

Norm Cates' CLUB INSIDER™

The "Pulse" of the Health, Racquet, and Sports Club Industry

Established 1993



Lloyd and Roberta Gainsboro in Downtown at DHAC

Lloyd and Roberta Gainsboro's Dedham Health and Athletic Complex...

A Jewel In New England

JANUARY 2010

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Norm Cates' CLUB INSIDER™

The "Pulse" of the Health, Racquet, and Sports Club Industry

Established 1993

Lloyd and Roberta Gainsboro's Dedham Health and Athletic Complex... *A Jewel In New England*

By: Norm Cates

Lloyd and Roberta Gainsboro met in college, were then married and have spent their lives bringing fun and fitness to New England. Meet the Gainsboros. Lloyd Gainsboro was born and raised in Newton, Massachusetts and is a former jeweler. A loving father of three, he is now the co-owner of the Dedham Health and Athletic Complex in Dedham, Massachusetts with his wife, Roberta. Roberta is the President & CEO of the Gainsboro's 240,000 square-foot, multi-purpose mega-club, which sits on eight acres in Dedham. Lloyd and Roberta are a rare couple

who have mixed marriage and business very successfully.

Lloyd graduated from Boston University in 1962 with a degree in business. Roberta was born and grew up in Queens, New York and went to Boston University. Roberta graduated from Sargent College, part of Boston University, with a Degree in Physical Education, and she holds a Master's in Science and Physical Education.

Roberta's brother, Mike, introduced Roberta to Lloyd, and this amazing couple was married in 1964. Their son, Craig, is married with two children, ages 9 and 7. He is the Chief Financial Officer of two divisions of

Price Waterhouse Coopers in the U.S. and is based and works in Massachusetts. Their only daughter, Kim, has three children, ages 6, 3 ½ and 6 months old. A lawyer, Kim was a prosecutor and actually never lost a case. She is now Chairman of the Alcoholic Beverage Commission for the State of Massachusetts. The Gainsboros' third child is their son, Keith, who has two children, ages 6 and 3. Keith owns his own Public Relationships firm with a partner and has been in the PR field for 15 years, including 6 years with his own company. Keith's company client list is a "Who's Who" in Boston and (See *The Gainsboros* Page 12)



Dedham Health and Athletic Complex (DHAC) Pool

Jeff Klinger Leaves Anytime Fitness *"Serial Entrepreneur" Eager to Pursue New Start-ups*

Hastings, MN - If you've ever met Jeff Klinger, then you know there's nothing he loves more than a new challenge. That's why we're pleased for Jeff that he's following his heart and beginning a new chapter in his life.

As a Co-founder of the Anytime Fitness franchise, Jeff helped build a brand that's enabled hundreds of men and women to realize their dreams of being their own boss. That same entrepreneurial spirit is why Jeff has decided the time is right for him to leave Anytime Fitness.

"The growth of Anytime

Fitness has been exciting and gratifying," Klinger says. "But, I am an entrepreneur at heart and I love to take a new idea and get it started. Dave Mortensen, Chuck Runyon and I have been working alongside each other and building things together since 1989. It has been a tremendous pleasure for me to work with these guys --they are like family-- but I felt the time was right for me to move on."

From its humble beginnings in 2002, when Anytime Fitness opened its first club in Cambridge, MN, Klinger helped (See *Anytime Fitness* Page 6)

A New Year's Message from Joe Moore, IHRSA's Esteemed CEO/President

Greetings!

As 2009 draws to an end, I want to take a look back and review some of the fantastic products and services IHRSA offers our members, many of which are included as part of IHRSA membership. As comprehensive as this list is, it is only a snapshot of the value IHRSA brings to grow, protect and promote the industry everyday:

Public Policy: IHRSA helped protect the industry from harmful business regulation

that would directly impact clubs' bottom-lines on nineteen occasions in 2009 and helped enact legislation promoting the industry in two more instances. In fact, monitoring and tracking over 200 bills impacting the industry, IHRSA working with our member clubs, prevented any single piece of legislation that would adversely impact health club operations from becoming law. In addition, IHRSA helped to grow and promote the industry by helping to enact legislation that will increase the number of (See *Joe Moore* Page 6)



Joe Moore

Inside The Insider

- **Advertising: Don't Spend Good Money on Bad Ads** - By: Derek Barton
- **Key Performance Indicators** - By: Will Phillips
- **Community Giving: Is It the Secret to Success?** - By: Jeffrey Keller

- **Why We Train** - By: Shawn Vint
- **Programming for Children** - By: Sandy Coffman
- **Apex Introduces New Fat Loss Products**

Norm's Notes: • Happy and Healthy New Year • Jane Beusman Passes • Happy 92nd Birthday Dad • CatesFit Media Launched, and Happy 25th Birthday Justin • Planet Fitness Holding Another Discovery Day • New Jersey Legislation Stopped, for now... • Happy 48th Anniversary to Red's Lerille's Health and Fitness Club (Known as Red's) • Happy 82nd Birthday Ray Wilson • New Year Message From IHRSA's Joe Moore • The Importance of IHRSA Public Policy • Potential Sales Tax on Services Bill in Kentucky • Welcome Back to Previous Advertiser, World Gym • Welcome to New Advertiser, NFPT • First UFC Gym to Open January 23rd • Jeff Klinger Leaves Anytime Fitness • Welcome to ABC Financial's Paul Sage • Apex Fitness Launches Fat Loss Product Line • Golf Legend Greg Norman Endorses Cybex Products • Phil Wendel Reports Great 2009 Results • Henry Polesky's Fitness World Chain Sold to NBA Star Steve Nash • The Riverbend Club Celebrates 30 Years • Chuck Leve Becomes Executive Director of AFIRM • MLB's Joe Mauer to Appear in Anytime Fitness Advertisements • Bianca Boone Joins iGo Figure • Rick Caro Joins Motionsoft's Board of Directors • Stairmaster and Schwinn Among Commercial Division Sold By Nautilus • Six Spa Lady Clubs Sold to The World Clubs • Stay Strong in 2010!

Norm's Notes

● **Happy and Healthy New Year Everybody!** This is your **CLUB INSIDER Publisher and Tribal Leader** since 1993 checking in!

● **Is America** a great country or what? **Hmmm... Hmmm... Hmmm! God Bless America!**

● I'm very sorry to report that our industry has lost a wonderful lady... **JANE BEUSMAN**, the wife of **DR. and BROTHER CURTIS BEUSMAN** and the mother of **RICK and ROBERT BEUSMAN**. Jane passed away from **Alzheimer's disease** on **Friday, January 7, 2010**. **RICK CARO, IHRSA Founder** and past **President**, and now, **President of Management Vision** in **New York City**, wrote in an email passing on this sad news:

"This is a sad day for all who knew her. She and Curt were partners in business, marriage and every aspect of her life. Curt was given credit for being one of the Founders of IHRSA. In many ways, Jane was a co-Founder. She and Curt were both original members and very active individually as participants in the Faust Club Executive Roundtable, started 27 years ago. Now, son Rick has replaced them in the group as they retired and handed over the reins to him. Of course, Jane was a very active partner and leader of the Saw Mill Club and the other sister clubs. In many ways, she created the accountability function, the importance of studying the

detail and led the execution side of what may have started out as another of Curt's 'crazy' (or more politely, entrepreneurial) ideas. She will be missed and well remembered by all of us who knew her or even spent time with her. She was a great person and an even better friend."

Thanks to Rick Caro for passing on this sad news. Let me add that Jane Beusman was in the hotel meeting room in January 1993 when our Faust Roundtable Group picked the idea of me establishing an industry newspaper. The wisdom of the choice of that idea, picked from 10 new business ideas I was looking at, was articulated by Jane with these words, "Our industry needs a new publication that will take on the hard issues and speak out about troublesome problems in our industry that nobody else will attack. This publication needs to be reverent, outspoken and should 'Tell-it-like-it-is.'" May Jane Beusman rest in peace and God bless Curt, Rick and Robert.

● **Congratulations and Happy Birthday** to my **Dad**, as he celebrated his **92nd birthday** on **December 27, 2009!** Dad is adjusting to life without his wife, **LOUISE**, who passed away on **May 28, 2009**; may she rest in peace. What is most amazing about my dad is the brilliance of his spirit all of his life, and now at age 92. Some of you may feel like asking me, "Norm, why even during 2009, did you write

every month, 'Is America a great country or what?' Well, there are a *number* of reasons I write these words every month, but one of the reasons is that any country that can produce a man as good as my **Dad IS a great country**. I know all of you must feel the same way about your Dads as well. So, I just want to say this to my Dad in little 'ol **Springhill, Louisiana**:

JUSTIN and I enjoyed our visit for your 92nd birthday! Keep that fireplace going and enjoying being 92! You're amazing! I love you, Dad!
 -Norm, Jr.

● **JUSTIN CATES**, my son and partner in **CLUB INSIDER**, has launched **CatesFit Media!** You will see his new ad on **Page #5** to your right. CatesFit Media can produce a new website for your club, or for you personally, at a really reasonable price, far below what you will most likely find anywhere else. Or, if you already have a website that could use some fine tuning, Justin is up for that, too, as well as any other type of project relating to web development that you can think of, so **Contact Justin** by phone at: **(770) 595 - 6086** or email at: **Justin@catesfitmedia.com**. Also, **Happy Birthday** to Justin, as on **January 18th**, he will celebrate his **25th Birthday!** Time does surely fly!

● **Planet Fitness** is holding another franchise **Discovery Day** on **Wednesday, February 3rd** at **The Peabody Hotel** in

downtown **Memphis**, according to **JOHN CRAIG, Director of Brand Development**. Planet Fitness will be showcasing dozens of pre-approved locations for Planet Fitness franchises in the **Memphis, Chattanooga, Knoxville, markets of Tennessee and Little Rock, Arkansas**. Lenders and real estate people will be in attendance at the event to help with financing and real estate questions, along with members of the Planet Fitness Team. This is a huge opportunity for people to hop aboard the purple-and-yellow train. Despite the economy, Planet Fitness is rolling and has **300+ Clubs** in **35 States** now. To sign up in the Memphis event, go to **www.discoverplanetfitness.com**. There are a very large number of choices in the world of fitness club franchises; however, even with all that competition, **Planet Fitness** continues to steam forward in this economy. Check out the **Planet Fitness Ad** on our **Page #2** for details. Previous **"Discovery Days"** in **Indianapolis** and **St. Louis** have produced some significant results for **MIKE GRONDAHL** and his **Planet Fitness Team**, so if you're looking for a new direction for your existing club, via conversion to a leading brand franchise or if you're interested in getting into this industry for the first time, contact Planet Fitness.

● **Congratulations** to **New Jersey IHRSA Club Owners, IHRSA's Public Policy Department and IHRSA's New Jersey Lobbyist, MARY KAY ROBERTS**, as the



Norm Cates

draconian legislation that the New Jersey Legislature was proposing in late 2009 has been stopped... at least for now. I reported on this ridiculous legislation last month and how it has about 10 ways that could damage a club business. It's stopped for now, but surely, it will rear its ugly head again in 2010. **Stay Tuned!**

● **Congratulations** to my friends, **RED** and **EMMA LERILLE**, and their family, as on **January 13, 2009**, they will celebrate the **47th Anniversary of Red's Lerille's Health and Fitness Club** (now just called **Red's**) in **Lafayette, Louisiana!** What a great job they've done serving their community and truly being an institution in their lovely town!

● **Happy 82nd Birthday** to **Mr. Ray Wilson!** May you enjoy many more birthdays!

● My friend, **JOE MOORE**,
 (See Norm's Notes Page 7)

Thank You!

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- **Will Phillips** - Roundtables for Executives - Will@REXRoundtables.com

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...Joe Moore

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Americans who exercise. Our legislative record for 2009: 21 wins, 0 losses. Learn more at www.ihrsa.org/victories

Research: IHRSA member club operators who participate in IHRSA research surveys receive the results free, including *Profiles of Success*, Employee Compensation & Benefits Survey Results for the Commercial Health & Fitness Industry and many more. These and many more publications are also available for purchase, with substantial discounts for members, at www.ihrsastore.com.

DVDs & MP3s: IHRSA and Healthy Learning have produced several high-quality sales &

retention DVDs for club operators and their staff, including: Increasing Membership Retention in the Health and Fitness Industry, Engaging New Members in the Club, Selling Club Memberships and Managing the Sales Team and Process. Plus IHRSA convention educational sessions (audio MP3 files) for the past five years are available. In fact, IHRSA members can download more than 250 sessions from the 2005-07 conventions free. www.ihrsastore.com

Get Active! Magazine: Club operators can order copies of this consumer magazine to give to their members and prospective members, reinforcing the benefits of belonging to a health club and increasing awareness of the many services health clubs offer (such as personal

training and group exercise). *Get Active!* can be customized and branded for individual clubs and used as a cost-effective marketing tool to promote their club to their communities.

Club Business for Entrepreneurs: This free, quarterly e-newsletter is tailored specifically to owners and operators of small, independent health clubs.

Starting in January, IHRSA debuts a new column in *Club Business International* (CBI) called "Ask the Entrepreneurs." Each month, three different independent-club owners give advice to their peers on a specific topic, such as retaining top employees and motivating inactive people to visit their clubs.

Online Resources

IHRSA.org: IHRSA's website includes a vast array of free resources, including CBI articles dating back to 2002, Best Practices, how-to articles on topics such as selling a club, monthly programming ideas, briefing papers on legal issues such as eating disorder, H1N1 and articles in such topic areas as retention, wellness, programming and sales & marketing. www.ihrsa.org

Ask an Industry Leader: In this online forum, more than 100 of the best and brightest minds in the fitness industry answer club operators' pressing questions free of charge. www.ihrsa.org/industryleader

IHRSA Research: This section of IHRSA.org provides members with access to some of the latest data on all aspects of the health club industry. Learn more at www.ihrsa.org/research

...Anytime Fitness

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build the franchise into an international powerhouse that greatly changed the face of the fitness industry.

Klinger's many achievements were recently recognized with the 2009 John McCarthy Industry Visionary of the Year Award, presented by the International Health, Racquet & Sportsclub Association (IHRSA).

Although he will no longer serve as an executive officer for Anytime Fitness, Klinger will continue to serve the franchise in his capacity

HealthClubs.com/jobs: Club developers and operators receive free compensation data and HR resources and a cost-effective way to find new employees. www.healthclubs.com/jobs

Events

IHRSA 2010 International Convention & Trade Show: More than 100 educational session from the best minds in the industry including a Management & Operations Track: Developing Management Roles and Organizational Cultures; Successful, Efficient & Effective Club Operations; and Debt Financing for Health Club Owners, to name just a few. For the full lineup, go to www.ihrsa.org/convention.

Webinars: A cost-effective way to learn and remain competitive... it's training when club operators need it, whenever they need it. The December 2009 Webinar (The Strengths-Based Sales Force) was free for all IHRSA members. Other titles include: Retain and Gain: Member Retention - The Key to Club Success, and Health Club Consumer Research & Trends: Why People Join, Stay and Quit. There is a new webinar each month, and all webinars are available for purchase at www.ihrsa.org/webinars.

IHRSA Institute for Professional Club Management: Three full days of graduate-level



as President of EI Insurance Advisors, the preferred insurance provider for Anytime Fitness clubs.

"Jeff Klinger will certainly be missed, and we've had a great ride filled with laughter, success and friendship," says fellow Anytime Fitness Co-founder, Chuck Runyon. "But, our business model and growth rate are still very strong and the best days for Anytime Fitness are ahead of us."

In parting, Klinger adds, "Let me say that I will leave Anytime Fitness with great memories -- from the sale of club #1 to the addition of employee after employee-- all who helped

education led by expert faculty provides a balanced curriculum that covers every aspect of club management. For details, go to www.ihrsa.org/institute

Programs

Group Purchasing: This free program gives IHRSA member clubs discounts on products and services from dozens of vendors, including cleaning supplies, HR services, insurance, and many more. www.ihrsa.org/group purchasing

'I Lost It at the Club!': This fun, free program, held each year from January - March, helps clubs energize and retain their current members and attract new ones who are ready to shed extra, unhealthy pounds. For details or to sign up, go to www.ihrsa.org/ilstatitathclub.

Get Active America!: During the month of May, IHRSA member clubs who choose to participate (free) receive guidance and supportive materials from IHRSA to open their clubs to the general public and recruit new club members. More information is at www.ihrsa.org/getactiveamerica.

Passport: This program, which is free to IHRSA member clubs, brings guests from around the world into the club for a discounted guest fee. www.ihrsa.org/passport

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...Norm's Notes

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recently sent a message to **IHRSA Members** and non-members alike, and I've published it starting on **Page #3** because it's important to every IHRSA Member and to all club owners who don't make an investment as a member in support of IHRSA. That's because, no matter whether your club is an IHRSA Member or not, IHRSA is working for you, and you need to know that. The first item mentioned in Joe's memo, **Public Policy**, is a matter of importance significant enough alone to justify an investment in an IHRSA membership by any club owner/operator. The truth is, you never know when IHRSA is going to save your business from the misguided and unwise legislators out there, and the truth is, without IHRSA, our industry in the United States would be at much greater risk.

Joe's memo also contains a number of things IHRSA Membership provides, and the list should make any intelligent club owner realize he should pitch in and join this 29-year running Association. A good way to think of this Association involvement concept is this: **IF** you intend to make your living in this industry, and **IF** you intend to advance in this industry from where you are now to where you want to be, then you need to be a member of IHRSA. It doesn't matter who you are, if you're going to make this industry your life's work, you really should belong to IHRSA.

Consider this, when you compete, do you compete to win? When you set a goal, do you pursue that goal utilizing all of the tools you can muster? Do you hate to lose in any competition? Do you enjoy the joy of winning? Do you work hard to achieve your goals? Do you realize how fast this industry is moving? Then, you need to join IHRSA and learn, learn, learn. Let me repeat that... learn I say! Now, that's what I'm talking about.

And, while you're at it, **Subscribe to CLUB INSIDER** if you have not already subscribed. **Two Years for \$89** (or one for \$49); **It's a great deal!** Look at this month's front cover, where your address appears. If you see the words **Promotional Copy** above your name, it means you are not a **Paid Subscriber**, and we sent this issue to you to promote a subscription to our publication. It also means you

may or may not receive **CLUB INSIDER** next month or the month after. So, subscribe today at www.clubinsideronline.com/subscribe, or call me at (770) 850 - 8506, I'd love to hear from you! You can also complete the **Subscription Form** on **This Page** and send it in.

•For this Norm's Note, let me get back to **Public Policy**. In case you're not in a State where **IHRSA** has fought off the moronic politicians elected to serve in your State who want to install legislation that would be detrimental to your club business, let me mention a fact. That fact is that through hard and aggressive work by **HELEN DURKIN**, her **IHRSA Public Policy Team** and the **IHRSA Lobbyists** who've teamed up with and helped mobilize **IHRSA Member Club Owners** across the country in affected States, **IHRSA** has helped defeat **21 Proposed Measures in 2009**. Any one of these legislative measures might have been harmful, or worse, and could have caused some of the clubs in the respective States to have to shut down. Measures such as prohibiting your club from collecting membership dues via EFT (Electronic Funds Transfers) could cause massive income losses at any club and very well would destroy many club businesses. So, once again, **you should join and support IHRSA**. Call **800.228.4772** to join today. Also, by making a contribution to **IHRSA's Public Policy Fund**, you can help IHRSA be prepared and able to defend your club.

Let me close this note with this... You may be sitting there thinking, okay, last month, Norm was raising hell about IHRSA and the need for IHRSA to focus more on U.S. clubs again and worrying about IHRSA tubing out because of lack of U.S. Club support... Now, he's praising IHRSA again and asking people to join and contribute to the **IHRSA Public Policy Defense Fund!** So, which is it, Norm? Are you for or against IHRSA? Well, if you just happen to be sitting there thinking that question, let me answer it. I'm both for and against IHRSA. I am **FOR IHRSA** and all it does that's on track with our **Mission Statement**, as exemplified so well by Joe Moore's article starting on **Page #3**. However, I am **AGAINST IHRSA** when its **Board of Director Leadership**

has allowed new Board Members to come on *who have only their own interests in mind when applying to serve*. Trust me when I say that, in the past five years, we've had some of those people on the IHRSA Board. I am also against any IHRSA Board moves that take the eye off the U.S. clubs too much, which is what I have argued for the past year has been occurring.

•**BREAKING NEWS FROM IHRSA:** The Kentucky General Assembly has convened, and lawmakers are debating the means to remedy the state's \$1 billion budget deficit. Among the proposals being considered is legislation pre-filed by **State Representative Bill Farmer** that would impose a 6% sales tax on a number of services, including personal training. Broader measures are being touted by **House Speaker Greg Stumbo**, who reportedly favors opening up tax debate on all services, and presumably, all those provided by health clubs, and letting the different industries make their case against additional taxation. IHRSA is monitoring the situation and is working to develop materials to help fitness professionals to make the case against taxing healthy lifestyles in Kentucky.

•Welcome to returning **CLUB INSIDER Advertiser, World Gym International (WGI)**. The **JOYCE J. CAMMILLERI Family** of Southern California bought WGI about a year ago, and they intend to bring the name back into the marketplace in a big way. **MIKE GRONDAHL, CEO of Planet Fitness** owned WGI for a couple of years. Grondahl then decided to sell it and focus on the Planet Fitness brand, a move that has and is serving Grondahl well. **GUY CAMMILLERI, Managing Director** of WGI, along with his two brothers, Leo and Marcus, and mother, Joyce, are proud to operate WGI together as a family business. They are working with **COO, HELEN ROCKEY** to help the World Gym Brand achieve its inherent potential. I spoke with Guy, and he said:

"You can tell by the imagery in our new ad (See the **WGI Ad on Page #25**) that we're departing from industry advertising norms. We have always viewed World Gym as the **Harley Davidson** of the fitness industry, and our new

branding and imagery will reflect the innate edginess of the World Gym Brand. World Gym is an icon in the fitness industry and has been since its birth. Our intent is to fully embrace that reality and share it with the world. Folks in the fitness industry all know that World Gym was born in 1976 to **JOE GOLD in Venice Beach, California**, otherwise known as **Muscle Beach**. Fitness industry buffs also know that World Gym has been home to the most famous of bodybuilding celebrities over the years. But, what has not often been emphasized enough in the World Gym history is that there has always been an authentic connection between the celebrities of **Muscle Beach and Hollywood**. Whether you're talking about Joe Gold touring with **MAE WEST**, or **ARNOLD SCHWARZENEGGER's** movie

roles, or **LOU FERRIGNO's** successes, there has always been an intimate connection between Muscle Beach and Hollywood. World Gym and its famous alumni are at the very core of that intersection of Muscle Beach and Hollywood. With our new branding, we are merely recognizing World Gym's **actual DNA**. World Gym is indeed the world famous brand of seriously fun fitness."

Discussing franchising strategies going forward, Guy said:

"As you can imagine, now that word has begun to spread about what we're actually up to, we're starting to get a lot of inquiries from people who already own gyms and are looking for an edge, a way to reach a consumer (See Norm's Notes Page 8)



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...Norm's Notes

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who's inundated with sterile 'me too' fitness brand choices. As gym owners have begun to see our new branding and hear the World Gym story told anew, they recognize the inherently iconic and unique nature of the Brand and have engaged in serious discussions with us. We are also preparing ourselves to more aggressively market towards folks who want to own a gym but don't own one yet. We believe that the best gyms are created by owners who are involved in their gym and passionate about fitness. We're seeking the types of folks who are already in fitness, love fitness and want to be a part of a larger global Family, something special, and something bigger than themselves."

I asked Guy about their new alliance with **GetMembers.com** and he said:

"Norm, beyond what you saw in that press release, we did a lot of research on who we thought would be a really great partner for us given the new energy and dynamism within World Gym. We didn't just look at their skill set, though that was obviously important, but we also looked at their culture and attitude. We believe that GetMembers.com is culturally similar to World Gym in the sense that they 'get us.' They truly understand what we're trying to accomplish and are now working hard to help us accomplish our goals. They've been dynamic, flexible and responsive, and we appreciate that greatly. We're also thankful for our new **VP of Gym Development, Bill Windscheif**, as he did most of the research during our vendor selection process and deserves most of the credit."

As I told young Guy Cammilleri, 'Having been involved in this industry for so long, it's just great to see new people with the great energy and excitement for what you're doing coming into our industry.' Guy replied, 'It's exciting to hear that perspective. Thanks. Sometimes I sit back and think to myself... 'Oh my God! We're actually leading an organization started by **JOE GOLD!** How cool is that!'" Good luck and best wishes to Guy and the Joyce J. Cammilleri Family as they re-brand and re-launch World Gym International!

•Welcome to new **CLUB INSIDER Advertiser, National Federation of Professional Trainers (NFPT)**. NFPT was **Founded in 1988** by **RON CLARK, CEO**. The **NFPT's Mission** "...to lead the personal training industry, through quality education and credentialing, into a future of public and government respect, trust and confidence. As a professional fitness organization, it is our intention to work in any way possible to provide fitness trainers with the educational tools and health and fitness resources needed to address failing health in America. As an **NCCA** accredited certifying agency, we will continue to engage in activities that further educate fitness professionals regarding standardization of personal trainer certification through accreditation. NFPT intends to continue working to further efforts that promote raising the bar in the personal training industry to a level that is highly esteemed by allied health professionals, the public, and government alike." **ANGIE PATTENGALE, NFPT Vice President of Operations**, commented, "We're proud to be working with the many associates and colleagues who are as dedicated to the promotion of health and fitness in the U.S. and around the world. Physical fitness, regardless of economic situations or world condition, is something that we can all find peacefulness in and will always benefit us when we take part. Enjoy, promote, and fuel your passion for fitness!" See the **NFPT Ad on Page #24**.

•I spoke with **MARK MASTROV** about the **January 23rd Grand Opening** of Mark and **JIM ROWLEY's** first **UFC Gym in Concord, California**. Mark told me they had sold 3,500 memberships in presales so far for the unique 38,000 square-foot UFC gym, and if they hit 5,000 after one year, they would be happy. He also said that about **55% males** and **45% females** were joining. The new **UFC Gym** is located at **1975 Diamond Blvd in the Willows Shopping Center** in Concord, and the **January 23rd Grand Opening, 10AM to 5PM**, is open to the public, so if you're in the Concord area, drop by and tell Mark and Jim "Hello."

•Be sure to read the very interesting news on **Page #3** about **JEFF KLINGER, Co-founder of Anytime Fitness** leaving the company to pursue

other opportunities. If you read the press release, provided by Anytime Fitness' **MARK DALY, National Media Director**, you would think Anytime Fitness Partners, **DAVE MORTENSEN** and **CHUCK RUNYON** had been running the show anyway, and Jeff Klinger pretty much confirmed that with me.

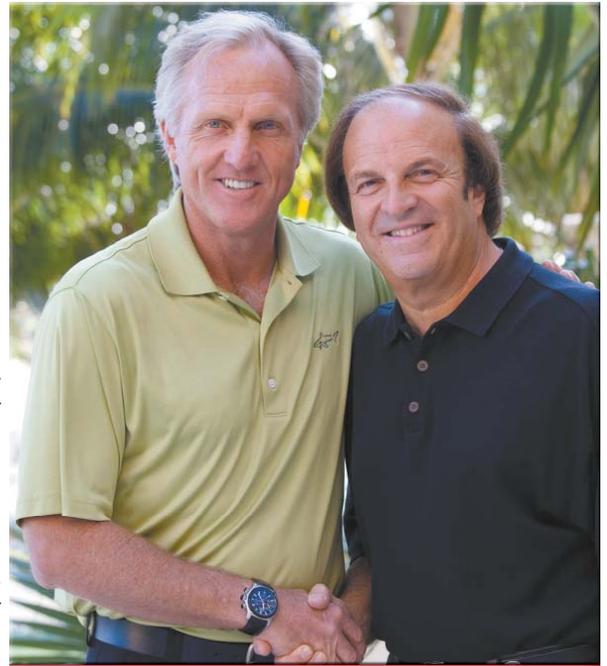
The "Rest of the Story" is that Dave and Chuck had arranged financing with **PCG Capital Partners, LLC** in San Francisco, who are also owners of **WebMD** and a number of other companies, to buy out Jeff Klinger's interest in Anytime Fitness. Additionally, on **December 31, 2009**, Jeff also sold his interest in **Enterprise Insurance Company**. So, 45-year old Jeff Klinger is now officially financially secure for the rest of his life. I told Jeff that all he has to do now is make sure he doesn't end up like about 85% of the lottery winners in this country who end up going broke! Jeff said:

"Well, I just think the timing was good. To be blunt, I'm more of a startup guy. I like immediate gratification when you make a quick and good decision and see member results, franchise results or financial results. So, with Anytime coming up big, I was a bit lost. Quite frankly, with a couple of hundred people, you start looking at human resources and not recognizing your employees, and I got out of my comfort zone."

So, I wish Jeff Klinger well in his new direction, and I wish Dave, Chuck, Mark and their Anytime Fitness Team, all the best in the future. **Congratulations, Jeff!**

•Welcome to **PAUL SAGE**, the new **Marketing Director at ABC Financial**. Sage joined ABC Financial in mid-December, and we wish him great success at ABC Financial, one of our industry's greatest companies in this category.

•**JOHN AGLIALORO, Cybex International Chairman and CEO**, has announced **PGA Tour** legend, **GREG NORMAN**, will endorse Cybex products as an official ambassador for the innovative **CYBEX Golf Fitness** platform. "Greg is among the world's most recognized athletes," says John Aglialoro, **CYBEX Chairman and CEO**. "He's a superb ambassador for



Greg Norman and Cybex CMO, Larry Gulko

the game and an incredibly astute businessman. We're thrilled to partner with him and know he'll play a key role further expanding market penetration of **CYBEX Golf Fitness** and our sought-after **Sweet Spot** platform."

•**PHIL WENDEL**, our April 2009 cover story subject, was frequently mentioned by **LLOYD GAINSBORO**, this month's cover story subject, in his cover story interview. Phil sent me these impressive numbers summarizing the **2009 Performance** for his **Atlantic Coast Athletic Clubs**:

1. Our two Charlottesville, VA flagships ended 2009 with 8,134 Membership Accounts, a net gain over 2008 of 6.6%.
2. Our Richmond, VA club ended 2009 with 3,835 Membership Accounts, a net gain over 2008 of 7%.
3. Our West Chester, PA club ended 2009 with 3,454 Membership Accounts, a net gain over 2008 of 3.1%.

Our system wide net gain was 859 membership accounts, a 6% growth rate in 2009. A membership account could be an individual, a couple or a family (they are all annual paying members). The 15,423 accounts give us about 35,000 total members in the four Flagship Clubs. In December 2009, our Charlottesville club sold 326 Memberships (not members), our largest month ever.

Phil also mentioned one of his sales staff members, **JOE SCHWATT**, had sold over **\$1 million in membership revenue** in each of the past two years. Joe had over **\$140,000** in sales in December alone. Way to go guys!

•**Congratulations to HENRY POLESSKY**, a 50+ year veteran of this industry with his **Fitness World** chain of 10 clubs in **British Columbia, Canada**, as he has sold his clubs to **NBA Basketball Player, STEVE NASH**. Nash has partnered with **MARK MASTROV** to make this deal happen, and this move should give the organization a rock solid position in one of Canada's biggest markets. **Good luck to Henry, Steve and Mark as they move forward!**

•**Congratulations to KIMBERLY ROSE**, her dad, **ANTHONY**, and their **Team at the Riverbend Athletic Club (RAC) in Peace Dale, Rhode Island**, as they celebrated their **30th Anniversary in November 2009!** Starting in 1979 with eight racquetball courts and a multi-station Nautilus machine, they first added four more racquetball courts bringing their total to twelve. As time passed, the club has changed and today the 26,000 square-foot club has only one racquetball court and one squash court, plus an array of fitness equipment and services in the former racquetball court space. **Happy Anniversary to** (See *Norm's Notes Page 10*)

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...Norm's Notes

continued from page 8

Anthony and Kim at the RAC!

• **Congratulations to CHUCK LEVE**, as he's the new **Executive Director** of the **Association of Fitness Industry Retailers and Manufacturers (AFIRM)**. AFIRM is a new trade association dedicated to developing benefits, products and services specifically for fitness industry manufacturers and retailers. The new association will address fitness industry issues, help raise revenue and reduce expenses on behalf of its members, lobby Congress for pro-fitness legislation and develop research. AFIRM will disseminate information through educational events, it will publish a bi-weekly newsletter for its constituents, and it plans to launch its website on February 1, 2010.

• **Anytime Fitness** has announced that **Major League Baseball's MVP, JOE MAUER**, the newly-crowned **American League MVP**, two-time **Gold Glove** award winner and three-time **American League Batting Champ**, will soon be appearing in television commercials and other advertisements for Anytime Fitness, the rapidly-growing health club chain with nearly 1,300 clubs worldwide. "We're extremely excited to have Joe on our team," says Anytime Fitness

co-founder **CHUCK RUNYON**. "He's a wonderful role model, an amazing athlete and someone who obviously understands the importance of regular exercise. We're confident he'll do a great job promoting healthy lifestyles, while raising awareness of the Anytime Fitness brand."

• **iGO FIGURE, Inc.**, the **Houston, Texas-based** membership and business management software company, has announced that **BIANCABOONE** has joined the company as its **National Sales Manager**. Boone stated, "As a former multi-club owner in the United Kingdom, I used the iGo Figure Software to manage my gyms for over five years. Both my staff and I were continually impressed by its functionality and ease of use. In an industry with high staff turnover, training can be time-consuming and expensive. My staff was able to understand all aspects of the software quickly. That's impressive." Good luck to Bianca and to **KYLE ZAGRODSKY, CEO**.

• **RICK CARO, IHRSA Founder** and past **President**, and now, **President of Management Vision** in **New York City**, has joined the **Motionsoft Board of Directors**. As a member of the Board, Caro will work with **Co-Founders, AL and HOSSEIN NOSHIRVANI**, as well as **Chairman, BENSON**

FINE, to provide strategic counsel and direction leveraging Caro's 30+ years as an industry leader and visionary. "We are honored to have Rick Caro join our Board of Directors," said Motionsoft CEO, Al Noshirvani. "Rick's advice to us over the years has been invaluable; having him join our team in an official capacity will allow us to further leverage his unmatched industry knowledge, contacts and vision," added Noshirvani.

• As reported in **Reuters** on **December 9th**, the day after their deadline to sell, **Nautilus** announced that they had sold certain assets of the **Nautilus Commercial Division**. Assets sold included **StairMaster** and **Schwinn Fitness**, including the licensing of Schwinn Fitness indoor cycling products for use in the commercial channel. The company is selling certain assets of its loss-making commercial business to **Fit Dragon International Ltd** for **\$12.3 million**, to focus exclusively on its direct and retail division.

• **JASON CARTER** stepped in for my friend, **STEVE DATTE**, as the **Director of Apex Fitness** about a year ago. In a recent conversation, Jason told me about the new fat loss products Apex has launched, and information about that appears **Below**. Jason also told me, "2009 was a great year for Apex, and we're looking

forward to 2010!" Best wishes to the Apex Team!

• **The World Clubs in Calgary Edmonton, Canada** bought **Six Spa Lady Clubs** (Three in Calgary and three in Edmonton) in the area. **North Castle Partners** and **ROB LEACH, CEO of World Health**, continue to grow their organization.

• **I've been self employed for four decades now, and one thing I've learned during those years is to adapt...** For some of us, times are tough. Get over it. Do what the **United States Marines** do; **Adapt!** Batten down the hatches and do what it takes to make it. You're a human being, the most intricate and capable machine on earth, and your limits are set only by your mind. Your mind will rule you forever. Don't let it be soft. Advance it every chance you get. Invest in and be where the learning is and learn, learn, learn. Adapt your business for survival through learning. You should have realized by now that the U.S. economy will not show significant improvement until, at best, the second quarter of 2011. Get over it. Get up and work like you have never, ever worked before. It will take hard work, but you can adapt and just do it. Find ways to adapt your business for a minimum of two more years of survival in a bad economy because that's what we're up against. Realize that no matter how bad

it may get, you can prevail if you adapt! Remember that adapting your business to weak economic times is just like putting money in the bank because, when you emerge at the end of this bad economic tunnel, your adaption and hard work will pay off big time because you'll be extremely well prepared for the good times when they do return. **Don't want to adapt?** Find another way to earn your living. Happy-Healthy New Year to you and all in your life. God bless you all!

• I want to wish you and yours a very **Happy and Healthy New Year!** I'm pulling for each and every one of you, your family, your club(s) and your members to enjoy a safe, happy and healthy New Year. God bless and protect our troops, airmen and seamen in the around the world. May our good Lord bless all of you!

(Norm Cates, Jr. is a 36-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 17th year of publication. Cates was **IHRSA's 1st President**, and a **Co-founder of the Association with Rick Caro and five others, in 1981**. In 2001, **IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award**, one of its highest honors. Cates may be reached by phone at **(770) 850 - 8506** or email at **Norm@clubinsideronline.com**)

Norm Cates' **CLUB INSIDER**
 The "Pulse" of the Health, Racquet, and Sports Club Industry
 Established 1993

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PUBLISHER AND EDITOR - Norm Cates, Jr.
PRESIDENT - Justin Cates

PRINTING AND MAILING SERVICES - Walton Press
 www.waltonpress.com

CLUB INSIDER
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Apex Introduces New Fat Loss Products

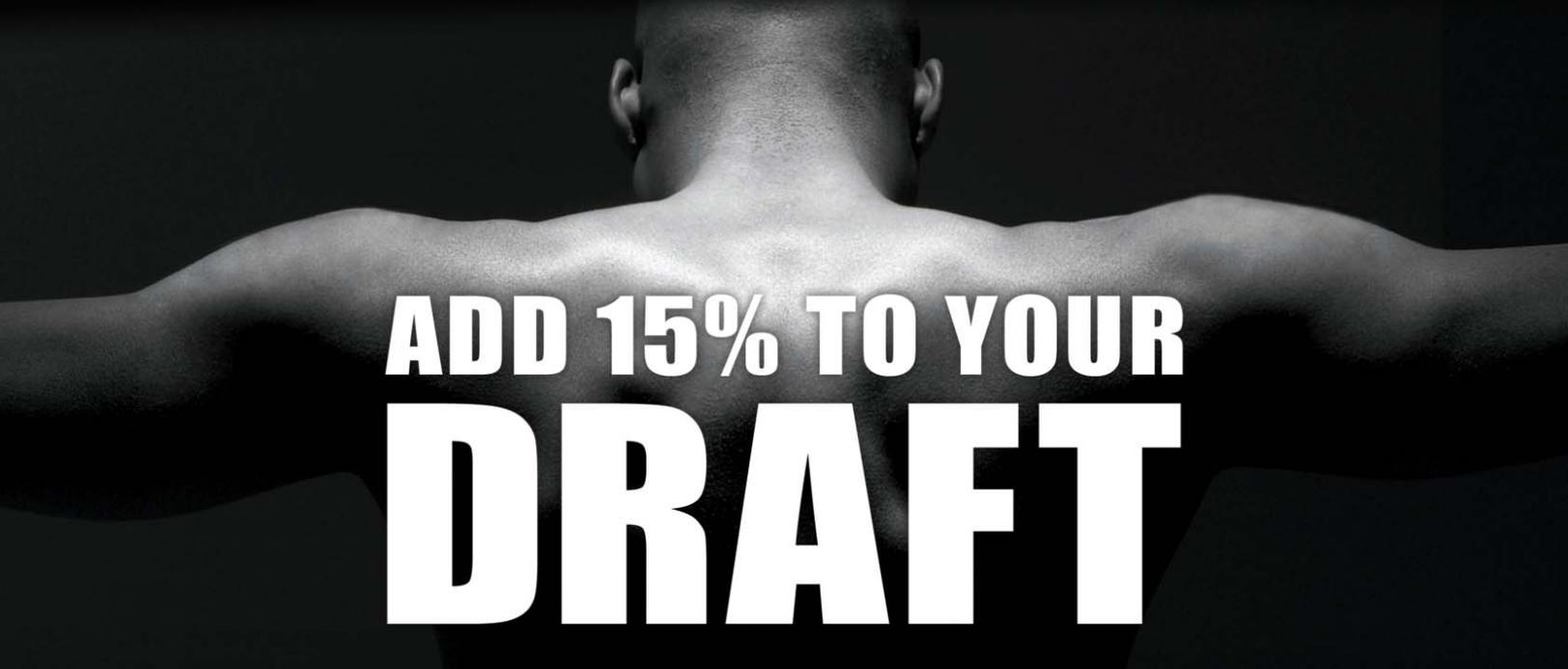
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...The Gainsboros

continued from page 3

includes the Boston Globe, the Boston Celtics, the Fenway Group (who own the Boston Red Sox), MGM and many more high-profile clients.

An Interview With Lloyd and Roberta Gainsboro

CLUB INSIDER (C.I.) - Lloyd, I understand you were a jeweler by trade. How did you go from being a jeweler to owning and operating a huge multi-purpose health and athletic club?

Lloyd Gainsboro (LG) - I was in a family business as jewelers until 1972, when Roberta and I, with George Yaffe, our partner, opened our first tennis club, a 3-court, self-service club in Walpole, MA that we called Econo Tennis. As far as we know, it was the first commercial, self-service keycard club in the United States. The club systems were all on timers, and members would come in, play tennis and leave, and then, the next people would come in. We provided a babysitter and had people who would come in at night and clean the club. We were selling tennis for half price, \$5 an hour. When my partner and I first opened Econo Tennis in 1972, we were totally sold out of court time. When I say "totally sold out," I mean totally sold out, except for Saturday nights, when we would rent the club for parties. So, there wasn't enough time open for anybody to cheat. Plus, we got paid for court fees in advance.

Roberta Gainsboro (RG) - We sold out for the 32-week season, and we'd go to the club the first week and collect money for every segment of court time. So, that was the first and the last time that

we had to go to the club to deal with money.

LG - We were involved with our builder who had gotten us some financing. So, the next year, we built two other clubs, and we expanded our Walpole club from three to six courts. We built two more 4-court clubs; one in Randolph, MA and one in Danvers, MA and our 32-week season was 95% sold out. So, the second year, we had gone from three courts to fourteen courts. The following year, we added two courts to Danvers, which gave us six, and we built an 8-court club in Framingham, MA and a 6-court in Hudson, MA. Everything sold out, except for Hudson, as it was slower than the rest. That brought our total court count to thirty. The next year, we opened three clubs: one was in Norwich, CT, a 5-court club; another was a 7-court club in Warwick, RI; and the third was a 7-court club in Woburn, MA. So, we added nineteen courts, making our total 49 courts. In 1977, the Jimmy Carter era came upon us, bringing 12% inflation and an 18% prime interest rate. Women were forced to work, we lost the ability to sell out our daytime hours and we started adding racquetball courts. At this time, we added full-time staff. We took out two tennis courts in our Framingham, MA club and put in ten racquetball courts. In Hudson, we put in four racquetball courts and took out one tennis court, and in Danvers, we converted one tennis court to four racquetball courts. The following year, in Warwick and Woburn, we added four racquetball courts in each club. We also built a club with seven tennis courts, ten racquetball courts and a very small fitness center in Dedham.

C.I. - Was that the first time you ac-

tually mixed a fitness component in with tennis and racquetball?

LG - No, that began in 1975 and '76, when we first began to install racquetball courts. At that time, we had partners in the business who were older than us and had different goals than we did. We wanted a strong company with minimal debt. They wanted income. Also, our business had changed to full service. In fact, the last club we built in 1977 was Dedham, and it was supposedly one of the only clubs built at that time from scratch as both a tennis and racquetball club with a small fitness center. By 1979 and '80, we had first mortgages of 10%, and because we had taken out some second mortgages when we added racquetball, we owed a couple of million dollars on those additions. Interest rates went to 18% Prime Rate. So, we were paying 2% over prime, \$400,000 a year interest on that money! We had a difference in philosophy with our partners because we wanted to go to monthly dues, and they didn't. So, we decided to break up the partnership in 1981. It's interesting. There were four of them. One of them has since passed away, but to this day, when we see the others, we give them a big hug and a kiss and are friendly. They were great guys. We had a big book, and we logged everything in that book that each of us owed, and we just broke up the business without a lawyer... including the real estate.

At that time, we had a central office run by Roberta. We closed that office, and she went 100% into running this Dedham facility, which we called Dedham Racquet Time at that point. We owed money, and on a minimum budget, we slowly paid off everything. She did a fantastic job of running it. I, at that time, went back in the jewelry business because these were pretty tough times. We went to monthly dues and made some mistakes getting there the first time around, and it took us a while to recover. Our partner, George, and I were there one day a week working on development (where we were going to be in six months, one year and five years) and she was running the daily operations of the business. So, we recovered in two years, by 1982. We decided that we were going to take out one tennis court and put a curtain up between the first court and the second court (there were seven of them). We were going to build a big fitness center with an asphalt



The DHAC Fitness Center

track around it. So, it gave us a 5,000 square-foot fitness center basically segregated by a curtain from the tennis court next to it. It was well done and fantastically successful. That was the beginning of our first 5-year plan. From that, we built a new section of the building, and at that time, we were at about 55,000 square feet (we're about 240,000 square feet now). So then, we decided to develop more elements of the five-year plan, adding to the facility. The first phase was to build a fitness center on the back part of our building, which we did. We added an additional men's locker room and another women's locker room. On top of that, we built a fitness center on the second floor with the locker rooms and main area below which gave us a 12,000 square-foot fitness center, and that allowed us to convert the original tennis court space to an indoor swimming pool. We kept expanding, and we're expanding even today.

Growth That Never Stops

C.I. - Do you have a list or record of how many different times you have actually cranked up an expansion program?

LG - Actually, and I know this is going to sound crazy, but there isn't a year that we haven't done something major. Right now, we just completed a new basketball court inside a three-story existing part of our building. We constructed this court on the second floor starting on September 1st, 2009 and completed the new basketball court on December 5th 2009. We have a tenant who operates an MRI here at the club, and they're putting in a new MRI machine. This particular MRI is better off on a ground floor, rather than

where it is, so we put a new deal together with them and raised our 5,000 square-foot basketball court eleven feet by installing concrete pilings into the ground. So, our brand new basketball court is up and running now, and below it on one side, is a brand new MRI in a new 3,500 square-foot clinic. You'll come in through our front door and go down a hallway to the elevator into the MRI area because we want people to come through this building. Next to that will be a 2,800 square-foot multi-purpose room, and then, we will take the space that they vacated and put in a 2,600 square-foot second or third floor on top of that. So, we're constantly adding and building and adding and building.

C.I. - Please tell us about this MRI sublease.

LG - Let me tell you how we got involved in that. In 1989, Roberta said the health care system was broken and one of the ways it's going to get fixed is by using exercise as medicine. Since none of us were going back to medical school, including her, she decided that the way to go was for us to find a way to own and operate, with someone else, a physical therapy business. So, in 1993, we opened our own physical therapy business here in the club. We hired an employee named, Margie Lamir Heger, who since became a third owner of that business. Everything we were doing was based on outcomes. Outcomes... outcomes... outcomes... Not profitability. We broke even at first; that was fine... but, it had to be a focus on outcomes. So, Roberta set up the operation so that, when you're in here for a physical therapy treatment, you could come in the club an hour or two earlier and stay an hour or

(See *The Gainsboros* Page 14)



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...The Gainsboros

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two late and use the fitness department. In order for us to do that, she had made a decision two years before that any trainer who worked for us would have to have their degree in exercise physiology. She also made a decision that anybody who was running that department would have to have their Master's Degree in Exercise Physiology. So, fast forward to this past year (2009), we will have seen 48,000 patient visits in physical therapy. Those 48,000 patient visits can be divided into three categories: 65% were regular therapy; 30% were 'Back to Life Therapy,' which is a neck and back pain physical therapy program we adopted from The New England Baptist Hospital, a program developed by Dr. Jim Rainville and 5% were aqua therapy. In 1996, we were recognized by the New England Baptist Hospital, which is one of the leading orthopedic hospitals in the country, as being better at physical therapy than they were! I'm not talking in-house, I'm talking outpatient. So, they came to us and said, 'Why don't we put a deal together?' So, we put together a deal where our therapist went to work for them, they would contract back to us and we would share revenue. That made all of it legal. So, we shared revenue with them up until last September, when it was changed because of some bonding issues on their part; however, we still have the relationship with them.

C.I. - Well Lloyd and Roberta, you have a major league medical complex there in your club!

LG - Yes, we do. Also, three years ago, we became involved in a study with Massachusetts General Hospital on children and exercise. It was very successful. So, from there, we worked with Mass General for an NIH Grant, and we added three other facilities to work with; they were Phil Wendel's Atlantic Coast Athletic Clubs (ACAC), Cyrus Oskoui's Olympic Athletic Club and Greg Lappin's Rochester Athletic Club. Each one of them got prepared to go national with Mass General, and us, as the leaders. As it happened, Mass General did not get the grant that year. Moving forward with Mass General, we're now working on a program with them, where this week, they should actually get Internal Review Board (IRB)

approval for a study with 9 and 10-year olds on exercise and guided imagery. That should start next Fall. That basically covers where we are with the hospitals.

In 2009, we had 1,500+ doctor referrals. Approximately 1,000 joined our program, and over 400 converted to memberships. Next year, we hope to reach 2,200 referrals, with 1,600 who join the program and 750 who convert to memberships. So, we're spending the time, effort, energy and money to put ourselves in a position that is different than everybody else. One of these days, we hope to be able to franchise or license our program working with Joslin. It's a very detailed program and I always give credit to TechnoGym, as they've provided great support. We might be on the phone with them three or four times a week. They're willing to do it. Claudio Bellini is President of Technogym, and he's absolutely fantastic. He understands that, if we win, he wins. He'd love to see us be able to bring this to 100, 200, or 1,000 clubs all over the country because they would sell volumes of equipment. Also there is David Merrill who works for Motionsoft. He is phenomenal. David has been great. He helps us with biometric entry connecting his software to Technogym, creating software that allows us to take notes and smooth out our operations for this program. When you come in, if you're in that program, it shows that you're in. We don't have systems working against systems and input from different places. The only way this is going to work for us, and other people if we go that route, is to get the price down to where it's profitable and not in a situation where all of the profits are being spent. So, we're really getting good at that. By the way, everything we do is HIPAA compliant, and we know what HIPAA compliant is because we own the physical therapy business.

C.I. - Please tell us about the things you learned from Phil Wendel's ACAC?

LG - Roberta's been pushing us to develop our programs, so we've developed some great ones, but we had trouble getting a kickoff. One day I was with Phil Wendel, with whom I served on the IHSA Board, and Phil said to me, 'I've got this idea I'm doing at my clubs. It's working, and it gets away from the original problem doctors have with

health club memberships being too expensive.' You have to understand, the medical profession is not on our side. We don't fit into their financial plan; not in a system that is a 'sick system' vs. a 'well system.' If there was a well system that would pay for people being well, then we'd fit in, but that's not the way it works.

Phil said, 'I'm doing this program called 60/60. I think it's great. Why don't you come down and look at it?' So, we went down and looked at it, and we thought it was a hell of an idea. We had been doing this for 8 or 9 years, and we've had success, but not for real volumes of people. So, we adopted Phil's 60 bucks for 60 days program to get medical referrals. Let me tell you something interesting. Our program today is tremendously different from Phil Wendel's, but he is successful at what he's doing, and we're successful at what we're doing. He's got a mission, and his mission is to get people into his facility who he would not normally be there. *If you look at our industry,*



The DHAC Sports Field

Norm, it's broken. Everybody is fighting over this 14% or 15% that belongs to health clubs, and very, very few people, no matter what they say, are reaching out in large numbers to get the 60% of the population that truly needs us. So, we set up a program that is much more medically oriented. What we do is this; if you want to be part of this program, you have to be sick. You have to

have elevated blood sugar and elevated cholesterol. You have to be overweight to the point where it matters. You must have arthritis or be a cancer survivor. You have to be sick, and you have to be at a place where exercise will either mitigate the disease you have or get rid of it; one or the other. Then, we have one person out 4½ days a week and another person (See *The Gainsboros* Page 16)

Your Mission is to Mitigate the Disease of Diabetes Until There is a Cure

Llyod Gainsboro - The New England Baptist Hospital is involved with a group called The Care Group. There is a 900-pound gorilla in Massachusetts, which is called Partners. Partners Founding Members are Massachusetts General Hospital and Brigham and Women's Hospital. Then, there is the Care Group which consists of The Beth Israel/Deaconess Medical Center, The Joslin Diabetes Clinic and The New England Baptist Hospital. So, in 1998 Roberta told me to go to Joslin and find a way to get them to train our people so that we can work with them in dealing with diabetes.

I went to Joslin and they said, 'What would you like us to do for you?' I said, 'Your mission is to mitigate the disease of diabetes until there is cure, and you can't do it. You can't do it because the rules say that in order to write a prescription for exercise and fill it, you have to be a certified diabetic educator and you have to have your Master's Degree in Exercise Physiology. There are 40 or 50 people like that in the whole country! You have 40 million people in the United States who have elevated blood sugar and Type I or Type II Diabetes, and you have nobody to fill these prescriptions. We want you to teach us. Teach us how to do it.'

They said, 'But that would be breaking the rules.' I said, 'I know, but you're Joslin. You're the biggest research center in the world.'

So, they came back to us two months later and said they'd do it. So, we've had a relationship with them since 1999. They call it a 'Partnering Agreement,' and they're great people to work with. So, our people were taught how to prescribe and fill a prescription for somebody who has elevated blood sugar, and it was done under the name of Joslin. After that, we started getting involved with The Beth Israel/Deaconess Medical Center who have doctor's offices here. Our building used to look like a barn or a Quonset hut on the side. In 1997, we added a front to the building and medical space, and we made our building look more professional. So, we added space for a primary care physician, and he rents space and works here. We have a dermatologist who works out of that space. We also have a certified diabetic educator who is a dietician in the space. We have another area and that has an orthopedic surgeon, a physiatrist, a physician's assistant, a podiatrist and an osteopath who specializes in sacral-cranial.

Another space that we have is shared by an acupuncturist and a company called Walden Behavioral who has an in-house hospital that deals with serious eating disorders. We're doing a pilot program with them. They have a belief that 50% of those that are overweight are that way because of night eating and binge eating. So, they set up an out-patient clinic here for people with night eating and binge eating disorders. The 90-day program has three components: 1) the psychology of it; 2) the nutrition of it and 3) the exercise. We provide the exercise here for those 90 days. Then, we've got an MRI that has been here for 11 years, and as I said before, we're in the process of replacing that magnet with a magnet by Hitachi, which is the most powerful in all of New England, from here to Manhattan. That company is called InSight Imaging. The imaging sessions will be 25 minutes instead of 45 minutes. They are also upgrading the X-Rays to be able to do multiple things with them. We also have a doctor that's doing very minimally invasive lipo reduction. He's an OBGYN surgeon who moved back from California and did not want to afford the \$150,000 cost of liability insurance for his OBGYN practice.

Life has enough missed opportunities...

How many have you missed?



THE "I Should Have Asked Her Out When I Had The Chance" MOMENT



THE "I Should Have Left The House Earlier" MOMENT



THE "I Should Have Made My Offer Sooner" MOMENT



THE "I Should Add Weight Loss Income Before My Competitor" MOMENT

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...The Gainsboros

continued from page 14

out 3½ days a week. We go out there to get referrals from doctors, just like drug salesmen do. We're drug peddlers... but, the drug we are peddling is exercise.

C.I. - So, you have people go out there and knock on the doors of doctor's offices?

LG - That's right. We see 600 doctors every 60 days. We're also seeing them for our physical therapy department, too. 70% is for this program called 60/60 (Phil changed the name of his program to P.R.E.P.; Physician Referred Exercise Program). But, what we do is this; when you come into the program, you're mandated to have us take eleven measurements because we're going to create a study that's going to show what we are capable of doing in a commercial fitness center with those that are ill. We take a finger prick of blood. The tests we take are HDLs, LDLs, TRIGLICERIDES, total cholesterol and A-1-C, and we pay for them. We do them here under our Medical Director's supervision, who is our general practitioner. Then, we take an SF-36, which is a 36-item questionnaire that is medically approved. We then take the five other measurements most clubs take, which are weight, hip-to-waste ratio, body composition, blood pressure and pulse. At the end of 60 days, we take six of those eleven measurements again. About 55% of the people then leave and 45% convert to a membership. At 150 days, we take all eleven measurements again, and at 365 days, we take all eleven measurements yet again. None of this is insurance paid. We pay for it because our goal is to get massive numbers of people to join this facility because they have no other choice; their doctors have sent them, so the data must be in the same language that the physicians understand. If you go to a doctor, what do they do? If you're a female, they talk about female issues. Then, they go to weight, blood pressure and pulse. Then, they take your blood, and from your blood, they tell you how you are. So, we're doing that same thing here, and they go back with that documentation.

We're also working with TechnoGym on selective programming that is just ours. They've created programming for us that allows us to measure

and watch all of this. We have Motionsoft as our software company, who is working with us on biometric entry because we know these insurance companies are going to say, 'How do we know that they were there?' So, we have biometric entry, where they put their finger in and swipe a card. We have exercise physiologists that take care of our members, and personal training is included in their membership at no charge. Our goal is to get hundreds of people to join this facility that would not normally join it, and that's how we intend to grow.

DHAC's Focus on Families - Downtown at DHAC

L.G. - That's our medical piece. The other side of what we're working on to grow is our programming for kids. It's a work in progress. We built Downtown at DHAC two years ago. It's a 7,000 square-foot space using the second floor of three racquetball courts. On top of those, we built a third floor, and then, a stage over an additional existing racquetball court. You enter a 110-foot long corridor with 22-foot high ceilings that are one half Disney and one half Vegas. From murals to real store fronts, you feel that you are in Disney World. That corridor goes from night to day every half hour, with LED light shows to Disney music every five minutes. Once you enter into what we call Grand Central Station, the first floor is for babysitting, 6 months to crawl; City by the Bay is crawl to 3 years old and Windy City is 3-6 years old. In addition, there is the Big Easy for group play. Upstairs is the Big Apple, a 2,600 square-foot kids' group exercise area with a Broadway stage, which is 900 square feet. It is holding its own, but we've got to do a lot of micromanaging to get that to be where we want it to be, which is dynamic (**Go to www.dedhamhealth.com** and click on **Family Fitness and Fun**). We want to have 1,000 to 1,500 families that belong to it just because of what it is. Remember that we weren't a family club in the beginning and have evolved to attract lots of families. Up until a number of years ago, we were 21 years and older, then 18 and older, then 16 and older...

The DHAC Business... The Team and the Multiple Business Components

C.I. - Lloyd, please tell us more

about your company that now generates \$12 million a year. Who are the key people, and how many employees do you have?

LG - As you know, Roberta is our CEO and President of the company and my job is business development, focusing on where we're going to be six months to five years from now. We have a group of employees that have been here a long time (**See Sidebar Below**). Overall, we have 50 full-time and 30 part-time employees in the winter, and in the summer, we have 54 full-time and 100 part-time employees.

C.I. - Tell us about all of the businesses you have in your 240,000 square-foot mega-club.

LG - We have four components to our business. There is the fitness component, which is our fitness center for adults. Kids are not allowed in, and teenagers must be 16 and over. We have special memberships for 14 and 15-year olds, but they've got to be trained first and go through orientation. For Adults, we have 76 group exercise classes a week in five studios plus a separate studio for Pilates (run by CC Martin who has taught Pilates for over 11 years. She is also part owner of a Pilates school in Connecticut). Next is our medical component, which consists of internal medicine, dermatology, dietitian, orthopedic surgeon, physiatrists, podiatrist, osteopathy specializing in sacral-cranial, acupuncture, behavioral science in eating disorder, the MD who does Botox, Restinal, Lipo Dissolve, MRI, x-ray, physical therapy, aqua therapy and back-to-life physical therapy. There is then the family/children's component and our outdoor component, with a Summer club in which almost 500 families currently belong. We have a pool, a pirate ship and a playing field out back. The fee is an average of \$1,500 a Summer. We also use that same campus for our three Summer Camps: 1) Tennis Camp, 2) our Regular Camp and 3) "My First Camp," which we are kind of merging into our regular camp. We have 10 to 11 weeks where we may have 130 kids in our camps during busy weeks and slow weeks when we have 70 to 80 kids. In addition, we have our swim programs which generate approximately \$310,000 in revenue; our karate school with about 150 kids per 9-week session, Rock climbing, dance and tennis lessons, with about 400 per session with Bill Floor.



The DHAC Pirate Ship

C.I. - What do you charge for memberships now, and how many members do you have?

LG - We charge \$96 for a single person with unlimited hours and \$86 for limited hours. We charge \$69 for a second person and \$45 for the first and second child and so on. Our enrollment fees average \$379 for a family and \$250 for a single. We do have a young adult membership for \$99 enrollment and \$59 a month. We have about 5,500 adults total and 1,700 kids. These numbers do not include our Summer Camp Programs, and some are not members but participate in programs such as tennis, swimming, Summer Camp, rock climbing and Karate.

The Future for The Dedham Health and Athletic Complex

C.I. - Lloyd, let's talk about the future of your club, and really, club businesses all across the country. I think we'd be safe in saying our industry is going to have to work smarter, harder and longer in the future to get the similar results to those we experienced as little as two years ago. What are your thoughts?

LG - We've got a lot of competition around here and have for a long time. A couple of years ago, I was talking to Joe Cirulli. Joe said, 'If you think about what you're doing, you should read the book *Blue Ocean Strategies* because that's what you're doing.' I bought the book, and he

(See *The Gainsboros* Page 18)

The Loyal Employees of DHAC

Pam Lauder - Sales - 35 years
Vince Dusio - Facility Manager - 20 years
Lars Lambros - Membership Director - 18 years
Steve Lempert - General Manager - 18 years
Margie Lamir Heger - Director of Physical Therapy - 16 years
Guy Caracciolo - Fitness Director/Karate - 13 years
Dodi Herk - 60/60 Co-coordinator - 13 years
Jim Boyadjian - Accounting - 11 years
Marianne Ricci - Tennis Director - 11 years
Bill Floor - Jr. Tennis Director - 11 years
Michelle Sayers - Children's Director - 11 years
Thomas Pena - Housekeeping - 10 years
Jesse Charest - Assistant Membership Director - 10 years
Chris Deshiro - Swimming Director - 10 years
Sarah Goodwin - Assistant Fitness Director - 9 years
Sarah Galante - Group Exercise Director/Karate - 9 years
Robbie Goldman - 60/60 Co-coordinator - 9 years
Vinnie Savio - Operations Manager - 7 years
Donna Duley - Bookkeeping - 5 years
Nikki York - Play Room Supervisor - 5 years
Donna Duley - Bookkeeping - 5 years

Physical Therapy Staff: Stephen Minard, Stephanie Schwartz, Kristine Towers, Tina Ferrara, Robin Pyy, Bruce Perry, Julie McLeish, Jaime Grant Kim Fennelly (Referral/Benefits), Luna Raphino (Patient Registration) and Luba Novotny (Billing)



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CEO, Visual Fitness Planner

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A club in Canada reports – “Fitness Managers are averaging PT packages of \$3,500-\$6,000 per PT deal.”

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...The Gainsboros

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was absolutely right. That's what we're trying to do. Have temporary monopolies so that we can be different than the rest. I mean... why would you want to chase the 15% of the population that are club members? We're trying to attract non-club members. It's not easy. When you're trying to get people who have medical conditions into a workout ethic or facility, you've got the drug companies against you; you've got the hospitals against you (or they don't care); you've got the physicians, who in a lot of cases still don't think of exercise as a way to help mitigate medical problems that way; and you've got the public who really believes they can take a pill and it will go away. It's easier. It's all easier than doing the work. It's trying to teach people at age 45 or 50, how do you want to die? You know the book *Younger Next Year*, do you want to go in a straight line, and when you're 85, fall off the line? Or, do you want to start declining at 45 all the way through your middle age into your old age?

C.I. - You mentioned franchising earlier. Given the financial investment a club must make to be where your club is, it seems to me that you could sell all of your medical services to your local Boston-metro area competing clubs. They can send their prospects to you for fee-based testing on a sub-contracting basis, and you can share the revenue with those club owners. Giving driving distances, I don't think there would be competitive issues with such an arrangement.

LG - Yes, I think that has some potential. We talked about doing it with Joslin Clinic to license a whole program, and they'd love to do a whole-licensed program with us. However, what I've learned being on the Board at IHRSA is that the majority of the club owners, and the big boxes, don't believe in what we're doing. In order to do what we're doing, you've got to deliver what the expectation of the medical profession is. That means that the only person that is recognized by insurance companies, by the medical profession and hospitals (other than a physical therapist), to deliver exercise is an exercise physiologist. So, if you don't have them working for you, then you don't have a chance.

We just got certified by the Medical Fitness Association (MFA), and it's difficult! (**Pub-**

lisher's Note: There are only two for-profit commercial clubs to my knowledge today in the United States that have passed the MFA certification. One of them is Phil Wendel's ACAC, and the other is Roberta Gainsboro's Dedham Health and Athletic Complex). If we were to license what we're doing to a facility, it may not be as tough as the MFA, but it would be tough. You've got to have everybody trained properly. You've got to deliver a safe venue. You've got to talk the language. You've got to be HIPAA compliant. You've got to have the right equipment and the right technology so that you can deliver information the way the medical community wants. There are not too many people who are willing to go that far. Remember, you've got about 30% of the population that exercise regularly. Only 50% of those belong to health clubs. You've got another 10% who don't seem to need exercise, and they're happy and healthy. So, that leaves you 60% that are overweight, and you take that 60% put them in all kinds of categories.

So, if you look at the model of LA Fitness, Planet Fitness, any of these places, their model is to cannibalize each other with the Churn. Take a look at discount stores of the past. They all churned. Who was the one that went into small markets and captured the market and did it in such a way that nobody else could get into the market because they had already taken most of it? That was Wal-Mart. By the time the other discounters woke up to what Wal-Mart was doing, they were all gone. If you think back on the different names of the early discount stores... the Kings, the Tops, the Caldors, the K-Marts, you've got few of them left. Now, you've got Wal-Mart, some Targets and a few K-Marts. That's it. So, all these guys, Zaires, Bradlees, ate themselves alive trying to compete in the Red Ocean vs. Blue Ocean. Wal-Mart just said, 'Hey, I'm going to capture all of these small markets by keeping my prices down and my expenses down and delivering my products. I'm going to beat everybody,' and they did. We've not had any real growth in this industry with increased penetration of the market in quite a while, so I think that franchising could happen for us some day. I think that we must get ourselves perfected more than we are right now. That's one of the reasons that we want to prove the fact that a commercial club can do the things that medicine can do, and

sometimes, can't do.

Lloyd Gainsboro, Former IHRSA Board Member, Weighs In With Good Advice

C.I. - I know you served four years on the IHRSA Board of Directors; could you share your feelings about that experience?

LG - It was a wonderful experience. I got to meet some great people. I wanted to go there to affect public policy, and I did to a small degree. But, John McCarthy kind of messed me up when he decided to retire. That transition put me behind a couple of years. I met a lot of wonderful people and am not going to try to name any of them because I don't want to forget anybody, but they were really great people. However, we also had some people that were on the Board for themselves, but *we were very fortunate* to have enough people on the Board *that had only IHRSA in mind*. They understood the difference between right and wrong and wanted the best for IHRSA, and that's how we got Joe Moore. You wouldn't have Joe, and we would have had someone up there who didn't know the industry. Especially, in these economic times, it would have been very difficult. I think and hope that those who get on the Board have no political agenda for themselves and will serve to enhance the future of our industry. I have to tell you that anybody who thinks they can benefit the organization should run for the Board, and I will tell you they will benefit at the end of the day. It was a wonderful experience; frustrating at times, aggravating at times, but it was a wonderful experience.

C.I. - How about some suggestions for IHRSA, looking at it from a member's viewpoint, but not on the Board?

LG - I think that there are two sides. I truly believe that many of those who read this cover story *aren't going to understand the tremendous value that IHRSA has for them; all the battles that IHRSA is financially fighting on a daily and weekly basis to cover their butts so that States don't come up with silly legislation that is going to dramatically hurt their business*. If you look and see how many events occur in States across the country, you'd be amazed. You've got to understand this, and most people don't. Just because it happens in Nebraska, you may not think it's going to hurt your club, but that's baloney. These States look and say, 'Hey, Nebraska is doing it, let's do it!

Let's put a tax on health club memberships. Let's make sure clubs can't do automatic renewal.' It goes on and on and on. I don't think they understand at all what IHRSA does for them. IHRSA also fights for us in Washington, D.C., and it's keeping us involved. You may not see the wins... yet. It's very frustrating, but I've got to tell you something, these 545 unbelievably crazy people in Washington don't have a clue who we are in this industry unless we tell them. They don't care about anything, except getting themselves re-elected. Unless we tell them that they're going to have a problem with us and our constituency, they don't listen to us. They are out there doing it! IHRSA fights that battle all the time, and it's hard.

The second thing I would say is that I would hope that the new IHRSA Board coming on this year understands that the majority of IHRSA, its funds (88%) how it operates and what it does is generated in the United States and Canada. IHRSA is a North American organization. It is represented in many parts of the world, 88-89%. There are organizations all over the world that are in basic competition with IHRSA for that particular country or group of countries, so IHRSA should, and I have said this to you before, Norm, stay with the date that brought them to the dance, and that's the North American IHRSA clubs. Conversely, the North American IHRSA clubs should truly *understand the value of this fantastic organization*.

IHRSA should spend less time trying to do anything but helping other organizations of the world and focus on getting its name out so that we get a broad showing from all over the world at the only real global trade show and convention there is. There is only one, and that's IHRSA. So, that's what they should be doing. Hopefully, under Joe Moore, and

the new Board of Directors that is coming in, that's the direction they will take. The last thing I'd like to say is that there should be something in writing to all new IHRSA Board Members to read and sign that says that they understand that they have a *fiduciary responsibility, a legal responsibility and a moral responsibility to be doing everything they do first, for this organization, and last, for them, personally*. The truth is that every individual that serves on the IHRSA Board of Directors will pick up so much from the experience that will help them in the future that they don't need to come in with an agenda that is going to buy them something else.

Thank You to Lloyd and Roberta Gainsboro!

There you have it folks. We hope you've enjoyed and learned from this terrific cover story with comments from 37-year club industry veterans, Lloyd and Roberta Gainsboro, two of the leading edge club owner/operators in the world. Thanks for your hard work and dedication, Lloyd and Roberta, and I would like to thank you both for your time for this interview. Thanks to Steve Lempert for photographs and graphic images.

(Norm Cates, Jr. is a 36-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 17th year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at (770) 850 - 8506 or email at Norm@clubinsideronline.com)

Local Causes Supported By Dedham Health and Athletic Complex

Dana Farber Cancer Institute - Raised \$670,000 from 2004-2009 by hosting an annual Barbeque Bash at the DHAC Summer Club. 50% of the monies raised were used Osteosarcoma research and 50% for Brain Cancer research directly deposited through the Pan Mass Challenge.

Dedham School Programs (Research with Mass General Hospital) - While conducting study with 150 children in two 16-week programs, parents were given free memberships while their children were in the program.

Dedham Health and Athletic Complex is the "go to" establishment in the Town of Dedham for all charitable endeavors.

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THE STORAGE RACK

- ▶ Durable powder-coated steel construction
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THE COLLARS

- ▶ Quick release tab for convenient loading and unloading of the bar
- ▶ Will not scratch or damage the bar

THE 10 KG SIDE RACK

- ▶ Durable powder-coated steel construction
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Advertising:

Don't Spend Good Money on Bad Ads

By: Derek Barton

The big question posed to me is, "How do I advertise in these tough economic times?" Whether in good times or bad, my answer is: Don't spend good money on bad ads.

I just saw an ad for a new gym in, well I won't give the city, because I'd like to protect the identity of a friend of mine. Anyway, it is a bad ad from a good gym owner. I will definitely call him and tell him he should fire whoever created this ad as well as the person who gave the green light to run it.

I'm sure he will laugh and tell me he has no plans to fire himself. He will likely tell me what I have heard hundreds of times from other gym owners, "Derek, that ad works for us."

My reply is always the same, "If a bad ad works for you, just think what a good ad will do for you." Words of wisdom from Jack Fund, one of the best Creative Directors I have ever worked with.

This bad print ad I saw is for a brand new club trying to get members to start working out in the New Year. The ad is 5½ inches by 8½ inches; not a lot of room to advertise, but no matter the size of the ad, you have to emotionally connect with the reader. The biggest thing you notice on this small ad is the year, 2010. It is five inches long by 1½ inches high. Nothing else in the ad comes close to its size and focus.

My question for you, and for my owner friend will be, "Is there anybody on the planet who doesn't know it is 2010?" Okay, maybe the Phuocwiev Tribe in the Amazon, but I'm sure even one of them has an iPhone with the time and date on it. So, I ask you, is the number 2010 the most important piece of information to put on your small print ad when you want someone to join your gym?

Another waste of good money on bad advertising is listing all your brands of strength equipment as if the average person knows the difference.

Two-thirds of our nation is overweight. Half that number

is obese. They all want to lose weight. They all want to look and feel better. They are looking for solutions, not names of fitness equipment, much less to be reminded of the year. They are looking for help.

I remember being at Gold's Gym, when our tagline was *Serious Fitness*, a line I felt was perfect for the brand. But, some members of our corporate team wanted to change it. There was another tagline they were thinking about using instead. I decided to take the new tagline into our famous Venice gym to ask some of our members what they thought of it.

When I finished my survey, I was walking out of the gym toward my office and saw an obese woman in her 50s working out by herself in the main room of the gym, alongside the bodybuilders, professional athletes and celebrities. I hesitated at first to approach her, but I was curious as to what she would say. I introduced myself as the head of marketing for Gold's Gym and told her that we were thinking of changing our tagline to something else. I showed it to her. She read it then asked, "What was wrong with the old one?" I played dumb, which is easy for me to do, and replied, "What old one?"

She said, "Serious Fitness!" I was pleasantly surprised that she knew it and asked, "You like that tagline?" With all sincerity, she looked me right in the eye and said, "Look at me, I need some serious fitness!"

She went on to say that she tried all the diets and that Gold's was her last hope. She had goals and dreams for herself and thought if we were serious about fitness that maybe we could finally be the one to help her.

Now *there* are some great words for an ad; *hope*, *goals* and *dreams*. These are words that emotionally connect with people like this wonderful woman, who together make up 66% of our population.

The fitness industry should be the sexiest industry on earth. It should be filled with passion, emotion and wonder.

As much as we may personally feel uncomfortable with change, we love to see someone else change in front of our eyes. Those extreme makeovers or body transformations on television's *The Biggest Loser* are incredible to watch. We impatiently wait for the results. Results are what your members and potential members are hoping for.

So, if you are going to spend your money on any kind of advertising in good times or bad, make every penny count. The look of the ad and its message need to engage people. Nobody ever bought anything without getting excited or emotional about it. You need to find the words and the pictures that move people. Don't clutter up your ad with useless information. Try one picture, one headline. Got Milk? Got it?

To the question, "Will people buy things in these tough economic times?" Hell yes, especially if it's something cool, if it's something that will help them prosper, and if it is something that will make them feel good. It's all in how you advertise it!

So, where do you start advertising? Start with your own customers. Brands that I do business with, like Apple, Nike, Staples, DirecTV, Continental, Southwest, Virgin, Marriott, all send me email blasts. Do I mind? No. If I have used their products or services before and I like them, why wouldn't I want to hear from them and continue to buy from them?

My clients ask me how often they should send out email blasts. My standard answer to them is, at least once a month. You don't always have to sell them something. You just have to remind them that you care about them as customers. You can inform them of a new class, new instructor, new trainer, an upcoming event, health and fitness tips, etc.

There are three ways of generating more revenue:

1. Get new members.
2. Get your existing members to buy more ancillary items.
3. Get your existing members to

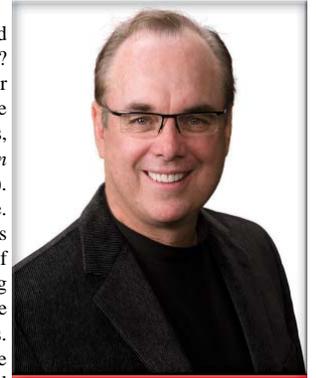
buy more often.

The brands I mentioned that I love and do business with? They get me to buy a lot of their products and services. And some of them, like the airlines and hotels, reward me (See the movie *Up in the Air* with George Clooney).

Also, fix your website. There are so many bad websites out there. This is the age of cyber communication. Growing up in California, when someone said surf, we all thought waves. Now, it's all about surfing the net. The world is smaller and more informative now that we have websites, email, Twitter, MySpace, Facebook, etc. My nine-year-old nephew has a mobile phone now and is texting me. When I was nine, I communicated with two Knudsen Orange Juice cans with a piece of string between them. My skateboard was a two by four with... never mind.

I find myself using my client Joe Cirulli of Gainesville Health & Fitness as a barometer for marketing a successful gym. I've sat in his sales and marketing meetings and have been blown away by the abundant communication that goes on inside his organization. I see a man who reads everything he can and attends as many seminars and roundtables as possible in his quest to be a better businessman.

I see Joe sharing his experience and knowledge with fellow gym owners when they make a pilgrimage to see him in Gainesville, Florida. I see him getting involved with his Chamber of Commerce and becoming their President. He sponsors charities and donates fitness equipment to high schools and supports his famous University of Florida Gators. I see him being recognized on magazine covers and winning awards for best business, best sales staff or for helping Gainesville become the fittest city in the country.



Derek Barton

Joe Cirulli is considered one of the best gym operators in the world, and more importantly, he's one of the finest human beings you will ever meet. That, my dear reader, brings us to the best advertising in the world, *Word of Mouth*.

When you can make a difference in your community, your city, your market and you can give the people around you hope and a promise to help them fulfill their goals and dreams, people will follow you, and even more, they will become evangelists and advertise for you!

Budweiser didn't become the "King of Beers" by boring us with their ads. They win us over by making us smile and laugh. Nike wows us with their ads and makes us feel we could run faster and jump higher just by wearing their shoes.

So, don't waste your good money on bad advertising. Make every picture and every word in every ad count. From your business card, to your website, from you and your staff to the branding of your club inside and out, WOW 'em!
(Industry veteran, Derek Barton, is the CEO of Barton Productions, Inc. and is available for consulting assignments. Derek may be reached by email at derek@bartonproductions.com or by phone at 310-704-3904)

View Derek's Author Profile at
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Key Performance Indicators

Part Five in the Series: Fifteen Steps to Paradise

By: Will Phillips

"I have personally increased my net profit by 30% in my first year of using Key Performance Indicators (KPIs). Not only that, the understanding of where my business could improve and where I was going wrong was very quickly identified."

Peter Conroy
REX Roundtable Member

Summary

Keeping score enables your business to play the game with more focus and drive. Not knowing the score in your department or for your company means the best you can do is to show up and follow the rules. But, this is not enough to win at the game of business. This article explains how selecting and regularly reporting key measures is at the heart of enabling managers to manage and all employees to behave like business people. This enables you to enlist and engage everyone's energy and thinking to achieve the club's goals.

Why We Need KPIs

There are hundreds of items that your organization measures and records. Just look at your multipage, year-end financial statements. Balance sheets and profit-loss statements

are created under a list of rules and guidelines to encourage uniform reporting for tax purposes and for keeping outside owners informed on the business. Businesses lobby to create a set of generally accepted practices in these reports which favor their industry or business. Financial reports are not designed to manage a business. They are too complex, too confusing, contain lots of irrelevant information and miss other important data.

KPIs Defined

KPIs are the key measures of success of your club(s) and its departments. A good set of KPIs is the smallest set of measures necessary to tell how healthy the business is and where to focus your managerial energy. In sports, the KPIs are the numbers on the scoreboard. KPIs are derived from your strategy and budget so that achieving them achieves your strategies and budget. KPIs (also called Key Success Factors) cut through the fog of financial statements to provide a small number of key measures that can be used to manage the business.

Why KPIs Are Crucial

Without KPIs, managers cannot manage. They learn that their job is to show up on time and follow the rules or the boss' orders. This is very different from

managing the club's performance proactively. KPIs are assessed and reported regularly. They form the backbone of the organization's steering or control system by telling everyone what is important and what to focus on. Making decisions and solving problems is also guided by the KPIs.

The use of well defined, regularly reported KPIs keeps management focused on the important issues and helps prevent managers from being overrun by the urgent, day-to-day 'doing' activities. This is one of the major strategies for getting you to work 'on' your business instead of 'in' your business.

KPIs are also critical in defining and communicating structure, as they are the focus of assigned responsibilities. KPIs provide a vehicle for the manager and the managed to clarify and reach agreement on critical elements of responsibility of what is truly important in terms of performance. They form a base for moving the organization forward in a more performance-based management system and allow for the identification of truly excellent managers. When a manager has well designed KPIs, a traditional job description is largely irrelevant. The KPIs an individual is responsible for give an objective way to assess his performance. The KPIs take away the subjectivity and allow you to look at performances based on results. KPIs form the basis for a performance-based reward and recognition system that links individual behavior to organizational performance.

REX Roundtables have been tracking KPIs in its members' clubs for nearly twenty years and using them to drive improvement. Everyone measures the same things the same way. Then, everyone is ranked from best to worst on each KPI. Admittedly, not every owner has the stomach for this, but the payoffs are spectacular. Owners compare results and find this a huge value because, if one club has a much better KPI, then the fellow members can find out what they are doing to have such good results! They then use the information in their clubs to help increase profitability and improve specific

aspects of the club operation.

Your Information and Control System

The purpose of an Information and Control System (ICS) is to steer the ship. The traditional name for this system was the management information system (MIS). This is a bad name because the goal is steering the ship, not just getting information. A good ICS keeps your business on course by letting every department and every employee know what is important, how well they are doing and what they should focus on. A good ICS enables owners to delegate to managers and managers to delegate to front line employees with confidence. A good ICS captures the club's strategies and goals into daily actions.

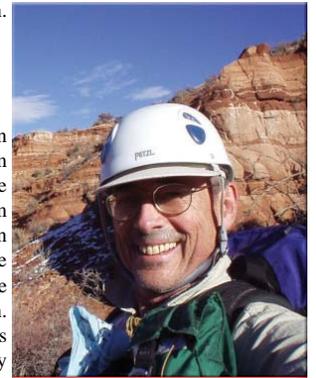
An effective ICS contains five elements:

1. Setting performance goals
2. Deriving Key Performance Indicators
3. Delegating, engaging and enlisting all employees in playing the game
4. Taking corrective action when they are off course
5. A culture of performance driven from the top.

This article is about the second element: **Deriving Key Performance Indicators**

Guidelines for Setting Up Your KPIs

1. Select the smallest number of KPIs that cover roughly 90% of the variation in the performance of the club or department.
2. Report on plan vs. actual on a monthly and year-to-date basis.
3. Choose graph, chart, trend-line or numbers to ensure the clearest communication.
4. The KPIs should be reported to, and be the responsibility of, the department team that will work to continuously improve those factors.
5. Customer service and quality KPIs all have a goal of zero errors.
6. Clarify specifically how each KPI is computed and how often.
7. Trend data (e.g., results over months/years) should be used to identify progress or problems



Will Phillips

over time, whenever possible.

8. Ensure the KPI is reported with little delay (under 24 hours) to the person or persons responsible for that KPI.

Use this list annually to evaluate the KPIs in your club. Simply have your key managers rate each item from 1 (low) to 10 (high) on how well your club is doing with each item. Then, meet and share ratings and discuss where improvements are possible.

Health Club KPIs

The six KPIs below will account for about 90% of club profitability in REX Roundtable clubs. In other words, all six must be driven in the right direction every day of the year if you are to achieve the levels of profit your club can yield. Not one of these can be neglected. Learning to enlist many of your staff in managing these KPIs to goals has consistently led the best REX Roundtable clubs to post EBITDA (earnings before interest, taxes, depreciation and amortization) of 40% and more.

• **Membership Income as a Percent of Total Revenue** - This figure tells you how much the ongoing viability of your club relies on the sale or renewal of memberships. A goal would be 70%, which simply takes the pressure off sales and makes you work harder on building other profit centers or income producers in the club.

• **Attrition or Retention Rate** - This is the number of members who drop out or stay with their membership. There are many ways to establish this figure, and each method has its own
(See Will Phillips Page 23)

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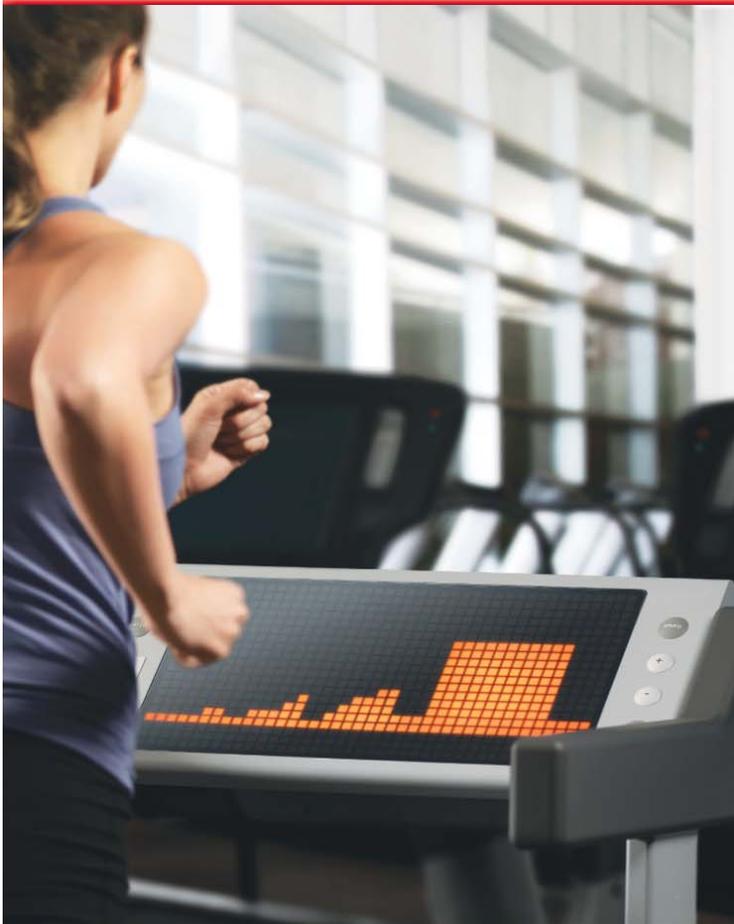
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...Will Phillips

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advantages and disadvantages as well as whether or not different aspects of growth and attrition are included. Subtract the cancelled members from the new members of the month, did you grow? If you did, you will have positive retention. If you didn't, you will have attrition, and this becomes an area you need to work on.

● **Wages to Revenue Percent** - This figure compares your total wage bill, including all benefit costs, to your total revenue. Ideally, this figure is around 38%. You will only achieve this level if you diligently manage by the numbers for at least a year or two. This figure can be affected by whether you achieve high revenue levels of personal training, tennis or other ancillary revenue categories.

● **Revenue per Square Foot** - This figure is found by dividing your total revenue by the size of the club in indoor square feet. This tells you how efficiently you are using your space. There is no ideal or benchmark figure, but it had better be greater than your rent per square foot or you are in trouble. Looking at each separate space in your club for its revenue production is a good exercise to identify unproductive space.

● **Revenue per Member** - This tells you what each member is worth and is a good indication of how much you need to spend to get a member or keep a member. You simply divide total revenue by the number of members.

● **Cost per Sale** - This is the average cost of acquiring a new member. It includes all marketing and selling costs. For a strong fitness-only club, it is in the \$100 per member range. For tennis/full family clubs, it often exceeds \$400 a member.

Goals, Gaps and Best Practices

A good, balanced set of KPIs tell you what key measures to pay attention to in managing your business. This does not tell you what the numerical value for each KPI should be, so only when you set these goals for each KPI can you tell if you are on target, or if off target and by how much. Some goals are open ended (i.e. the more revenue, the better). Other goals are closed with an upper and lower limit, such as the percentage of labor related to revenue. Setting this goal at 38% indicates we do not want to go above or below 38%. You can refine goals by printing them in color:

- Green** = Exactly on target
- Yellow** = Caution, this is off target [often set at 5% of the target]
- Red** = Danger! Immediate attention and an all out effort are needed.

Think of yellow as the rumble strip on some interstate highways, whereas red means

you are off the road on the dirt shoulder.

How to Set Goals for Your KPIs

Some goals can be set by necessity. For example, we must have \$14,000 of dues revenue per month to be able to pay all our budgeted monthly costs. Owners often settle and accept low goals because they do not believe higher ones are possible. This is where comparing your KPIs to other clubs is invaluable. Invariably, some clubs will do well on some KPIs, but no club does well on all KPIs. Thus, comparing with your peers is powerful for setting challenging goals. Comparing yourself to another club or two is fine but deceptive. Those other clubs may be in unusual circumstances, and you are not really comparing apples to apples.

This is where **Best Practices** methods can help. One way is to take a large enough sample of clubs --say 15-- and then create a best practice number for the actual performance on each KPI. This is the average of the top 25% performers on each KPI. This creates a challenging, but realistic, target for you. Best Practice comparisons are only effective under two conditions. First, you must be absolutely convinced that you are comparing apples to apples. This is most easily accomplished if you can talk honestly and fully face-to-face with other owners of multiple clubs. Second, you must be able to engage in a dialogue with the clubs you are comparing yourself to in order to discover what it is they are doing differently and better than you are. Frequently, this involves on-site field trips.

In the absence of best practice information to help you set goals is to simply take your current performance on each KPI and improve it by 5%. This is a fairly standard way of goal setting in high performance organizations. If that is too scary, try 2% or 3%. Now you can compare your actual number to the best practice goals and identify **GAPS** between the two. Management now focuses on closing the GAPS. You are managing by the numbers!

Barriers to an Effective Information and Control System

The enemies of an effective Information and Control System Include:

1. Collecting and distributing so much data that it is difficult to decide what to review, making it difficult to find the important information in the haystack of data (Most mature organizations have too much data and too little information).
2. Few, if any, really understand the reports.
3. Having no regular reporting of, or process for, reviewing progress on KPIs.
4. Having no skills and/or focus on problem solving and corrective action to close GAPS between desired and actual KPIs.
5. A culture of blaming and explaining where no one takes responsibility.

(See Will Phillips Page 24)

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World Gym Names Getmembers.Com as New Direct Marketing Partner

Atlanta, GA - Getmembers.com and World Gym International are proud to announce the signing of a new agreement that makes Getmembers.com the preferred direct marketing vendor for World Gym.

"We believe that Getmembers.com is the premier direct mail provider in the health and fitness industry, and

we are thrilled about this new partnership," declared Guy Cammilleri, Managing Director of World Gym International. "Their products are high quality, their service levels are outstanding and their speed to market can't be beat. We know our World Gym franchisees will benefit from Getmembers.com's marketing expertise."

Getmembers.com is the nation's leader in turn-key, targeted direct mail for the health and fitness industry. They custom design, print, address and mail highly targeted direct mail campaigns for one low price. Included in its services are creative design and prospect mailing list development.

"Our clients quickly

come to rely on us as marketing partners. We are equally excited about this new partnership and opportunity to support World Gym's future growth," stated Steve Freedman, President of Getmembers.com. "It's always rewarding to be a part of a strong organization."

"Getmembers.com provides so many tools to make

the process so easy. They created a proprietary World Gym art library within their website, and their personalized, online dashboards enable each of our franchisees to track and approve their own individual campaigns online anytime. You can't beat the quality and convenience," noted Bill Windscheif, VP of Gym Development for World Gym.

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...Will Phillips

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6. Focusing, monitoring and controlling activities on a few KPIs while ignoring others.
7. Focusing, monitoring and controlling activities on less important factors.
8. Having no regular process that emphasizes or engages the joint responsibility and need for teamwork within and across departments in making progress on key factors.
9. Having KPIs that are not seen to be part of anyone's responsibility (i.e. "it's someone else's problem,"), often caused by the challenge of factors that can't be completely controlled by one unit.
10. Having no standards of performance or goals for each KPI
11. Good KPIs, but they are reported late.

Use this list annually to evaluate the Information and Control System in your club. Simply have your key managers rate each item from 1 (low) to 10 (high) on how well your club is doing on each item. Then, meet and share ratings and discuss where improvements are possible.

RESOURCES: This article is abbreviated from a larger, longer REX publication, *Managing by the Numbers*. It will be publically available in February, 2010. Also, see several books on *Balanced Scorecards* by Robert Kaplan and *Balanced Score Card for Dummies*. One of the best resources for a simple club wide KPI system is *One Page Management* by Khadem and Lorber.

(Will Phillips is the President of REX Roundtables for Executives. REX chairs eighteen club owner

roundtables in the U.S., Australia, New Zealand, Brazil and Japan. The newest REX Roundtable will focus on Small Giant businesses

in all industries. Your comments and inquiries are welcome at Will@RexRoundtables.com

View Will's Author Profile at www.clubinsideronline.com

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Community Giving: *Is It the Secret to Success?*

By: Jeffrey Keller

Publishers Note: In August 2009, the CLUB INSIDER Cover Story had a one word title: **Trust**. The message was that one reason our industry has been stuck with a membership penetration hovering around 14 to 15% of the U.S. population for five years now is because many consumers just do not *Trust* the health and fitness club industry. I argued that clubs everywhere can work on solving that problem by doing things that will help their community. This article by Jeffrey Keller provides multiple thoughts and ideas about this topic, and we challenge you to take it and run with it in your community, if you're not running already. Two things will happen: 1) You will build more trust in the minds of the citizens in your community and 2) Your business will benefit in many ways you can't even imagine right now.

• • •

It's been taught to generations that 'it is more blessed to give than to receive.' But how blessed is it when you give *in order* to receive? I heard this comment on National Public Radio on December 22nd. The underlying truth of this comment rang true for me, and I began to think about the club industry. How often have you found yourself, as a club owner or manager, faced with a donation request only to calculate in your mind your expected return before you say yes? Unfortunately, 99.9% of you just raised your hands. This is sad.

Now, don't get me wrong, I'm not in business to go out of business. My business decisions are made based on the core values of the company and our mission. Everything I say or do is geared towards our success. With that said, altruistic giving is part of our mission. Yes, part of our vision is that a better world means a better community. It also means positive growth for us, but that's not the driving force. If it were, everyone would see right through it. Instead, we give from the heart, we get involved because we care, and if we see a positive return for the business because of

it, that's icing on the cake. And, we have never been disappointed with our decisions. Sherry Robb, Founder of the Fitness Industry Group and CEO of Market My Club, put it best:

"Academically speaking, I don't believe in altruism. There is always a payoff. If the reward in giving freely of our time, resources, talents, concern, being selfless and generous makes us feel good about ourselves, then this is a return. But, in spite of the return, it contributes to our greater sense of purpose, either for ourselves, our community, our industry or for all of humanity. So, there is always a heart to the matter. Even the most gracious and generous philanthropists have a purpose that drives their most selfless acts. By definition, that isn't altruism.

That's not a bad thing, though. I teach clubs to nurture charitable alliances for the good-will it builds in others towards them and their businesses. That's not altruism; it's good business. I call it **Mojo Marketing**. The more we give, the more we get, the more there is to go around. We all win. The world needs help, and we all have the personal and social responsibility to leave it a better place than when we came into it."

So, why then have I gone on about *giving back*? Well, when I founded the Independent Health Club Networking Association (IHCNA), I was looking to give back to an industry that I love. What I found was a core group of individuals who believed in the same thing. We shared best practices with each other. We gave each other advice. We networked. In essence, we helped each other succeed. We've done this since its inception, and the IHCNA has grown rapidly into the niche group that it is today. More importantly, most, if not all, of the IHCNA's members are doing great. In general, we beat 2009, and we did it ethically, responsibly and bettered our communities while doing it. But, the rest of the industry as a whole hasn't caught on. They're seeing a drop in total members and racing to see who can offer

the cheapest memberships, and certain operators are even acting unethically. Is it any wonder that the buying public has no "Trust" in us, as Norm Cates puts it? Well, it's the IHCNA's belief that freely giving back is the answer. We can change the consumer's mind about us and maybe even engage some of that 85% of America that hasn't even been part of what we offer. All we need to do is give back.

So, to start everyone off right for 2010, here's a list of sorts for giving back. To my knowledge, no one has ever published a list like this before. In fact, this list is written based on the collective experience of those who have been involved with the IHCNA, so you're not going to be able to pick up a book, buy a DVD, download an audio file or read something on the internet about where we came up with this list. So, with love, here it is. Now go forth and *give back*:

1. Don't do it looking for a return. Michaela Conley, CEO of HPCareer.net and part of the Executive Team at IDWellness, has long been a contributor to this industry. She and her colleagues are known for helping others in this industry without asking for anything in return:

"HPCareer.net and IDWellness are both based on the 'Golden Rule' philosophy. Giving back to the industry that I am so personally passionate about is what makes it exciting to turn on the computer each day."

However, a return is what she's gotten. HPCareer.net is probably one of the most successful job search sites in our industry. Visit the website, and it will be obvious why.

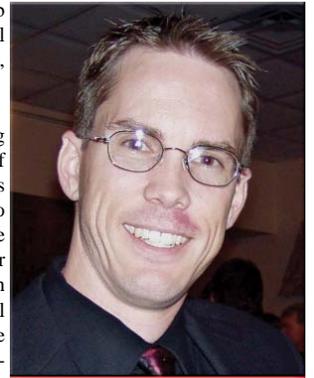
2. Include your members. Here's something that many owners and operators should do, but consistently soliciting members for their suggestions for charitable contributions runs contrary to many companies' business philosophies because the charity may not be important to them. However, it doesn't have to be that way. Herb Lipsman,

President of The Health Club Company and former General Manager of The Houstonian, relays his experience:

"Many years ago while serving as the General Manager of The Houstonian Club, I was approached by a member who wanted to do a fundraiser for the Periwinkle Foundation (a summer camp program for children with cancer in Houston). After several conversations together, we came up with the idea of an indoor bike-a-thon using our Lifecycles. We created teams of five riders each. Each cyclist was to ride for 30 minutes and burn as many calories as possible. They each also had to raise at least \$200 in sponsorship to participate. We gave out awards for most calories burned individually, and for the team, and we recognized best team uniforms, best team spirit, etc. Best of all, this event has now been going for well over ten years and raised more than \$1 million for its worthy cause."

Notice that the "member" suggested the charitable cause, not the other way around. With embracing altruism in this way, you not only give back to those in need, but you give back to your members who believe in the charity and its cause.

3. Include your employees. One of the greatest programs I ever constructed was based off of a corporate giving program from a former employer. Little did I know what I constructed would be such a hit with our employees. What I provided was a gift certificate for a full year's membership to each and every employee, for them to donate to the charity organization of their choice for silent auctions. The only stipulation was that they had to partner with a member to determine who to donate it to. The results I saw were nothing short of amazing. No, we didn't have a rush of new members signing up because we were so giving, but rather, our employee turnover went from more than 18% annually to less than 5% (ad hoc measurement). Improving employee turnover wasn't the aim of the program, but if you believe,



Jeffrey Keller

as I do, that committed employees are the single most important asset you can have, then you can understand the unintended power of this initiative.

4. Make it a part of your general business model. Giving back shouldn't be a some-of-the-time thing. You need to build it into your business model for you to be successful at it. Bruce Lipsky, former National Director of Fitness for JP Morgan Chase, put it best:

"At the core of 'Excellence of service delivery' is the notion that whatever you are doing or providing is ultimately for the good of the customer. Of course this will translate back to a positive return (intended). Sometimes, what we feel is the 'right' or 'nice' thing to do for a client may not pay back or provide a documentable or measureable return, but because we feel that it is 'right,' shouldn't this be enough?"

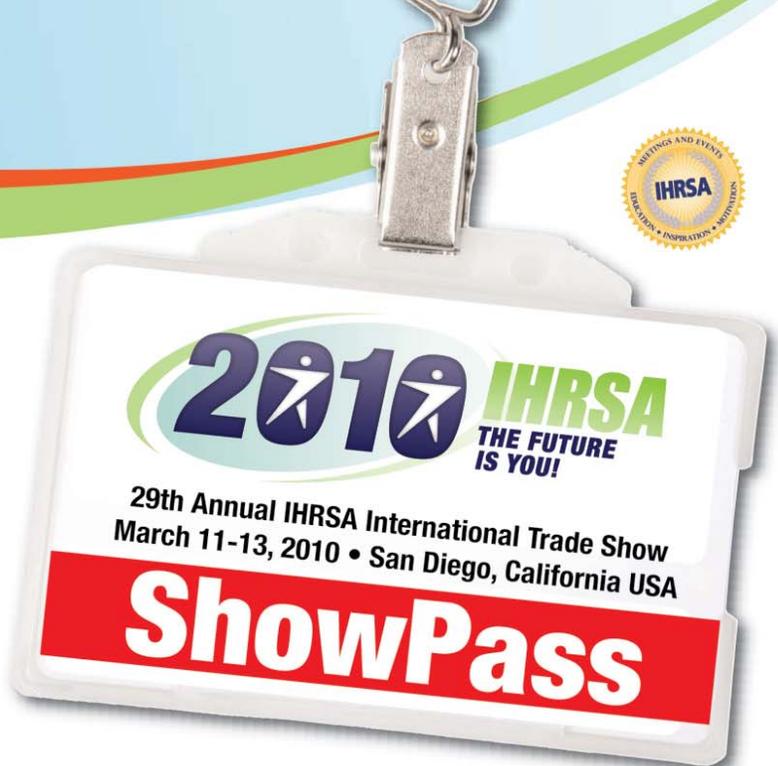
At Five Seasons Family Sports Club, they've even integrated it into their mission. Joseph Pinnell, Vice President of Club Performance, describes their mission like this:

"At Five Seasons Family Sports Clubs, we have revamped our core values: **Honesty, Enthusiasm, Anticipation, Relationships and Trust**. Service from the **H.E.A.R.T.** is how we are moving forward in 2010. This new focus from our Associates will enable them to think about the interactions rather
 (See Jeffrey Keller Page 28)



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...Jeffrey Keller

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than the transactions which our industry is known for."

They've put giving back at the core of who they are, and you should, too.

5. It should make a sustainable impact. Sustainable impact is a subjective phrase, but as Jim Thomas, President of Fitness Management Consulting, puts it:

"(Altruistic giving) should be something sustainable, not a one and done... like a free week's membership."

Although a membership to your club may have value, Jim has a point. Giving something that is of little value isn't selfless. It demonstrates your lack of willingness to part with what is needed because it will impose on you, but it doesn't mean you have

to give away the bank either. It has to be significant enough.

6. It doesn't have to be a big charity to be worthy. Anyone who knows Rob Bishop, Co-Owner of Elevations Health Club in Southeastern Pennsylvania, knows that he's a giving guy. He probably speaks at conferences and writes for the industry magazines more than any other non-consultant in the industry. But, he looks out for the littlest of guys, too:

"We have this one event that we organize... At Christmas, we have a gift tree for our local children/youth (foster kids, underprivileged, etc). A member (or staff person) can select a child from the tree and buy them a gift for Christmas. Many of the kids need basics, winter coats, gloves, toiletries, etc. Our members go above and beyond, often buying several gifts for each kid. We started a few years ago with 25

kids, and this year, we did 250!"

The entire event is done without publicity or selling any memberships. It's entirely for the kids --no non-profits involved and no fundraising-- just gifts for kids. What's more, he and Barry Klein, fellow Co-Owner of Elevations, have never expected anything in return for their kindness. But, as Sherry Robb described above, "Mojo Marketing," whether intended or unintended, has kept Elevations thriving while others are struggling.

7. There needs to be organization to whatever you do. Just like with all initiatives, to get the biggest impact, you need to be organized about it. Ken Germano, Principal at Wellness Fitness Consultants and past President of the American Council on Exercise (ACE), approaches "giving" with the same structure that he does with his business dealings. He even

suggests building "a supportive environment," constructing "an operating plan and appropriate budgets" and "establishing a timeline, usually 6 to 18 months." Though overlaying this much structure onto a small charitable donation isn't necessary if you are to implement the other points in this list, but Ken's suggestions are important. Keep this in mind, especially if you're intent on making "giving back" sustainable.

So there you have it, the collective experience of some of the better known members of the IHCNA. But, the rest of the IHCNA members are just as giving. They all have been successful by thinking of others first. It is truly the secret to success. Joe Cirulli, past

President of IHRSA and Owner of Gainesville Health and Fitness Center, sums it up well by reciting an anonymous quote he holds in highest regard:

"If you help enough people get what they want out of life, you'll get everything you want out of life." I think we can all agree with that.

(Jeffrey Keller, MS, MBA, is the Assistant General Manager of VillaSport Athletic Club & Spa in The Woodlands, TX. He's also the President of the Independent Health Club Networking Association (IHCNA). ANY and ALL comments regarding his articles are appreciated. He can be reached at jeffrey_keller@msn.com, on [LinkedIn](#) and [Twitter](#))

View Jeffrey's Author Profile at
www.clubinsideronline.com

Why We Train

By: Shawn Vint

Publisher's Note: This article, geared towards inspiring your members, appeared in **Shawn and Lynette Vint's December Greenmaple Wellness E-Zine**, customized for clubs. It is available to club members through a very reasonably-priced subscription to **Greenmaple Wellness**.

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So... you're in the process of making a life-changing decision. It is one that will have an impact for the rest of your days if you follow through. It is one that will affect not only you, but your family, friends and co-workers as well... if you follow through. Well friend, from someone who exercises on a regular basis to someone who's considering it, I'd like to tell you why we train.

We are the ones you've

seen as you drive by the fitness club on your way to work early in the morning or on your way home. We are a mixed lot; men and women, young and old, rich and poor, business executives and laborers and every race and creed. But, when we enter the doors of the club, those outward appearances --the labels we wear-- drop away, and we become family. It is one of the few locations left on this earth where one will find that experience. It makes me proud to be part of that kind of family.

We go for many reasons, each of us with our own personal commitment. Some are trying to shed a few pounds, while some are trying to shed the unfortunate baggage that life has a way of placing on our shoulders. For some, the line between the two has blurred over time, but when we change from our 'street clothes' to our gym attire, the burdens of

life become lighter for a spell.

We see familiar, friendly faces. We encourage others on their journey, as they, in turn, encourage us. We welcome the new faces we see, and we help them feel like they are part of our family by sharing our experiences and our knowledge as best we can.

We would be less than truthful if we said that it was always easy. It isn't. Some days, the baggage spoken of earlier tends to bring us down. Sometimes, the alarm clock goes off too early in the morning for our liking. Sometimes, it seems easier to turn left towards home than it is to turn right towards the club. But, we have already made the step you are considering... we've followed through.

And so, we put our baggage on the shelf, we put our feet on the floor when the alarm goes, and we turn right toward the club. Every time we continue

to follow through in this manner, the baggage becomes lighter, the mind and the body become stronger and we take a step in the direction of a better and more fulfilling life.

We march to a different drummer; we make no excuse for that. But, the drummer's beat is different for each of us, so please don't feel that the beat that you hear will be unacceptable to us. You might be pleasantly surprised, in fact, to meet others who hear that same music.

You are, to use an expression of the day, at a tipping point. It may seem easier at this point in your life to simply tip back into the same old routine that you've been living until now.

But I've one question to ask. What brought you to this point?

Don't answer right away. Sleep on it. Mull it over in your mind for a few days if you wish. But please, please understand this... we've been where you are. We understand the difficulties of life that have caused you to drive by us, while you dealt with those difficulties in the only manner you knew. There is a better way, though, and like every journey in life, it begins with a first step. We hope you take it.

(Shawn and Lynette Vint publish the individually club-customized Greenmaple Wellness E-Zine. Find them at www.gogreenmaple.com.)

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Programming Tip of the Month: *Programming for Children*

By: Sandy Coffman

I truly believe that programming is going to be the number one direction that successful clubs will take in our immediate future. Yes, it takes work, effort, skilled leaders, marketing and promotions... but it works!

Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas includes programs for all interests, skill levels, schedules, personalities, genders and ages. All are important, but let's just look at the general concept of programming for kids, why it's important, what you can do and how it will increase your business.

Our industry has an opportunity and a responsibility to create and implement programs for children of all ages, 9 months to 90 years! Like any other population, children fall

into niches (in this case based on age) that determine the best programs for happy, healthy lives. If children are active in their early years, they lay a solid foundation for a healthier adult life; therefore, a book on fitness programming would be remiss if it did not feature some specific programming ideas for children in their formative years, say 1 to 16.

Just like adults, children respond and react best when they experience an activity with other kids like them, with similar interests, skill levels, schedules, personalities, ages and genders. The age groups of children are most important when placing them in programs that will generate results and ongoing enthusiasm. It's another case of programming (age-related activities) to niches (certain age groups) within the niche (all children ages 1 to 16).

As with most successful programs, the sociability factor

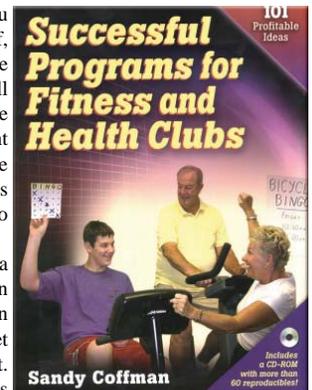
is huge with children, as are variety and fun. As children grow older, their body awareness, personal goals and competitive spirit become more important. Children who are brought up in a physically active world that combines creativity, imagination and fitness challenges are more likely to participate and enjoy sports activities of all kinds as they grow older and will maintain a healthy lifestyle all their lives.

We know that parents must take on the responsibility of developing exercise as a way of life for their children. Your club is their answer to getting kids to know and see that exercise is a way of life, not just a seasonal activity. It's clear that kids' programming must be an integral part of your programming calendar, and it may begin with fitness programs that require parent and child involvement. In fact, in the beginning years, parent-child classes tend to nurture healthy bonds between the child and parent as well as developing healthy bodies and minds.

Perhaps, as you focus for

a moment on kids' programs, you will discover the child in yourself, while remaining the expert, the guide and the protector and will become even more productive and creative in the development of your adult programs. In the next couple of months, I'll focus on a few programming ideas to get your creative juices flowing.

Each programming idea will include a general description of the program as well as an indication of the age market that the program will attract. Some include tips for success and points to consider, and some offer variations of the program. Most important, you will see that there are a multitude of kids' programming opportunities for you to include if you have the type of facility and demographics for this market. Your kids' programming classes are prime-time opportunities for growing the programs and your membership



too. Nearly every kids' program should end with "Bring a friend." The words *children* and *friends* simply go together! Regardless of whether your program is for one day or a full week, it's sure to be a success for the kids and the club.

(Contact Sandy Coffman at SLCoffman@aol.com or visit www.sandycoffman.com)

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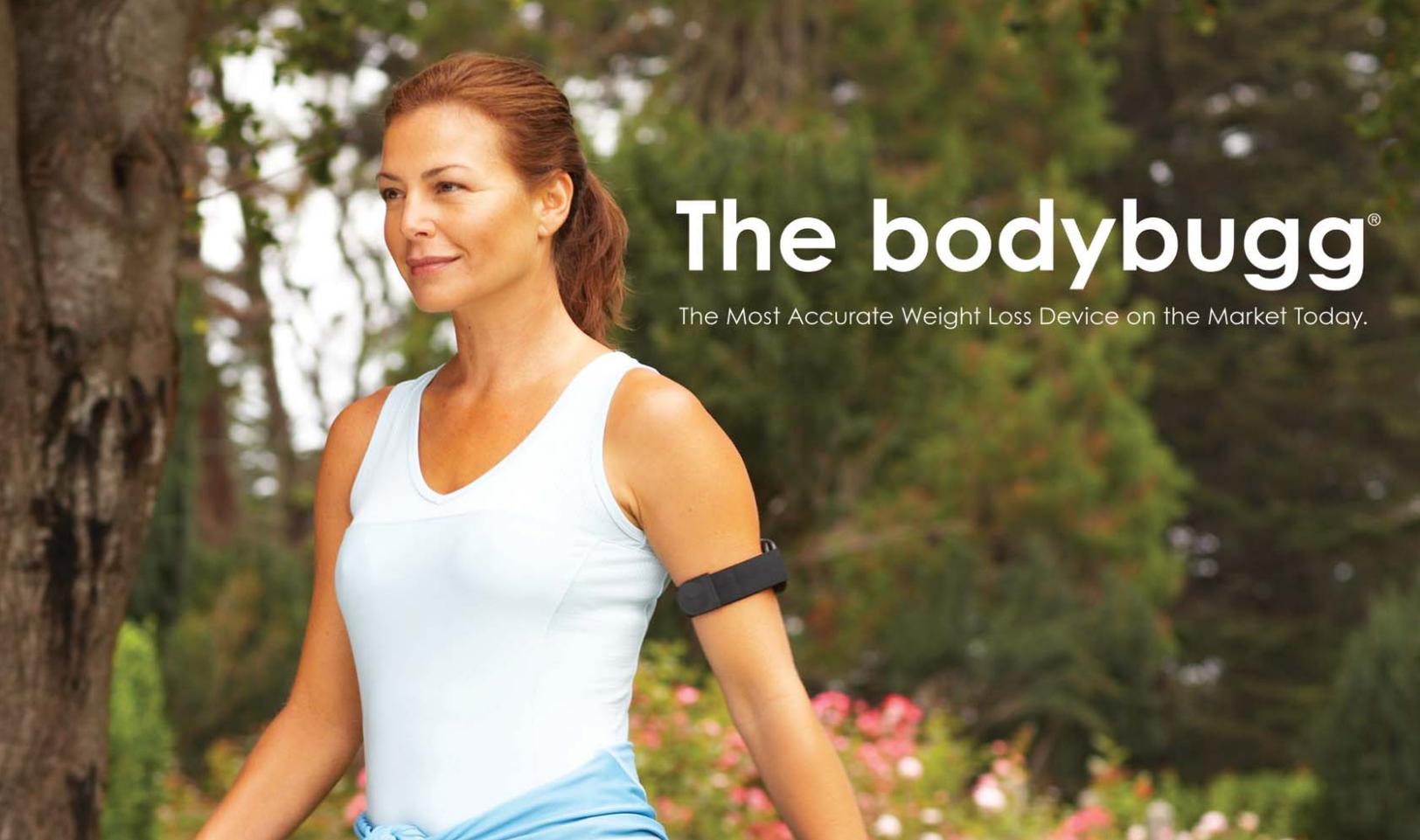
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