•Sales Makers - Exhibit # 2425 - Sales Makers 20th Anniversary Celebration

For 20 years Sales Makers has had the pleasure of serving some of the Top Clubs in the Club Industry. As the times have changed and we crossed over into the 21st century, Sales Makers philosophy has stayed the same - to provide solutions not just advice. Sales Makers strives to educate their customers in all facets of the club industry so that club operators, gain the knowledge to achieve the best possible continued results. Here are just a few of Sales Makers' club results:

Aspen Hill Club	20% increase
Atlantic Club	31% increase
Bel Air Athletic Club	20% increase
Club at Woodbridge	32% increase
Club Fit	69% increase
Court Sports	30% increase
Golds Gym (NY)	38% increase
Greenville Racquet	40% increase
Sports Clubs (Sweden)	44% increase
Westlake Sport House	30% increase
Viva! (England) Pre-Sale	Sold Out

•Ray Gordon, Ed Tock, and Lyle Schuler have 60 years of collective experience in the Health and Fitness industry and are committed to increasing membership sales and club owner profitability. Sales Makers prides itself by developing the highest quality of staff training, proven sales systems, and innovative marketing programs.

Over the past year Sales Makers launched a Monthly

Maintenance Program. Club owners and managers have remarked that this service has given them a valuable outside sales perspective. Sales Makers will analyze and interpret your data, via fax, phone and internet, then give you suggestions on way to increase sales thus increasing your profits.

Sales Makers also recognizes that every club has different needs and creates individual training programs for clubs that will ultimately result in higher profits without discounting dues or compromising club value and integrity. Here are a few of our credentials:

*Sales Makers has worked with 600 clubs in 41 states and 7 countries since 1981.

*Sales Makers are on the faculty of Club Insider News.

*Sales Makers are faculty members of Club Industry Magazine and featured speakers at each of their 2 yearly conventions since 1986 and have authored numerous articles for their magazine.

*Sales Makers is one of only 14 faculty for the IHRSA Professional Club Management Course.

*Sales Makers clients have averaged 25-30% increase in sales!!!!

*Sales Makers recently sponsored and authored the latest IHRSA video on Sales.

*Sales Makers are on the judging committee (1 of only 6 judges) for IHRSA's Sales team of the year award.

*Sales Makers has 15 years club ownership experience with top 100 national gross revenue rankings

John McCarthy, IHRSA Executive Director, comments about Sales Makers, "Over the past 20 years, I have had the privilege of knowing and working with Ed Tock, Ray Gordon, and Lyle Schuler.

Each of them, in my judgment, is an extraordinarily gifted, insightful, and motivating consultant.

What I like and appreciate most about them is their continuous focus on the fundamentals.

Sales Makers may be reached at 800-428-3334, on the web at www.sales-makers.com, by email info@salesmakers.com.

•Michael Scott Scudder - Speaker at IHRSA at on Exercise-Based Profit Centers in the Independent Club - Michael Scott Scudder's - FITNESS FOCUS

Michael Scott Scudder is an international health club consultant and motivational speaker based in Taos, New Mexico. He is a 25-year veteran in the fitness industry, and has owned and operated clubs ranging from a 10,000 square foot facility to a 5-club regional chain. Still keeping his foot in the door of the day-to-day running of clubs, Michael is a limited partner in Player's Gold's Gym (Newburgh, NY), Fit For Life Center (Fort Worth, TX) and Women's Fit For Life Center (Arlington, TX).

Michael is one of the most popular speakers at national trade shows, and has many times been awarded the "top speaker" status at such events as

Club Industry, IHRSA, CanFitPro, IDEA, National Fitness Trade Show, World Gym International and other regional association events.

FITNESS FOCUS was formed in 1991 as a consulting and management education service to independent health clubs. In ten years of operation, Michael has served over 300 clients in 43 states and 5 foreign countries, and has delivered seminars and trainings to over 6,000 club owners and managers. He specializes in management education for independent clubs. Offerings include: club management training seminars; sales, marketing and retention programs; club receivables management systems, software and training; and group exercise systems training.

In addition to his "FITNESS FOCUS Regional Seminar Series," a yearly ten-to-twelve city tour, Michael offers two in-your-club 2-day courses: The Club Management Course, a total review of a club's operation, including full club inspection and "checklisted" analysis and suggestions, facility strengths, weaknesses and potentials, dues and membership pricing fine-tuning, sales, retention and training critique, a profit-and-loss review, and a full-staff motivational meeting; and The Club Marketing Course, a comprehensive workshop on modern marketing and advertising, including a total review of all club advertising, analysis of brochures, sales materials and promotional pieces, critique of in-house promotions, appraisal of club image presentation, development of a basic marketing plan and calendar, in-depth analysis of the effective use various types of advertising vehicles, and development of a marketing budget.

FITNESS FOCUS has also carved out specific "associates relationships" with key fitness industry manufacturers and services providers, including: National Fitness Financial Systems and eClub NetSuccess (club receivables management systems and software); SCIFIT (the Fit-Quik deconditioned market exercise system); and Pro-Fit Enterprises (The PACE group exercise system).

Michael also offers Internet-based consulting and conference-calling services, and educational products for sale on his web site, www.michaelscottscudder.com. His most recent publication is the highly-acclaimed report "What Health Club Operators Can Do In An Economic Slowdown," a step-by-step guide to dealing with a recessionary economy. Michael can be reached via email at fitfocus@aol.com or at his web site; or by telephone at 505-751-4236.

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...ICON

continued from page 3

head up the new division, to be called Ground Zero Design Corporation, a wholly owned division of ICON. Simonson will continue in his role as CEO and will spend 90% of his time on new product development, while Leeson's continuing responsibilities will be day-to-day business and operations.

"We're delighted to be part of ICON's long-term commitment to the commercial fitness industry," said Roy Simonson. "We're totally committed to bringing innovation to the marketplace, and they understand our mindset completely."

"Our Free Motion™ strength training line created a new category: one involving

user-defined natural, movement patterns, as opposed to traditional fixed pattern strength stations. The new NordicTrack line just introduced the first-ever integrated iFIT.com PC Console™ and the new Trekker™ category. With the two companies together, we're going to capture a lot of market share very quickly."

The new Ground Zero commercial division will be headquartered in Colorado Springs, CO. The division will be staffed with current employees from ICON, Ground Zero and additional new employees including engineers, industrial designers, product and manufacturing managers, and sales and marketing personnel. The new division is currently in a growth mode and is hiring in several areas. The Ground Zero sales organization will handle sales for both the Ground Zero strength line and the

NordicTrack commercial aerobic line.

ICON Health & Fitness is the world's largest manufacturer and marketer of fitness equipment with fiscal 2000 revenues of \$733 million in wholesale sales. The Logan, Utah-based company designs, manufactures and distributes fitness products under the company-owned brand names of NordicTrack, HealthRider, ProForm, Weider, Image, Weslo and Jumping. ICON also licenses the brand name Reebok for home fitness equipment. Since 1994, ICON has been ISO 9001-certified, one of two institutional fitness equipment manufacturers to earn this international recognition for manufacturing quality. ICON holds more than 170 patents and 555 trademarks worldwide. ICON's Chairman and CEO, Scott Watterson, and President and COO, Gary Stevenson, founded ICON in 1979. The company employs nearly

3,200 people in Utah and an additional 1,800 people worldwide. ICON occupies more than 1 million square feet of manufacturing and distribution facilities in Utah, Texas, and Canada, and has sales offices worldwide.

Ground Zero Design has

placed its equipment in more than 650 domestic fitness facilities, and in more than 15 countries worldwide since its founding in March 1999. Detailed information on the company and product can be found at www.gzdesign.com.

Norm Cates®
THE Club Insider
NEWS
 Established 1993

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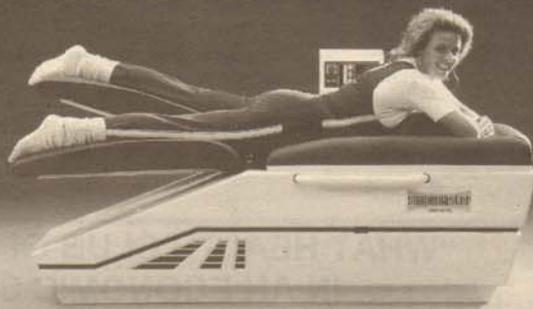
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ShapeMaster USA can show you how to open a separate "new profit center" or add our assisted exercise machines to your existing center to increase your revenues and provide a valuable service to those who would not normally visit your facility.

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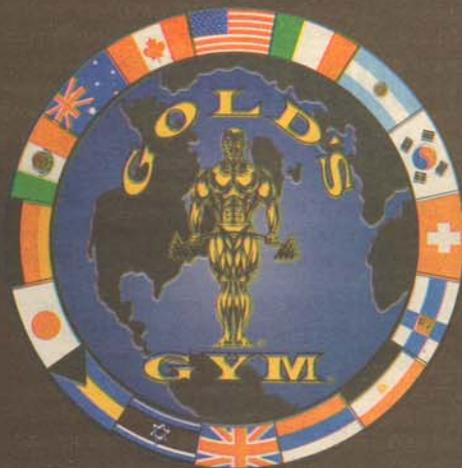
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MAKE IT FUN!

By Sandy Coffman

YIKES! It's almost February already! How are you doing with all your New Year's Resolutions? I'll bet you are doing about as well as your members are. Well, that's part of our job, you know - to help our members keep their New Year's Resolutions. Nearly everyone has included, "I'm going to work out regularly in 2001!" on his or her list of resolutions.

Achieving and maintaining good health is a life-time challenge, one that is mastered a step at a time. Getting started requires the most effort. The only thing most of us need is inspiration to take the first step. That's what our programs can do for our members - give them the inspiration to take that first step.

February starts our year's programming calendar to ensure

that members keep working out, keep using our clubs, and keep paying their dues... to themselves and to us. Remember, the goal of programming is retention, for the member and for our business. The secret to making programming successful is MAKING IT FUN! Enter: February.

The first program is a "given," VALENTINE'S DAY. So let's focus on LOVE.

How FUN is that!??? There are exactly eight weeks from Valentine's Day to Easter. Is that a programming opportunity calling, or what?

1. Since love makes the world go round, and Friday nights are usually slower than most, how about offering a Friday Night Valentine Workout.

A. Couples only (that's niche marketing)

B. Sign up for 1 of 3 workouts

WOW - (Work Out on Weights) - Free weights, that is.

Spotting can be done for each other. How intimate!

Classic Interval Class - using 6 to 8 pieces of equipment with an aerobic station in between each piece. Take turns!

Cardio Class - 10 minutes on each of 3 pieces of cardio equipment - (a workout for your "heart," how appropriate!)

C. HAPPY HOUR! after the workout. A small wine and cheese party, nachos and margaritas, chili and beer?? How fun is that!

2. Who is your HEART THROB??

A. Each member of the fitness team is a Heart Throb for a group of members. The Heart Throb's picture is placed on a large heart and put up on a wall in the fitness center. Each Heart Throb is a team captain responsible for getting his or her team of members to work out two times a week for eight weeks. Ironically, there are exactly eight

weeks from Valentine's Day to Easter.

B. May the best Heart Throb win. A prize should be given to the staff trainer that got the most members to complete the 16 workouts.

C. I'll bet that you can come up with a small, fun prize or reward for the team that won. It could be giving all the participants red ribbons, or big red lollipops, or putting their names and pictures up on a wall. The prizes don't have to be huge or expensive. You just have to MAKE IT FUN!

3. Ask your members to bring in a picture of themselves with a loved one - or better yet, offer to take the picture for them when they come into the club together for a workout. At the Bentley Village Wellness Center, David Lahait was able



Sandy Coffman

to promote Valentine's Day with the best ever bulletin board filled with wonderful Valentine pictures of the senior residents. It was very well received and promotes involvement. Why? Because pictures MAKE IT FUN.

4. Make it a point to have every employee - from maintenance to manager - smile, aim their smile, introduce themselves, and shake hands with 1 new member every day from now till Valentine's Day. Do the same to 3 members on Valentine's Day. Make it a habit. Do it even after Valentine's Day, but at least set a goal to get started. That's what programming does, it provides the inspiration to taking the first step. February. Focus on love.

When speaking of success, Ralph Waldo Emerson said, among other things, "When you laugh often and much, and to win the respect of intelligent people and the affection of children - This is to have succeeded."

In the final episode of Cheers, we heard, "People come and go so quickly in our life, you can never miss an opportunity to tell someone you love them."

I would like to remind you all:

- * To set aside time each day to ask your spouse or significant other how their life is going. (It's wonderful because then they usually ask you how yours is going.)

- * Don't let a day pass without saying "I love you" to your loved ones. (It's wonderful because they usually say it back to you.)

- * Talk to your children about the importance of love. It will be the best lesson you can give them, and they will pass it on.

MAKE IT FUN!

(Sandy Coffman is the President of Programming For Profit (941) 795-7887.)

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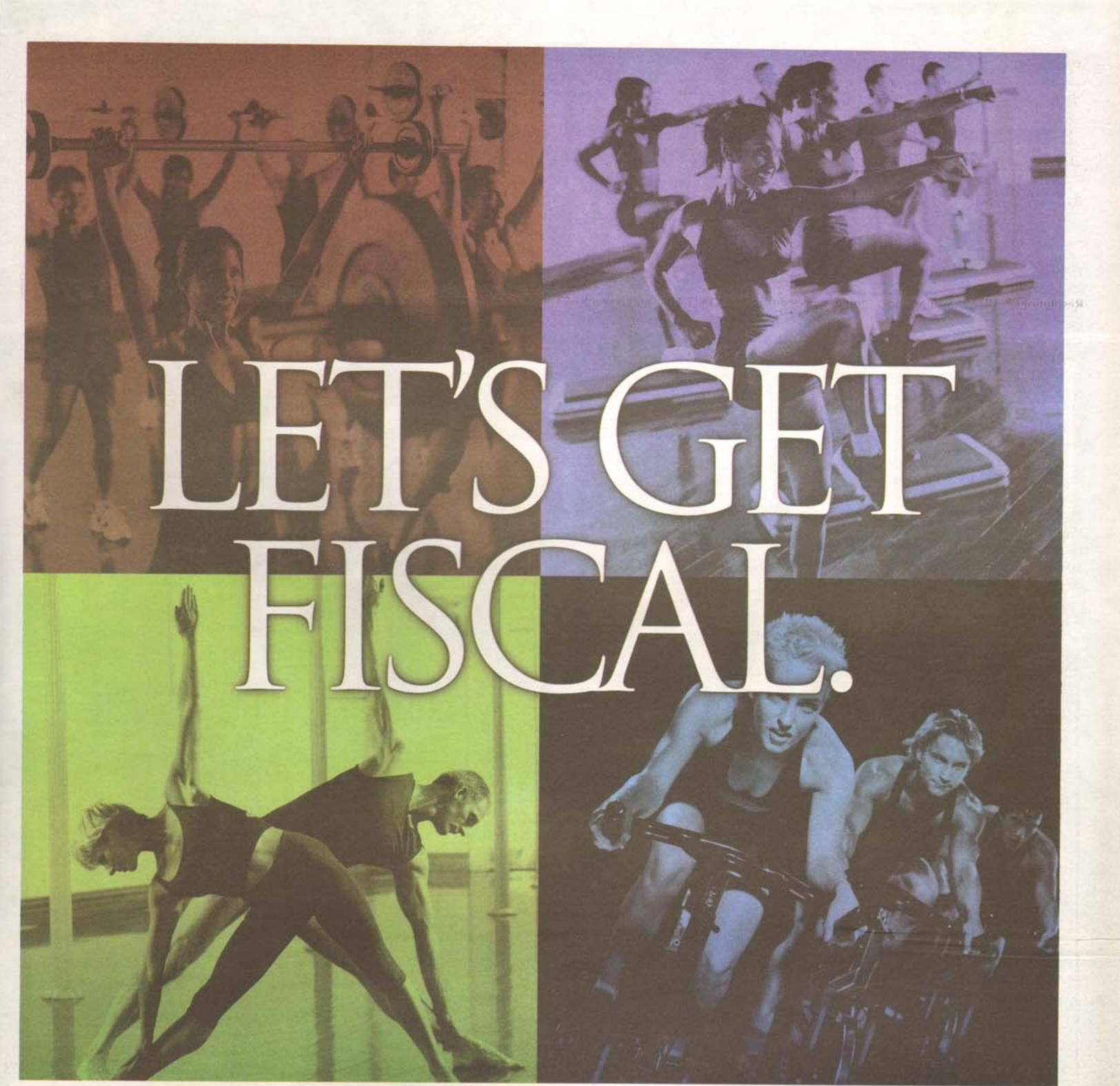
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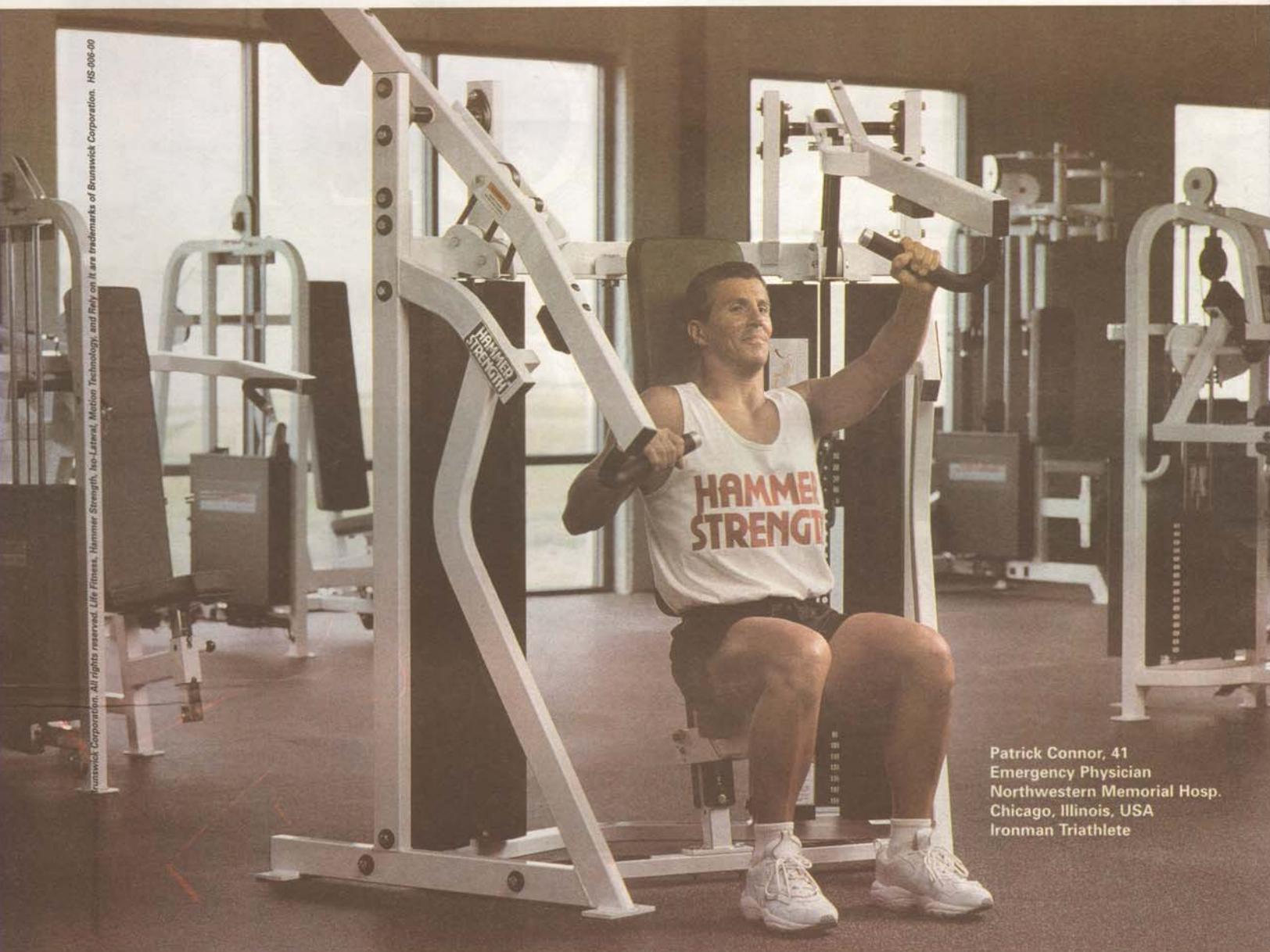
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Patrick Connor, 41
Emergency Physician
Northwestern Memorial Hosp.
Chicago, Illinois, USA
Ironman Triathlete

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