

Norm Cates'

CLUB INSIDER

CELEBRATING 30 YEARS OF TRUST

Laury Hammel and Longfellow Clubs

Celebrating 50 Years of Serving the Community



Myke Farricker, General Manager, and Laury Hammel, Owner, Receiving the 2011 IHRSA Community Service Award

JANUARY 2023

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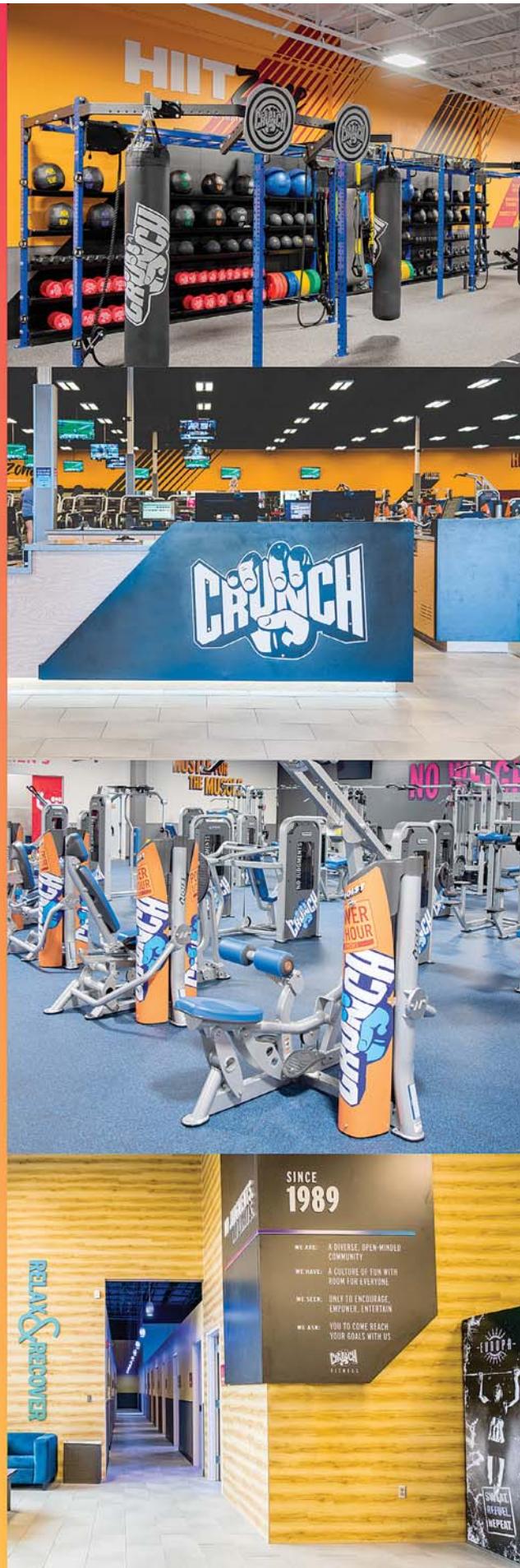


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CLUB INSIDER

CELEBRATING 30 YEARS OF TRUST

Laury Hammel and Longfellow Clubs

Celebrating 50 Years of Serving the Community

By: Norm Cates

It's not every day we get to share the story of someone who is celebrating 50 years of service to this great industry, but today is one of those days. Today, we celebrate **Laury Hammel, Owner and Founder of Longfellow Health Clubs.**

Contained within the text that follows, you will experience more stories, lessons and advice than we likely have ever brought forth in one single edition during our 30 years of publishing. Whether this is your day one, or like Laury, your 50th year in the industry, in this cover story, you will find something you do not know, can learn from and implement to create success. That's a worst-case scenario. More likely, though, is you will learn multiple things!

Because of this, I urge you to read

everything Laury intimately shares with us. Assimilate it into your being. Then, share it with others. You will be so happy you did. Now, without further ado, *Club Insider* presents:

An Interview With Laury Hammel, Owner and Founder of Longfellow Health Clubs

Club Insider (C.I.) - Laury, to begin, let's give our readers some background information about you. First, when and where were you born, and where did you grow up?

Laury Hammel (LH) - I was born in Salt Lake City, Utah on Cinco de Mayo, May 5, 1948, and I grew up there. My Mom and Dad met on the *University of Utah Tennis Courts*, and they were married in 1946. My Dad started playing tennis when he was about 11 years old, and he was one of the best players in Utah. My Mother also played tennis, but she

didn't play the game at the competitive level until she was 30. My Dad was a top player on the *University of Utah Tennis Team*.

C.I. - Please tell us about your family.

LH - I was married in 1969, and we had five children. Four of my five children play tennis, and all five of them were totally immersed in the club while growing up. Norm, I'm a lucky man because I have five wonderful children who all grew up at Longfellow, and they all worked at Longfellow in various jobs. They are now very successful professionally and live in the Northeast. I am beyond blessed to have seven beautiful and spirited grandchildren who bring me great joy!

C.I. - How old were you when you learned how to play tennis?

(See *Laury Hammel* Page 10)



Laury Hammel

Alan G. Schwartz Passes Away at Age 91

CHICAGO, IL - Alan G. Schwartz passed away on December 2nd, 2022, surrounded by his children, grandchildren, and wife of 64 years. Over the span of his 91 years, the scope of his influence and the list of his accomplishments made it seem as if he'd lived two lifetimes. Still, it wasn't enough for him. To the end, his "to do" list exceeded the limits of mortal imagination.

Alan was born November 7, 1931, in New York City, the first child of **Kevie W. Schwartz** and **Vera (Isaacs) Schwartz**. His educational trajectory began at *PS 6*, followed by *Phillips Academy (Andover) '48*, *Yale University '52*, and *Harvard Business School '54*.

From a young age, sports figured prominently in his life. At Andover, Alan captained the tennis team and lettered in swimming. Despite thinking of himself as a tennis player, it was his swimming that captured the attention of Yale's famed **Coach Kiphuth**. Following an Andover-Yale meet, Kiphuth recruited Alan to Yale's swim team with the following pitch: "You are the biggest, fastest, dumbest swimmer I've ever seen. I want you on my team because I can fix that."

At Yale, Alan had a lot of fun. Part of it was as a decorated athlete; part of it as a host (along with his three roommates) to a formal gambling den; and part of it

as an enthusiastic road tripper to several of the nearby all women's colleges. So exhaustive were his exploits into the social aspect of undergraduate life that the *Dean of the Engineering School* summoned him to his office. "Mr. Schwartz," he asked, "are you under the impression Yale is a correspondence school?" Informed of this encounter, Alan's father Kevie arranged for his son to spend his junior year living in single occupancy.

Despite his undergraduate escapades, *Harvard Business School* accepted him, where he graduated with distinction. His work ethic having improved, he skipped

(See *Alan Schwartz* Page 6)



Alan Schwartz

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Norm's Notes

■HELLO EVERYBODY!!! This is your Club Insider Founder and Tribal Leader Since 1993 excitedly checking in with our 349th monthly edition of this home-based "Labor of Love" we call Club Insider! YAHOO!!! Happy, Healthy New Year, as this January, 2023 Edition leaves us with just one month to go before we will publish our 350th Edition, a Milestone Edition in February, 2023! So, STAY TUNED folks as we dig in now to share recent news and thoughts with you at the beginning of our 30th year of publishing Club Insider!

As we head forward, I want you to know that *I always welcome comments* from any and all of you about your special happenings with your family and your club business(s). OR, if you're not a club owner, tell us HOW your business supports clubs in our industry because that's exactly what we've been doing here at *Club Insider* for the past 30 years! Supporting clubs everywhere!

■IS AMERICA a GREAT COUNTRY, or WHAT? TRUTH BE TOLD, those of us who're living in the USA, CANADA, MEXICO and other FREE COUNTRIES... ARE ALL VERY FORTUNATE. GOD BLESS AMERICA, and GOD BLESS

YOU ALL!

■Friends, as I always do in *Club Insider*, I'm going to tell-it-like-it-is... i.e. tell you the truth about this month's amazing Cover Story. I'm going to go out on a limb and flat-out RAVE about this month's Cover Story with LAURY HAMMEL and his Longfellow Clubs. Folks, I've been doing these cover stories for 30 years now, and today, I'm doing something that I RARELY do. That is I'm telling you HERE and NOW that this cover story about Laury Hammel is one of the *most interesting and compelling* cover stories we've ever produced. That's quite a compliment after 30 years of publication! So... Whatever you do... Do Not miss reading Laury Hammel's Cover Story, beginning on Page #3! You will be glad you took my advice. So, don't miss it!

■SADLY, in this month's **Norm's Notes**, we must report the sad news of the passing of the one and only, **ALAN SCHWARTZ**. Alan was a great man who was a TRUE GIANT in our industry, and he was a friend of mine. Alan passed away at age 91 on December 2, 2022, one day after we had gone to press with our December

printed edition. We were able to share this sad news with our *Club Insider Online* readers in our first *Club Insider Weekly* digital edition in December. Now, in print, the *Obituary of Alan Schwartz* appears on Page #3.

Now, in this **Norm's Note**, I'm going to share comments from two of our industry luminaries about Alan's life, and yes, his passing. They are **LIZ CLARK**, President and CEO of *IHRSA*, and **CECIL SPEARMAN**, one of our *I(H)RSA Co-founders and Presidents of the Association*. Cecil was also one of the individuals on the *Faust Roundtable #1*, who helped me dream-up, create and launch *Club Insider* 30 years ago.

So, I'm going to start with comments from *IHRSA*'s leading Lady... **LIZ CLARK**:

"Alan lived a life that can only be described as having the, 'Midas Touch,' building a reputation as an athlete, industry pioneer and advocate, husband and colleague. Alan's record of business achievement is an inspiration to leaders around the world who have worked as his colleagues, and his competitors alike, and his commitment to philanthropy sets an example for all of us.



Norm Cates

Alan was a *Founding Member of IHRSA* in 1981, and he created a true family industry where his son, **Steven**, is a leader in his own right. The industry today reflects the leadership and engagement demonstrated by the Schwartz family. Alan's team members and industry colleagues are in our thoughts and prayers at this difficult time." - **Liz Clark**, *IHRSA CEO and President*

(See *Norm's Notes* Page 7)

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PUBLISHER

Justin Cates

(p): (863) 999 - 2677

(e): Justin@clubinsideronline.com

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Norm Cates, Jr.

(p): (770) 635 - 7578

(e): Norm@clubinsideronline.com

CONTRIBUTING AUTHORS - Bonnie Patrick Mattalian, Bruce Carter, Cathy Spencer Browning, Chris Stevenson, Daron Allen, Derek Barton, Donna Krech, Gary Polic, Jeffrey Pinkerton, Jim Thomas, John McCarthy, Karen Woodard-Chavez, Mark Williamson, Mike Alpert, Paul R. Bedard Esquire, Paul Bosley, Rick Caro, Sara Kooperman, JD, and Thomas Plummer

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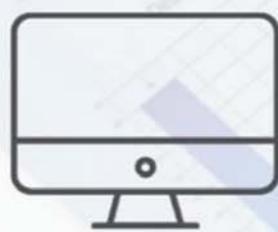
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Exercise IS Medicine

By: Mike Alpert

January is usually one of, if not the busiest month of the entire year for health clubs and gyms. In past years, it was the month when people made resolutions to get active and eat better after two months of overindulging on food, beverages and desserts. It was the month when many people sat on their couch, looked at their bulging waistline and finally said, "it is time for a change." So, they bought some workout clothes, a pair of running shoes and joined a health club with good intentions of getting in better shape.

At this point, the ball was in the hands of the club they joined. If the sales process was exceptional, and if the onboarding was great, the new members got introduced to the club's programs and services and made new friends along the way. And, yet, average member attrition is in the mid-40s%. Thus, the pressure continued to be more sales rather than member retention.

Then came COVID, which saw clubs and gyms closed between 3 - 24 months. During this time, so many staff either saw themselves furloughed or laid off and relying on government money and unemployment as their form of income. During this time, many commissioned service providers figured out how to work out of their homes and actually increase their total income and lower some monthly

expenses. Now, we are living with the challenge of getting these employees back and also getting members comfortable in the clubs again.

Today, you must think "outside the box" when it comes to overcoming all of this. Once again, I will suggest that each and everyone of you consider the paradigm shift occurring in healthcare today and the consumer demand for wellness and prevention rather than costly drugs and costly procedures as the sole solution to chronic disease and injury. I have said it so many times, but here it is again: *There is a HUGE market out there that needs what our business delivers, and that is Exercise, Nutrition and Socialization.*

I want you to know about an 8.7-year study that *Kaiser Permanente* in Southern California just published on November 17th in the *JAMA Network Open Research Letter: Nutrition, Obesity and Exercise*. The title is *Association of Physical Activity with Risk of Mortality Among Breast Cancer Survivors*, and the study included 315 participants, all of whom were women.

The mean age at interview was 71 years (range, 57 - 86 years). There was a wide range in ethnicity with 20.9% African American or Black; 8.9% Asian or Pacific Islander; 1.3% Hispanic and 68.9% non-Hispanic White.

The findings of this cohort study suggest that even moderate physical activity was associated with a 60%

lower risk of death among breast cancer survivors, similar to a previous cohort. The mortality risk was similar among participants who were active and those with moderate physical activity levels. Their findings further suggest that survivorship care plans should consider incorporating physical activity, because even moderate activity may be vital for extending survival as well as health-related quality of life. Now, if this were a pill, every pharmacy would dispense it, and every Oncologist would prescribe it.

Another important research study from *Edith Cowan University* near Perth, Australia found that "even a single workout boosts cancer-fighting proteins." For the study, men with prostate cancer entered a 12-week exercise program. By the end of the program, they found that the participants had much higher blood levels of myokines- proteins produced by skeletal muscles that can not only directly suppress tumor growth but set off a range of other anti-cancer processes in the body.

Their team further explored myokines. They had nine patients with late-stage prostate cancer perform a single workout for 34 minutes on a stationary bike, and the researchers found that the elevated levels of myokines in the immediately post-exercise samples were found to suppress tumor growth by as much as 17%. This from a single workout. Just imagine what regular exercise, along with socialization will do for



Mike Alpert

all people who struggle with cancer.

January marks the start of a new year, a new beginning. I hope it will be a new beginning for the health and fitness club industry. Consider starting a program for women with breast cancer at your club.

If you are truly interested in using your core technologies and your core competencies, contact me and let me show you how.

Exercise IS Medicine.

(Mike Alpert is the COO of Smart Health Clubs. He can be contacted at mike@smarthealthclubs.com or 951 - 205 - 1136.)

...Alan Schwartz

continued from page 3

graduation, opting instead to start work with his father in the chromium plating business in Chicago. Within a year, Alan and Kevie sold the business and started a commercial real estate business. Alan continued his tennis career after college, going on to win eight National Championships and seven Illinois State Championships. He has been inducted into ten halls of fame, including the *Intercollegiate Tennis Hall, Chicago Tennis Hall of Fame* and the *Midwest Tennis Hall of Fame*, and he was a *Board Member of the Tennis Channel*.

He introduced the now ubiquitous 4" baseline, as well being a co-creator of the *National Tennis Rating Program (NTRP)*. He was instrumental in creating the *U.S. Open Series*. Though he qualified for *Wimbledon*, he skipped the tournament, figuring he'd make the cut the following year. He's still awaiting that second qualifying record. Playing tennis in Chicago, he grew frustrated there was no suitable places to play tennis indoors throughout the winter. To solve the problem, Alan and his father built *Midtown Tennis Club*, then the world's largest. Today, *Midtown* (now *Midtown*

Athletic Club), is considered the world's most successful health club.

Alan began his involvement with the *United States Tennis Association (USTA)* by hosting the *Boys 14 National Indoor Championship* at Midtown beginning in 1972. In 1995, he was elected to the *USTA Board*, and later, served as *President*. Additionally, he served as *Vice President of the International Tennis Federation (ITF)*.

The man had a personal life, too.

Set up on a blind date in 1958 by his PS 6 best friend, **Bob Block**, Alan met and fell in love with **Roslyn (Ronnie) Smulian**. Three months later, they married, and ten months later, they welcomed their first born, **Steven**, who was followed by **Andrew, Sally** and **Betsy** in quick succession.

Ever the optimist, he had just booked a romantic cruise for next spring, accepted a three-year extension to serving on the *Board of International Education of*

Students (IES), and while checking into the hospital one last time, spent an hour on the phone rearranging next week's business meetings. Except for his record as one of the worst drivers in the history of ever, he will be missed by everyone who knew him. Hearts are broken, but the roads are safer.

Alan is survived by his wife, **Roslyn**; his son, **Steven (Claudia)**; his daughters, **Sally (Louie Hondros)** and **Betsy (David Brint)**. He is also survived by eight grandchildren: **Alex Schwartz (Sarah Kessler)**, **Samantha** and **Alex Emmitt**, **Annie Schwartz (Maxx McClelland)**; **Genevra (Nessa)** and **Charlotte Higginson**; **Karly** and **Jackson Brinla**, **Zachary Brin (Caroline MacNeille)** and **Alan Brint**. His great-grandchildren **Leo Schwartz, Riley** and **Jesse Emmitt** also survive him, as do his sisters **Audrey (Fred) Horne** and **Amy Lubin (Donald, deceased)**. He was predeceased in death by his son, **Andrew**.

A memorial service is being planned for a later date to celebrate Alan's remarkable life. Donations in Alan's memory would be appreciated to *Foundation Fighting Blindness* at www.fightingblindness.org or the *USTA Foundation* at www.ustafoundation.com.



Alex, Steven and the late Alan Schwartz

...Norm's Notes

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Now folks, let's hear from **CECIL SPEARMAN**, now age 92, and a truly fine fellow I've referred to for many years with affection as: "Daddy Rabbitt!"

"Alan Schwartz was a lifetime friend. We met in the 1940s when we both played in local and national tennis tournaments. Allen was a better tennis player than me. He made the *Junior Davis Cup Team* as the #2-ranked player in Chicago. Allen graduated from *Yale* where he was *Captain of the Yale Tennis Team*. After meeting each other in late '40s, we lost touch after college until 1971 when we both were planning to build indoor tennis clubs. Alan started the *Chicago Indoor Tennis Club Association*, which led to the *National Tennis Association*. Alan opposed multi-sports clubs at the start of tennis development. However, as fitness developed into a boom, Alan changed his mind and became a major operator of multi-sports clubs. Alan was a credit to the club industry, and he provided leadership for the *USTA* that's still doing well today due to the many successful programs Alan promoted while serving as *USTA President*. Alan was on the Board of Directors at *Duke University's Fuqua Business School* and on the Boards of many banks and other companies. Most of all, Alan was a devoted family man and a respected gentleman by his club associates. Alan will be missed by all who knew him." - **Cecil Spearman**

■ And, folks, the beat goes on... In December, right after the news of Alan Schwartz' passing, we got word of the passing of another tennis industry giant. That was the December 4th passing of **NICK BOLLETTIERI**, *Coach of Grand Slam Champions*, and the man who invented tennis's first year-round live-in academy, passed away on December 4, 2022. **May ALAN SCHWARTZ and NICK BOLLETTIERI Rest In Peace!**

■ Welcome back to **Mark Williamson** and **ClubIntel** as they rejoin the Club Insider Advertising Team. Be sure to check out the Ad on Page #17.

This News from IHRSA:

MIKE GOSCINSKI, seasoned consumer and health policy advocate, has joined IHRSA as Vice President of Government Affairs. Mike is now IHRSA's first full-time, in-house Washington, D.C.-based lobbyist, part of an effort begun when Liz Clark was recruited in 2021, which included a renewed focus on advocacy and stakeholder outreach, among other key priorities. Mike has worked extensively in trade associations serving consumer-facing industries and as a policy advisor on Capitol Hill. Most recently, Mike was Senior Director of External Affairs for the National Automatic Merchandising

Association (NAMA), overseeing Federal and State government affairs, serving as a lead legislator and regulatory advocate and advising on external affairs and communications. Prior to joining NAMA in April 2019, Mike spent eight years as Director of Government Relations at the American Bakers Association. He began his career as Legislative and Policy Aide for Representative **LEONARD LANCE (R-NJ)** and is a graduate of **St. John's University in New York City**.

IHRSA's Liz Clark commented about Mike Goscinski joining IHRSA: "IHRSA leaders and members have a powerful story to tell to lawmakers, especially in educating them about the vital role of individual and group exercise in supporting physical and mental health. Mike will help us deepen our relationships with executive and legislative branch officials, build new allies on both sides of the aisle and elevate the profile of IHRSA, our members and the important work done in our industry by millions of employees working in every corner of the country."

Welcome Mike! And, Good luck!

■ I'd be remiss should I fail to extend **Happy, Healthy New Year** wishes to **EDDIE TOCK** and all of his *Rex Roundtable* teammates! So, here goes: **A Happy, Healthy New Year Eddie and all of the REX Roundtables Team Members!**

To those of you who're NOT currently REX Roundtable members... **DON'T FORGET** that during the New Year... **YOU CAN JOIN**, as Eddie, and his lovely side-kick, **ALLISON FLATLEY**, and other friends on the REX Roundtables Team of Leaders are cranking up two more Roundtables (By the way, this list of REX Team Leaders is a very prominent list of "WHO's WHO" in our club industry and it includes: **BRENT DARDEN, JUSTIN TAMSETT, JENN KUEHN, DAN DURAN, FAUSTO DI GIULIO, MARK MILLER, MARY LAUDATI, FRANK ANCHARSKI** and **WILL PHILLIPS**, *Founder of REX Roundtables*). Eddie recently announced that, in 2023, REX is launching **(A)** a new REX Roundtable for Women and **(B)** a new REX Roundtable for Club Owners and Executives worldwide!

So, folks, contact Eddie Tock today at eddie@rexroundtables.com or call him at **(914) 643 - 3207**.

Finally, speaking of Roundtables, I can't forget to remember the two great men who, 30 years ago, were **INSTRUMENTAL** in giving birth to *Club Insider* via the brainstorming of **FAUST Roundtable #1**, which was created by the one and only **RICK CARO**, and of course, another "one and only" the late **DR. GERRY FAUST**. **May Uncle Rick continue having his good health, and may Dr. Faust rest in eternal peace!**

■ **ABC Fitness Solutions**, one of the premier fitness and coaching platforms and

mobile apps that empowers engagement between fitness trainers, gym owners and their clients, announced the winners of their **2022 Trainerize Awards**. Revealed at the recent Trainerize Collective online event and entitled "How Fit Pros Can Win the Digital Marketing Game in 2023," Trainerize selected the best coaches and fastest growing businesses from more than 400,000 trainers and 30,000 fitness businesses who are coaching more than 2 million clients using the platform. The awards included:

Trainer of the Year - Amanda Zizzo, Body

by Zizzo; Studio of the Year - The Cobalt Club; Remarkable Results With Nutrition - G-8 Fitness; Remarkable Results With Habits - MyQFit; Remarkable Results With Fitness - Women Who Win; Rising Star - Brooke Goodal.

Through these awards, Trainerize recognized the hard work, constituency, inspiration and courage each of the winners showcased throughout 2022.

■ **Athletic Republic (AR)**, a premier destination for individualized sport
(See **Norm's Notes** Page 8)

A promising future is ahead in employment for the Fitness Industry!

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Jeff Randall

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...Norm's Notes

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performance training backed by data and science, shared the news that 2022 *Heisman Trophy Winner, CALEB WILLIAMS*, is an AR-trained athlete. **CHARLIE GRAVES**, CEO, commented: "We're thrilled for Caleb and his family. It's an incredible honor to see one of our own be etched into college football history forever. Our program is designed to help athletes develop their full capabilities and seeing the growth and development Caleb has experienced is extremely rewarding for all of us here at AR. I met Carl and Caleb Williams at a football camp twelve years ago. They were already training at an AR training center and recognizing the results of our program, leading to Carl and his partners opening their own AR training center in District Heights."

■ **RICK CARO**, our industry's best friend, recently commented to our friends at *Club Industry* about the status of the industry since the winddown of the Covid 19 pandemic. Rick's comments in the excellent *Club Industry* report (downloadable at bit.ly/clubinsider147) follow word for word, so for you folks who've not yet seen it, you may benefit from Rick's comments and *Club Industry*'s excellent presentation of them. Here goes:

How the Industry Performed During the Heart of the COVID-19 Pandemic and All its Restrictions

Before the fitness industry looks at how it performed in 2022, *Club Industry* gathered data on how the industry performed during the heart of the COVID-19 pandemic and all its restrictions from 2019-2021. Companies such as Life Time, LA Fitness, Planet Fitness, Xponential Fitness, the Bay Clubs, Orangetheory Fitness and others are included.

As 2022 comes to a close, many health club and studio owners are seeing revenue and membership increases, even as some estimates put the number of permanent club and studio closures during the past three years at 30% thanks to the COVID-19 pandemic.

2022 was the beginning of the recovery process, **Rick Caro**, President of consulting firm *Management Vision*, told *Club Industry*.

"No one expected the club industry to immediately return to 2019 levels," he said. "So, the expectations were for increased overall net memberships, EBITDA margins to improve (but slowly) and non-dues revenue to trickle back."

The key, he said, was liquidity, but liquidity was going to be challenging as clubs needed more working capital, had

uncertain and less predictable operating models and experienced challenges with both current and previously deferred rent.

The high-volume, low-price sector was expected to perform stronger in its comeback, especially private equity-backed franchisees, Caro said.

"The key question for the industry at this point was the role of at-home fitness and its effect on the bricks-and-mortar segment," he said.

Before we can look back on 2022, we need to evaluate how the pandemic impacted 2021.

The 2022 *IHRSA Health Club Consumer Report* reviewed 2021 from the perspective of the consumer. It found that, in 2021, U.S. health club member numbers decreased 9 million from 2019, and member visits in 2021 were 68% lower than in 2019, although they were up from 2020.

Club Industry gathered 2021 revenues from some of the largest U.S. health club and studio operators, and the numbers showed that waves of the COVID-19 pandemic throughout 2021 along with city- and state-mandated closures or restrictions, and hesitancy by some demographics to return to in-person workouts still impacted the industry in 2021.

"The health club industry hit its worst nadir by the end of 2021 as fully 25% of all health clubs and studios that were open pre-COVID had permanently closed," Caro said. "The U.S. economy had seen shutdowns, difficult governmental restrictions, increased minimum wages in lots of States and the beginning of inflationary pressures."

So, before closing out 2022 and evaluating the year, *Club Industry* focused its lens on 2021. Data submitted by 57 U.S. club, studio and wellness brands are included in the four charts included in the free downloadable report to help gauge how the industry is bouncing back from COVID.

This data was initially gathered to be used in *Club Industry*'s *Top 100 U.S. Clubs* list, but due to the hesitancy of many of the largest health club and studio brands to submit their data since COVID-19, it was impossible to put out a traditional Top 100 list. 24 Hour Fitness, Equinox, Gold's Gym and other large brands will not submit data, and *Club Industry* was unable to obtain revenue for most of them from other sources. In addition, several of the largest franchise groups for companies such as Planet Fitness, Gold's Gym and World Gym likely belong on the list, but they traditionally have not submitted their data.

For these reasons, the charts included in the downloadable report include companies that submitted 2021 revenue of \$1 million or more. This year's list is not ranked, however, due to the lack of

data from so many large companies that deserve to be on the list.

Instead, *Club Industry* is comparing companies to the 2019 revenue they submitted where possible. With this new financial review of the past three years, *Club Industry* hopes to set the stage for next year when the data will reflect the industry's 2022 performance, which many people hope will be closer to that of 2019.

■ *Life Time*, "The Healthy Way of Life Company" announced that the *Life Time Buckhead* at Phipps Plaza, located in the posh Buckhead area of my hometown of Atlanta. **BAHRAM AKRADI**, *Life Time Founder, Chairman and CEO* (and former *Club Insider* featured cover story subject), commented: "Life Time has opened as the newest anchor in the redeveloped Phipps Plaza Mall. The 127,000-square-foot destination occupies five stories at Simon's iconic Phipps Plaza property, and it brings together *Life Time*'s (NYSE: LTH) one-of-a-kind athletic club and *Life Time Work* premium co-working experience. *Life Time Buckhead* at Phipps Plaza features Atlanta's first rooftop beach club with breathtaking views, along with a plethora of health and wellness amenities for those ninety days old to 90+ years old spanning more than 104,000 square feet. We're excited to reveal this new *Life Time* destination, further expanding our relationship with Simon, and providing our members with access to an incredible array of amenities, programming and offerings right at Phipps Plaza. Together, we're changing how consumers think about, and use, shopping centers for their lifestyle. Our mission is to help people live healthy, happy lives and this location truly has something for everyone within our athletic club and for working professionals within *Life Time*

work." **STAY TUNED** folks!

■ **JUSTIN** and I want to say Thanks for reading *Club Insider*!

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■ **God bless our troops, airmen and sailors worldwide and keep them safe.** Thank you, Congratulations and Welcome Home to all of our troops who have served around the world. God bless America's Policemen and women and Firemen and women; keep them safe. Finally, God bless you, your family, your club(s) and your members. God Bless America! *Laus Deo!*

(Norm Cates, Jr. is a 49-year veteran of the health, racquet and sportsclub industry. He is the Founder and Tribal Leader Since 1993 of *Club Insider*, now in its 30th year of monthly publication. In 1981, he was *IHRSA's First President*, and a Co-Founder of the Association with Rick Caro and five others. In 2001, he was honored by *IHRSA* with its DALE DIBBLE Distinguished Service Award, one of its highest honors. And, in 2017, he was honored with *Club Industry's Lifetime Achievement Award*. You can reach Norm by phone at **770-635-7578** or email at Norm@clubinsideronline.com.)

Thanks and Appreciation

At *Club Insider*, we are excited to be in our **30th Year** of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still intriguing and amazing to us. So, I wish to extend my most sincere **Thanks and Appreciation** to everyone who has made this amazing 30-year run possible.

Very sincere **Thanks and Appreciation** go to **Rick Caro**, the late **Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller**, formerly of **Atlanta's Hudspeth Report** for the tremendous assistance they provided. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! And, of course, **Thanks and Appreciation** to the **United States Postal Service** for sending those editions to our readers! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. **Thanks and Appreciation** to all of our **Club Insider Contributing Authors**, past and present. **Thanks and Appreciation** to **IHRSA** for all it does for all of us. And, sincere **Thanks and Appreciation** to my son, **Justin**, who has become our Publisher and is a truly great partner. You name it and Justin does it each and every month!

Last, but surely not least, this writer who refused to fear failure when many told him he didn't have a chance of surviving the publishing business for even a year did survive. And, he would like to give his sincere **Thanks and Appreciation** to the power that made that survival happen: **God**.

Very sincerely, with love in my heart for you all,

Norm Cates, Jr.



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...Laury Hammel

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LH - My Dad was the ONLY tennis professional in Utah during the 1950s. I was about seven years old when I first started playing tennis. I still remember going to the place where Dad taught tennis and hitting tennis balls against a wall for hours. When I was nine years old, my first 'job' was as a ball boy picking up tennis balls and putting them in my shirt, then placing them in the little metal mop bucket where he kept the balls. I was getting paid \$1 a day, and I thought I was rich! I then moved up to be a cafe guy, then I graduated to doing a combination job as the *Janitor* and the *Assistant Pool Director*. I did it all. I loved playing and working at the *Salt Lake Tennis Club*; the community was close and we kids had a blast playing tennis, swimming and jumping on the trampoline. We were blessed growing up in the 1950s at a wonderful club that my parents managed, while I learned to do many jobs and to excel in a great sport like tennis. I was also a ball boy for **Rod Laver** and **Ken Rosewall** when they played at our club at a professional tennis exhibition tournament.

C.I. - Where did you go to school, and what did you study? Did you play tennis competitively? **LH** - I worked my way through college at the *University of Utah*, got a tennis scholarship, played on the nationally ranked college tennis team, and I had several outstanding wins. My most important lifetime match was when I played the #1 college player in the nation, **Stan Smith**. I played him in a collegiate tournament when I was just 18 years old, and he beat me in a close match 6-4 and 6-4! I studied political science and education. My parents and other family members were all school teachers, and I graduated with a teaching degree.

Following college, on New Year's Day, 1972, I arrived in Boston, Massachusetts. It was an interesting time and a big change to move from Salt Lake City to Boston. It was during the peak of the tennis boom, and there were a lot of indoor tennis clubs being built.

I moved there with my former wife and first child, who was not even one year old yet, and I started a new life in Boston, Massachusetts after having lived in Utah all my life.

At the time, during the end of the 1960s and the early 1970s, I was a *civil rights and peace activist*. In Boston, at age 23, I got a job at *Boston's Quincy Shipyards*. I was on the night shift, painting the bilges (bottom of ships) of huge tanker ships. The shipyard job didn't work out too well. Then, I got a job at *Harvard University* as a clerk typist. As a typist, I was only making a buck forty (\$1.40) an hour! Then, a friend of mine from Utah, **Molly Greene Hahn** who went to *MIT (Massachusetts Institute of Technology)*, introduced me to **Jessie Von Hippel**, who introduced me to **Chum Steele**, who in the summer of 1972, gave me my start in the Boston tennis world at the *Charles River Indoor Tennis Club* in Newton, Massachusetts.

It was a very hot place to teach indoors during a Boston summer with no A/C, but it was actually a perfect location to begin my emerging tennis career. I was able to hit balls with **Rod Laver** during a rainy day during the *U.S. Pro Championships*. It was a life-changing experience because, at the time, Rod was one of a tiny number of pro players who hit with topspin. It was incredible to see what he could do with a ball with topspin, seeing that ball dip in with power and spin. From that day on, I have been a leading proponent of topspin and slice, and 'hitting with spin' became and remains the foundation of my tennis programs. I also met and got to play with the famous movie star **Charleston Heston**, which was a bit colorful since we were on the opposite ends of the political spectrum; I didn't give him a game.

C.I. - Please share with us how your Christian background, a background from growing up in a very religious community in Utah, instilled values in you that still live deep in your core. **LH** - Salt Lake City is a very religious community founded by **Brigham Young** and the *Church of Jesus Christ Latter-day Saints* (often known as Mormons). I grew up in a neighborhood where nearly all of the



Longfellow Nashua, N.H. - 2021 National Tennis Facility of the Year, Racquet Sports Magazine

families were Mormons, and most of my best friends were Mormons. It was occasionally challenging to be one of the few non-Mormons in school, although I feel blessed to have grown up in a community where values and faith permeated the community culture and life decisions.

My Mother was one of the first members of the second *Congregational Church* formed in Utah, now called the *Holladay United Church of Christ*. When I was six or seven in Sunday School, I was watching an old-fashioned mode called a film strip about a leading Christian missionary and humanitarian named **Albert Schweitzer**, who devoted his life to healing people in Africa. I then made a decision at this young age to devote my life to serving God and humanity. This is why I became a peace and civil rights activist when I was in high school and college, values I have remained true to for my whole life.

When I moved to Boston/Cambridge, I joined the local Congregational Church, which was so interesting, because now, I was no longer in the minority. The *Pilgrims* landed in 1620, and they founded the Congregational denomination, and nearly every community in New England had a Congregational Church. I have remained a practicing Christian, and my faith has been the source of the mission, purpose and core values of my business. Fortunately, I was able to find a business partner, **Myke Farricker**,

and a team of professionals who share similar values that are at the core of Longfellow.

I have been blessed to have a wonderful mother and father, and this is one of the reasons I bought the *Salt Lake Tennis and Health Club* in 2013. My Dad managed the club for seven years. It is a pretty cool story because I was the last janitor of the old club and the first janitor in that new club that opened in 1964. The club started in 1912 with only outdoor clay courts, and then, it expanded to a new location where they built the first indoor tennis courts in Utah. We recently had a wonderful 110-year celebration, a club that my family played a key role in for twenty years.

Club Turnarounds

C.I. Laury, during your 50 years in the club industry, you turned around five failed tennis clubs and made successes of them. Please tell us about that and about how you helped design and build a sixth club.

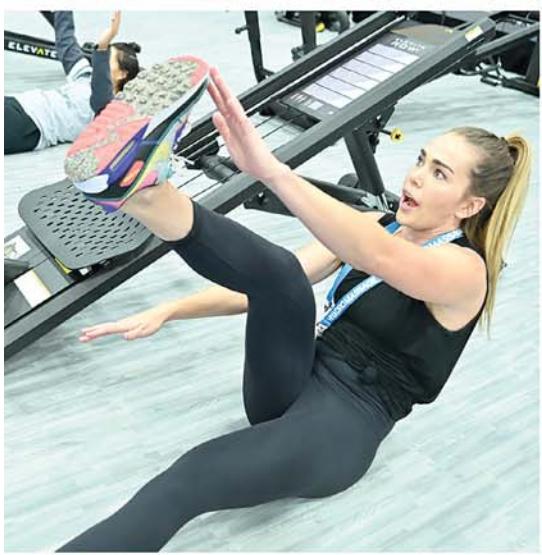
LH - As I think back on 50 years, literally all five of those clubs were either shut down or on life support. In Salt Lake, with the help of a life-long friend from Utah, I came up with the money two days before the bank was going to take it over, shut it down and convert it to condos! The club in New Hampshire was actually shut down, and it wasn't even in business when I bought it. The first club I bought in Wayland was very close to shutting down. The club in Natick had shut down half of the tennis courts when we bought the business. People ask me all the time, 'How do you turn around a tennis or health club that's failing?' It is not easy, and it takes a minimum of 3 - 5 years of commitment and millions of dollars. It is all consuming, which prompted my business partner (Myke) and my life partner (Robin) to demand that I'm not going to buy any more clubs! I have agreed, but it's not in writing (laughing).

To expand on each club a little bit:



Longfellow Wayland, MA - 2015 Massachusetts Sustainable Business of the Year

Club #1 is *The Longfellow Tennis and Health*
(See **Laury Hammel** Page 12)



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...Laury Hammel

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Club in Wayland, Massachusetts. It opened in 1972, coincidentally the exact same month and year that the Longfellow business was founded. It is the first facility that we owned, and we grew as entrepreneurs in the process of developing this important community asset. We purchased the Wayland club in 1980. It is on four acres, and the building is 92,000 square feet.

Club #2 and #3 The *Natick Racquet Club* was originally one indoor tennis club with 78,000 square feet on nine acres on two adjacent and separate properties on different streets. We leased the properties and buildings in 1985. We kept one property as an indoor tennis club (*Longfellow Tennis Club Natick*) and created a new full-service health club (*Longfellow Health Club*) at the other building. The Tennis Club is one of the most successful indoor tennis clubs in the U.S. I recently purchased the properties and buildings from *Midtown*, which is owned by the now late **Alan Schwartz** and his son, **Steve Schwartz**. For 37 years, I owned the two businesses, but I didn't own the property until late October of 2022.

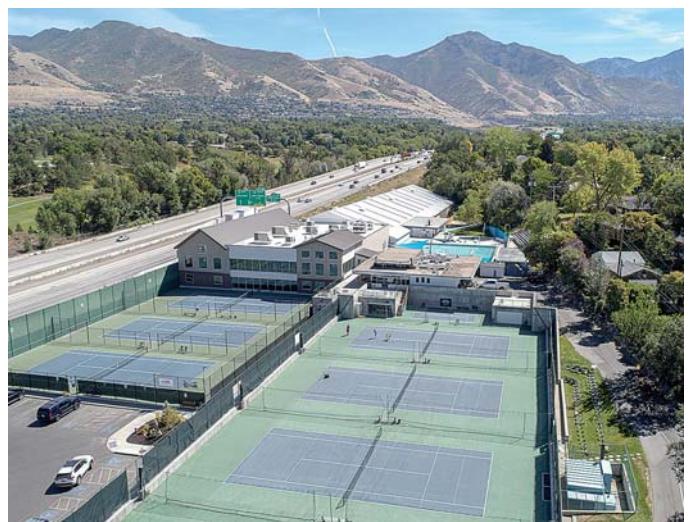
Club #4 is *The Adirondack Club* in Franklin, Massachusetts, which is 116,000 square feet on 13 acres. I partnered with **Bob and Suzanne Hinrichs** to build it beginning in 1999. We had a beautiful piece of empty property, and they asked for some help. Together, with my club experience and with my raising much of the capital, we built this brand-new club out of nothing. After 23 years, it has grown and expanded. It is a beautiful and highly successful business that truly serves the health and recreation needs of the community. The **Hinrichs** are terrific managers, and it was an honor to partner with them. I sold my interest in this business last summer, and we remain friends and communicate regularly.

Club #5 is called *The Salt Lake Tennis and Health Club* in Salt Lake City, Utah.

I purchased it in September of 2013. It is 93,000 square feet on six acres. I purchased the club where I grew up 51 years after I was the janitor and two days before the bank was going to foreclose on it. This is an iconic club founded in 1912. Once again, I built a 30,000 square-foot health club and upgraded programs and facilities. It has transformed and is jam packed with happy members, has a waiting list for summer family members and is very profitable. It feels wonderful to save a community asset that has been in business for 110 years and is now meeting multiple needs of the community for thousands of people. In 2022, the Salt Lake Tennis and Health Club won the *USTA Tennis Facility of the Year Award!* Very cool.

Club #6 is the *Longfellow New Hampshire Tennis and Swim Club* in Nashua, New Hampshire. It is 51,000 square feet on six acres. We purchased it in 2018 after it had been closed down. It is the largest and most influential tennis club in New Hampshire with 16 courts: 8 indoor and 8 outdoor clay courts. We upgraded every aspect of the club and expanded and improved all programs. It is now a tennis garden outside and a tennis temple inside with color videos displayed in the lobby for all eight courts with live streaming available. In 2021, we ran more USTA tournaments than any club in the U.S.: 132. So, losing this facility would have been devastating to the tennis community in New Hampshire and Massachusetts. In 2021, the Longfellow New Hampshire Tennis and Health Club won the *2021 Tennis Facility of the Year Award* from *Racquet Sports Industry Magazine*. So cool indeed!

Club #7 is *The Sportsmen's Tennis and Enrichment Center*, a nonprofit club in the inner city of Boston that I turned around. It is 50,000 square feet on five acres. It's a well-known and legendary black-owned club that had fallen on hard times in 1997. I served as *Executive Director* from 1997 to 2002, pro bono. When I took it over, there were 30 kids in the program, and when I left, there were 600 kids in the program. When I took it over,



Salt Lake Tennis and Health Club - 2022 USTA National Tennis Facility of the Year

the physical plant was in disrepair, and by 2002, the physical plant was in great shape. That club was near disaster... very, very close to closing its doors. Now, under the leadership of **Toni Wiley**, it's growing and thriving and is a key leader in tennis clubs serving underserved and minority communities. It is an incredibly important community institution in Boston and is one of most respected indoor tennis clubs in New England. It recently received a major award from the USTA. It feels so good to make positive contributions to young people who face so many challenges in their everyday lives. We remain active in supporting this iconic black-owned tennis and enrichment center.

C.I. - Wow, that is incredible!

Norm, turning a club around is definitely not a cookie cutter deal. If you want to turn around a club, the first thing you've got to do is **HAVE A PLAN!** And, the plan requires the following components:

1. You need a place/location that has the potential for success. For example, if you are trying to build an indoor tennis club in a small community that has a population of 5,000 people, that market is NOT going to support an indoor tennis club. It's not going to happen. So, you've got to have the right place, which is *LOCATION*.

2. You've got to have the right physical



This list of five essential components are required to actually turn a club around or (See **Laury Hammel** Page 13)



The Tennis House at Salt Lake Tennis and Health Club

plant. Without a terrific or at least adequate physical plant, there's only so much you can do. If you have two indoor tennis courts, it's going to be very hard to make it a profitable tennis club. Even with four courts, it's not so easy. Usually, you need a minimum of six indoor tennis courts. And, if you want to build a health club like you and I talk about, you need to have at least 10,000 to 20,000 square feet available, minimum, and ideally, even more. So, you've got to have the right physical plant.

3. You'll need to hire professionals to run your business in all of your departments, whether it's tennis pros, fitness trainers, physical therapists, etc. Finding talented and creative professionals who know what they're doing and get the job done with love is mandatory.

4. Offering fun and extraordinary programs. If you don't have people-oriented programs that make a positive difference in your members' lives, you're not going to be successful. Tennis and health clubs don't get built (and become successful) by just opening up courts, buying fitness machines and encouraging people to play tennis and/or work out. In our industry, clubs only become successful with dynamic and life-changing programs.

5. The final essential component is philosophy: Mission, Values and Culture. Each of these five steps are necessary for success. However, the step of creating a vibrant, compassionate and inspiring culture is often ignored or minimized in importance. One could actually make the argument that culture is the most important of the five. When the proper attention is paid to developing a company culture that nurtures and supports all club stakeholders, a business can be very profitable and stay in business for decades.



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...Laury Hammel

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build a new one.

C.I. - Laury, you have mentioned that **Myke Farricker** has been a terrific business partner of yours for many years. Please tell us more about Myke.

LH - I'm glad you asked this question. I've been blessed for over 44 years to have Myke as my business partner. Myke and I share the same values. From the beginning, we had a vision of creating a culture based on love and respect for all stakeholders, integrity and collaboration. We have different skill sets that match nicely and enable us to work wonderfully together and engineer an effective division of responsibilities. He serves as the *General Manager* of our three Massachusetts clubs, and we talk every day to figure out how to lead with love and wisdom. He is my best friend and a remarkable human being. Without Myke's leadership, partnership and kind heart, Longfellow would never have created our club communities that are based on love and our core values.

Overcoming Obstacles

C.I. - Looking back to the beginning and fast forwarding to today, if you had the ability to go back in time and change anything during your 50-year career, what might those changes be?

LH - Norm, that's a funny question for me because the way I've lived my life pretty much is that whatever happens is what's supposed to happen.

C.I. It's called 'DESTINY,' Laury.

LH - Yes, that is the perfect word. I don't know if you've ever heard of the 'Stoics.' One of my business partners of over 23 years, **Bob Hinrichs**, introduced me to *Stoicism*, which is a philosophy that is hot and growing every day. It's perfect for entrepreneurs, that is for sure. The heart of the philosophy is that *the obstacle is the way*. When you have something (a challenge of some kind) in front of you, how you choose to deal with this difficulty determines who you are and how you live your life. When we deal with obstacles, we grow, improve and develop wisdom. Of course, you and I know, no one ever lives a life without encountering obstacles. We need to plan on them showing up, and as hard as it is, even welcome them. That is tough to do for sure. For me, the non-business challenges have included divorce, deaths of loved ones, loved ones in deep trouble, Type I Diabetes, plantar fasciitis, other injuries and the list goes on. Here is my particular view that I have worked to incorporate into my consciousness for years, *'Every obstacle is an opportunity in disguise and opens doors for growth, wisdom, happiness and magic that we never could have imagined.'*

Now, here's a fact that is worthy

of mention. We have 32 people on my Management Team in our Boston clubs. The average time with Longfellow of these team leaders is 17 years. We have fifteen people who've been with us over 25 years. When they reach 25 years, they get another week of vacation, and that number is growing every year.

So, when we were celebrating 50 years in our industry, I was having a conversation with my business partner Myke, and I said, 'Let's go over the major obstacles that we have faced in the last 50 years.' The list was quite long and good material for a set of books on how to build a business. Here are the top five for your entertainment.

Major Obstacle #1: The first major obstacle was the 'less than supportive' treatment we received from the two owners we partnered with at our first two clubs. For eight years, we owned our business, but we could only go so far partnering with owners who didn't share our vision. I never planned on becoming a 'businessman,' but the distinction between our values and the former owners made doing business too painful, so businessmen we became. This inspired and pushed us through an amazing number of complicated and painful steps to achieve our dream of owning our own facility, which we did in 1980.

Lessons Learned: Becoming an entrepreneur is no walk in the park and requires great

resilience as we discover or invent creative solutions to difficult challenges.

Benefits Earned: This bold move enabled us to spread our wings and create a legacy of health, inclusion and love.

Major Obstacle #2: We thought we knew what we were doing, but we were wrong. We were working to turn around the first Longfellow Club in Wayland that we owned. It was suffering. It had less than two hundred members and was dying slowly but surely. It had shrunk from its heyday of ten indoor courts to six indoor courts. The indoor tennis competition was hurting indoor tennis clubs in the Boston area because the interest in tennis was waning. As a result of our lack of understanding the market we were working so hard to serve, we lost significant money during our first four years of owning this club. We mistakenly thought (hoped) that our brilliant tennis programs would transfer from a more highly populated area to a lower populated suburban market.

This problem pushed us to look for other options. We attended all the *IHRSA Conventions*, listened and asked questions. With the encouragement of **Dale Dibble**, we decided to take the lead from the **Dibbles** and **Veaseys** of the iconic *Cedardale Athletic Club*. We converted one of our tennis courts into a fitness area and built a brand new

(See *Laury Hammel* Page 14)

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indoor/outdoor pool on unused land. In 1984, we became a fully matriculated IHRSA owner of a health club as well as a tennis club, and we couldn't have been happier.

Lessons Learned: Carefully study and evaluate the market, the competition and the community needs before opening a new business. In addition, make darn sure you have 'working capital' before you open a club or make a major expansion of your business.

Benefits Earned: We entered the fitness and health club business, which has transformed who we are as well as our health and the health of our community. Not to mention that we immediately became profitable.

Major Obstacle #3: The next major obstacle showed up when a tennis pro with a billionaire backer opened up a club across the street from our Wayland club. A local tennis pro I knew asked if I would be willing to give him some advice since he was aiming to open up a new tennis and health club. I graciously agreed to share information as we do in IHRSA, and we had a nice friendly meeting where he picked my brain. Then, nine months later, he submitted plans to the town to build an exact replica of our Wayland club located a high topspin lob away from our location. That's never happened to anybody that I know about! He had an unlimited amount of funds; everything was brand new and shiny.

This competition pressured us to be way better. We ramped up all of our programs, built new spaces for fitness and improved the look and feel of everything about our club. When they finally opened for business, we lost a tiny number of members, and a year later, we actually gained some of their members after they experienced both clubs. We won the battle, and after 20 years of competing with Longfellow, they sold their club to a car dealership. It took us twenty years and a pandemic, but they finally left town in 2020!

Lessons Learned: Always be prepared for any and all types of competition, and it helps to pretend that a competitor is planning on opening up across the street so you are ready for anything! The minute you think everything is in place and you can relax a bit, the sooner you'll be unpleasantly surprised. Member loyalty and community building is worth millions and saved the day for Longfellow.

Benefits Earned: We are now clear-eyed about how dangerous competitors can be and know that constant and never-ending improvement is the way of the world. Competition made us better in every way, including expanded fitness as well as improved customer service. And, we learned that you need to protect yourself legally if you feel that your business is at risk because of unethical or illegal behavior.

Major Obstacle #4: We always attend IHRSA Conventions, and we heard war stories about a major national mega-club chain that had

unlimited funds, was a category killer and took no prisoners. We were keeping our eyes open and checking with fellow club owners on a regular basis. Coincidentally enough, we learned at the IHRSA convention in 2015 that this chain was plropping a \$30 million club right near our Massachusetts clubs, a mere three miles away. Since we were physically with our tribe at the IHRSA Convention, it was easy for our team at the convention to ask everyone in sight what we should do. We were ready to take on Goliath, and we made a two-year internal campaign with the title, *David and Goliath*, using the book by **Malcolm Gladwell** as our inspiration. We hired **Frank Ancharski** to be our consultant on this campaign, and he was fantastic. We again raised our game and improved everything about our club including completely remodeling our locker rooms and many parts of the clubs with the help of **Bruce Carter** from *Optimal Design Systems International*. When they opened up, we were ready. We kept all of our 250 staff members except one part timer, and we lost only 100 members at each club, many of them coming back because they missed our club community. The chain club actually created new members and is doing well, and we grew as well. Everyone is happy; David and Goliath.

Lessons Learned: One more time we learned the benefit of extraordinary preparation, and we looked at this as an opportunity to grow and improve our business. If you treat people with love, respect and kindness, emphasize the importance of the club community, offer terrific, extraordinary member service and upgrade facilities, members will remain loyal.

Benefits Earned: We demonstrated once again that relationships are everything in the world of business. We lost a small percentage of our members, and we improved our clubs significantly. Even with heavy recruiting, our staff remained loyal and the strength and confidence of our team grew dramatically.

Major Obstacle #5: After the obstacles #1 - 4, we thought we were ready for anything; no overconfidence here. In 2019, in our six-town

market inside a 20-minute drive-time distance, there were now 54 competing health or tennis clubs. There were new health clubs popping up in our high-income market area seemingly on a monthly basis. One thing that never, ever crossed our collective mind was that a tiny organism could shut down every business we had built over 48 years.

Myke and I, along with our club managers, walked into our clubs early on the morning of March 16, 2020 with signs on the doors announcing that we had suspended operations for two weeks, and we'll keep members updated. That, of course, was an effort to put a positive spin on a pandemic that we had no clue about. Being alone in a large club that was always alive with happy members felt incredibly eerie and monumentally sad. At that time, dark thoughts passed through the minds of all Americans and especially small business owners who work so hard to survive and thrive and usually have no or a small 'rainy day fund.' Longfellow's extra cash was tiny.

All of the club owners and their teams went through the eye of the needle from March 2020 until things began to come back to normal some time in 2021. Sadly, many club owners went out of business, and all of us that survived had to take measures that we had no preparation for and became more resilient than we thought possible. Every day presented a new set of challenges.

Gratefully, our industry survived and is now thriving again. I want to share a few comments on how we survived that are similar but a bit different:

■ Like most clubs, we did everything we could to make our club as safe as possible. We hired a business health consultant to give us the needed guidance.

■ Every day, we connected with local and national club owners in a deep, intimate and mutually cooperative manner through IHRSA and our own efforts.

■ We enlisted the support of all of our stakeholders: staff, members, vendors,

investors, financial institutions, landlords, political leaders, industry leaders and our communities. The support and encouragement we received was unbelievable, heart-warming and saved our businesses.

■ I formed a national coalition of small business organizations called *Save Our Economy Now*, which included the *American Independent Business Alliance*, *American Sustainable Business Network* (an organization I founded in 1988 and lead), *Cambridge Local First* and others. I became a spokesperson for small businesses and was featured on *AP*, *CNN*, *NY Times*, *Wall Street Journal* and other media outlets.

■ The work of this coalition made a big difference in the change of policies of the *Payroll Protection Program (PPP)*.

■ I worked closely with local club owners to understand and apply for financial help from State and Federal Governments, such as the *PPP*, *EIDL*, *ERTC* and state subsidies and grants and shared this info whenever I could.

Lessons Learned: Expanded our understanding of the number of threats to our health clubs. I'm not only prepared for another pandemic, but we're preparing for a possible world war, and I've bought a telescope so we're ready for an asteroid to land in New England (just kidding!). Family, friends, stakeholders and fellow club owners are essential for the long-term survival and success of any small business.

Benefits Earned: Our business is stronger than ever because of the strengthening of all of our relationships with stakeholders and the financial support offered to small businesses from the State and Federal Government. We are now stronger than dirt and incredibly grateful.

All of these obstacles taught Myke and myself life-changing lessons that made us who we are today. These terrible circumstances trained us through the 'School of Hard Knocks' on how to be successful, thrive and stay alive for 50 years. Just like when competing in a tennis match, running a business is all about finding solutions and asking ourselves:

1. What are successful strategies we can apply to find the opportunity inside this obstacle?
2. What are the benefits and good news about this seemingly terrible news?

As Hannibal who crossed the Alps said many millennia ago, 'I will either find a way or make a way!' Right on brother!

C.I. - Laury, I am not kidding with you when I say these may be some of the most prolific words ever spoken to *Club Insider*. I hope our readers are taking in every word, because as you wrote to us, this is life-changing stuff!!! Now, what would you consider the biggest mistake you've ever made?

LH - Thank you, Norm. As for my biggest mistake, putting a full-service vegetarian

(See **Laury Hammel** Page 15)



Laury Hammel Speaking at the 50th Anniversary Celebration

...Laury Hammel

continued from page 14

restaurant inside my Natick club. As you know, no one I know of has succeeded in putting a full-service restaurant in a club that's not a downtown or country club! So, I spent a lot of money and a lot of time doing it early in my career. It was a beautiful idea, but it's nearly impossible to make a full-service restaurant make money in health clubs. So, we closed it and turned it into another workout area. I learned a good lesson. When people come to me about putting restaurants in health clubs, I say, 'Well, IF you can do it successfully, you will be the FIRST ONE EVER TO DO THAT!'

C.I. - The comments from your long-time friend, **Roger Porter** (read comments at bit.ly/clubinsider148), that you shared with me, were quite amazing, and in my mind, may well summarize the *'Life and Times of Laury Hammel.'* Laury, what comments, if any, would you like to make about your lifelong friend, Roger Porter and his comments?

LH - Roger Porter is a lifelong friend of mine, and we played tennis together in Utah. We had fun playing for universities that were friendly rivals. Roger went to BYU, and I went to Utah. After college, he was selected to be a *Rhodes Scholar* and then received his doctorate at *Harvard*. He then worked in the **Reagan, Ford and George H.W. Bush Presidential Administrations**. One spring, my family was invited to take a tour of the White House. Fortunately, we were able to play tennis with Roger, and we had a fun parent-child battle on the *White House* courts. During that fun set, President Bush, who was an avid tennis player, was watching and was impressed with the level of play, and we stopped playing to meet the President and his wife, **Barbara**. That was a real treat.

Having known Roger all my life, and he was my first investor. He's invested in five of my clubs. And, the one thing I've done uniquely is outlasted four banks! We were involved with four banks that went out of business or were bought out. After that, we had a tough time finding banks to work with, so in order to finance our expansion, I raised millions of dollars from members and friends. These investors became the source of all capital for our clubs' expansions and upgrades. Not from banks, but from people who believed in our mission and wanted to invest money in a business where they got way more than excellent interest and the meaningful satisfaction of seeing our clubs

grow and thrive.

Until COVID hit, we never missed a principal interest payment, ever. But, during that time, everyone worked with me. My staff worked with me, and our members worked with us. With their help and cooperation, we got through the pandemic. Five hundred of our members kept paying their dues voluntarily, even when we were shut down for four months! We figured out ways to deal with and handle all of these obstacles, and now, all of the clubs are profitable and doing really, really well (Knock on wood!).

Eight Practices for Lifelong Health and Happiness

C.I. - Laury, you were very kind to share with us your **Eight Practices for Life-long Health and Happiness**. They are listed in the **Sidebar on This Page**. I really like all of them. In particular, I like **#8 - Have FUN - Feel the Joy!** That's because, as you may have noticed, in every one of our 349 monthly editions of *Club Insider*, including this edition, we've placed at least one little ad that says, **'MAKE IT FUN!'** We do that to remind our readers that, to keep their members on board and to have those members bring their friends to their clubs, they should FOCUS on those three hugely important words, **'MAKE IT FUN!'** Please tell us a little bit more about these eight practices.

LH - Norm, the **Eight Practices for Life-long Health and Happiness** are eight key practices that make us happy and healthy human beings. If you look at these, most people will probably agree. And, you mentioned **'MAKE IT FUN,'** feeling the **JOY**. If you don't have fun and feel joy in your life, you not only can't be that happy, but joy is a major source of healing and health. And, similarly, if you don't **CONNECT** with **PEOPLE**, not only are you missing out on the beauty of intimacy and friendship, but your health and lifespan are both dramatically diminished. Our Management Team came up with these eight practices, and we created a mandala to be motivational and memorable (See **Graphic on Front Cover**).

Norm, let me also mention the term **'Holistic Health.'** I have been a proponent of holistic health since 1976 when I began practicing yoga and became a vegetarian (with fish). Since then, I've been working with people in health and fitness to integrate a whole body perspective: **MIND... BODY... SPIRIT...** all connected. We were the first club in America to open up a Holistic Health Center

in our club with acupuncture, chiropractor, physical therapists and massage therapists. We opened that up in 1987! Then, nobody was even close to putting something like that together. There still are not many, but we have a Holistic Health Center in each of our clubs! We are fortunate to be partnering with two businesses who rent space from us: *Longfellow Holistic Health Center* and *Rebound Physical Therapy*.

C.I. - Please tell us about the Longfellow Clubs' **Purpose, Mission and Core Values**.

LH - First, let me mention that we made the following **Mission Statement** in 1981... 42 years ago. You were in the industry then, and as you know, Norm, in those days, not many people had mission statements, and only a tiny number had mission statements that went beyond profit and customer service.

Every decision we make for the business is seen through the lens of our **Purpose, Mission and Core Values**. In 2010, I attended two conferences (IHRSA and Social Venture Network) where the speakers talked about the practical value of consciously integrating our core values into the life and culture of our club and our team. We then hired **Alicia Korten**, a consultant to help us enhance our business culture and to develop a set of our top Core Values that represented who we are and are easy and fun to talk about. Alicia led us through a rigorous process that included retreats, meetings, surveys and more. This was transformative in every way for our business and took our clubs to a new level of success and impact. The **Core Values Mandala** I have shared is the visual representation of this work (See **Graphic on Front Cover**).

The Longfellow Purpose: To build a world where everyone's basic needs are met, and people experience love, happiness and satisfaction. To create a model organization, through the development of successful health and recreation businesses, that works toward the fulfillment of our global vision.

The Longfellow Mission Statement: The Longfellow Clubs is a locally owned and independent business committed to the health and wellbeing of our community, and provides extraordinary fitness, recreational and educational programs for people of all ages, backgrounds and abilities.

The Longfellow Core Values: We work to support the *Longfellow Purpose and Mission Statement*, embody the *Longfellow Core Values* and lead by example as we:

- **WOW** our members every day with extraordinary customer service;
- Create experiences that result in lifelong transformation;
- Foster a caring Longfellow community and treat others with respect and dignity;
- Express appreciation with affirming words and deeds;
- Share what we know and seek to learn more;
- Make Longfellow sparkle;
- Contribute to our community and our environment; and,
- Deliver happiness and have **FUN** doing it!

If we are not **WOWING** people with our customer service, then we are not living up to our core values. Our **Core Values** are the filter, the lens for team members to pass muster. When we hire people... when we let people go... when we build something... when we create a new program... they all have to pass the scrutiny guided by our **Purpose, Mission and Values**. It is by incorporating these **Core Values** into the heart of our business that has enabled Longfellow to receive the **2011 IHRSA Outstanding Community Service Award**.

Remembering Alan Schwartz

C.I. - As you know, on December 2, 2022, our mutual friend, the one and only **Alan Schwartz**, passed away at age 91. Please share your thoughts about Alan, and in particular, your thoughts about how your family's passion for tennis mirrored the passion for tennis that the family of Alan Schwartz had and still has.

LH - For many years, Alan Schwartz was the entrepreneur who created the largest independent tennis club business in the U.S. and served as a model for successful tennis and health clubs. He also transformed the **United States Tennis Association (USTA)** while serving as its **Chair of the Board**. He pushed it to run like a business, and he did a superb job. Alan made a huge contribution to tennis, and his legacy will live forever. That's one reason, in my own way, I do whatever I can for tennis. Alan had a much bigger impact on tennis than I have, but I've tried to mirror Alan's values and his passion. We both had fathers who were passionate about tennis and owned or managed tennis clubs.

I first met Alan long ago when we were trying to purchase his tennis club in Natick. That didn't work out, so we bought the club in Wayland, instead. Five years later, we began leasing the *Natick Tennis Club* from Alan, and he was a great guy to work with because he wanted us to succeed. Alan was a good businessman, and he made excellent returns from our lease, and even more important, he worked to support tennis entrepreneurs he partnered with. You can ask my friend **Steve Wild** about this, too! For me, Alan was a mentor and a friend. He taught me a tremendous amount about how to do business. A month before he passed, I was talking to Alan, and we celebrated the fact that, after 37 years, and with his help, I was able to purchase the property and buildings in Natick.

May Alan Schwartz Rest in Peace.

Final Lessons and Advice

C.I. - Laury, now that we are nearly at the end of this terrific interview, I want to welcome any final closing comments, lessons or advice you would like to share.

LH - Absolutely, I have several:

1. Passion - I came into this industry with a huge **passion** for tennis and health. I have an essay I wrote when I was 12 years old and in the 7th grade, and in it, I talk about how you become a good athlete. When you read it, (See **Laury Hammel Page 17**)

Eight Practice for Lifeling Health and Happiness

1. **Think Positive - Attitude is everything!**
2. **Be Present - Every moment is sacred!**
3. **Get Moving - Exercise is the best medicine!**
4. **Relax and Restore - Rest rejuvenates mind, body, spirit!**
5. **Eat Well - You are what you eat!**
6. **Engage with Nature - Our planet is a miracle!**
7. **Connect with People - Community makes a difference!**
8. **Have FUN - Feel the Joy!**

Annual Risk Management Assessment

By: Paul R. Bedard, Esquire

Each New Year should serve as a reminder to assess your club's potential legal exposure and the effectiveness of your risk management efforts. Premises liability claims, medical emergencies, employment disputes and COVID-related operational concerns typically constitute the bulk of the potential legal exposure for most health clubs. The following information will summarize these primary legal risks. Preparing for these legal risks has been covered in greater detail within prior editions of *Club Insider*, along with various topics within the realm of risk management.

As is the case with the information that can be found in greater detail within the *Club Insider* Archives, the following information is not intended as legal advice. It is offered for informational purposes only and is intended to serve as a reminder for club owners and operators to annually "check in" in terms of assessing their club's overall strength from a risk management standpoint.

Premises Liability Claims

Like most businesses open to the public, health clubs must always guard themselves against premises liability claims. Members and guests are owed a duty of reasonable care. This means that it is the health club's responsibility to protect members and guests from being harmed or otherwise injured by reasonably

foreseeable risks. Slip and fall injuries are what most people think of in terms of premises liability claims, but injuries caused by inadequately maintained equipment and trips over improperly stored items and accessories are also commonplace within the health club industry. Therefore, inspect the premises, including all surfaces and equipment, thoroughly and regularly, and maintain a facility inspection schedule. Document inspections, identified defects and actions taken to correct these defects. Establish and enforce clear policies and procedures regarding the process and timeline for addressing defects. At a minimum, archive inspection records for the statute of limitations for a premises liability claim within your jurisdiction.

Although a well-maintained facility will reduce the potential for premises liability claims, regardless of inspection efforts, premises liability claims will unfortunately occur. Ensure that all members and guests have signed liability waivers on file. The enforceability of liability waivers continues to vary across jurisdictions. Courts in some states regularly enforce liability waivers, while other states view these waivers as voidable and against public policy. Understand the law in your jurisdiction and tailor your waiver accordingly. At a minimum, your liability waiver should identify the inherent risks within your club, describe the assumption of risk on the part of the guest or member, bar claims due to employee negligence and be conspicuously viewable in easily

understandable language. The waiver should be comprehensive, yet not overly broad or unfair. Excessively broad waivers are often viewed to be unfair in the eyes of the court. However, where enforceable, a fair yet comprehensive liability waiver will protect against most claims arising from unforeseen risks. However, no liability waiver will protect against gross negligence or intentional acts.

When an injury does occur on the premises, immediately document the incident and offer medical assistance. Take photographs of the scene of the injury, gather witness statements and draft a detailed incident report. At a minimum, archive any incident reports for the statute of limitations for a claim within your jurisdiction.

Mitigate potential legal exposure by requiring outside contractors to sign indemnification agreements for snow removal and other maintenance. Maintain written service contracts detailing what conditions trigger services for snow removal, salting, sanding, etc. Verify that all outside contractors carry adequate levels of liability insurance coverage and require that the club be designated as an additional insured. Annually review the health club's liability insurance to ensure that it is sufficient to support the current needs of the club.

Medical Emergencies

Medical emergencies are inevitable. It's not a matter of whether one will occur, it's a matter of when one will occur. All employees must be properly trained to respond to a medical emergency on their very first day of employment. The legal exposure attached to a mishandled major medical emergency can be catastrophic. Therefore, training employees to address medical emergencies must transpire early and often. Develop and maintain a written medical emergency plan that effectively addresses the most reasonably foreseeable medical emergencies including but not limited to heart attack, cardiac arrest, stroke, hypoglycemia, cuts, orthopedic injuries and cuts. Archive records of this employee training along with updated copies of all employees' current AED and CPR certifications. Trained and certified staff must be available during all operating hours. Ensure that a first-aid kit is fully stocked and readily accessible.

Understand the law in your jurisdiction regarding whether an AED is required. These laws vary across jurisdictions, with an increasing number of jurisdictions mandating that an AED be present within a health club facility. Regardless of any requirement or lack thereof, some courts have ruled that it is



Paul R. Bedard, Esquire

grossly negligent on the part of a health club to not have an AED within a health and fitness environment. Fortunately, Good Samaritan laws protect AED users in all states. Regularly inspect all AEDs and rigorously stay up to date with software updates. Maintain inspection and maintenance records and archive these records accordingly. Ensure that all employees can quickly locate and operate the closest AED and tie this into the medical emergency plan.

Just as you would following the occurrence of a premises liability injury, document the medical emergency once the emergency itself has been addressed. Complete a detailed incident report including any relevant witness statements and photos. Reach out to the person who suffered the medical emergency to assess their wellbeing and to convey the club's genuine concern. However, only employees capable of communicating appropriately should undertake these efforts, as any such communication could become relevant in the event of a lawsuit. Archive incident reports for at least the statute of limitations for a negligence claim within your jurisdiction.

Employment Disputes

The most common claims filed against companies in the United States involve employment claims alleging sexual harassment, discrimination, wrongful termination and workplace injury. Develop and consistently enforce clear policies prohibiting unlawful harassment, discrimination and retaliation. Refer to the *Americans with Disabilities Act* and the fact that the health club is an *Equal Employment Opportunity Employer*. An increasing number of states are mandating sexual harassment prevention training. These laws are rapidly evolving. Understand the requirements within your jurisdiction.

(See *Paul R. Bedard, Esquire* Page 17)

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...Laury Hammel

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you will say, 'That guy sounds like he should become a health club owner!' The point is I've had a passion for tennis and fitness since I was very, very young. And, I've carried that passion forever. If you love what you are doing and you are passionate about it, when obstacles get in the way, you say to that scoundrel (opportunity to learn) 'HA! You ain't seen nothing yet because here I come! I'm not going to let you get in my way, whether it was someone building a club across the street or something called Coronavirus or whether it's people trying to steal money from me! I'm not going to let anything get in my way. I'm going to do anything I can to make my passion REAL!' So, #1 is PASSION!!!

2. People - Passion is at the top, and secondly, you need to find and align yourself with really good people. That does not only mean you have to find good business partners, you must find the right investors, the right staff, the right management team, the right customers, the right vendors, etc. That's because it's all about the people. And, the key thing about people is it is all about culture and core values.

3. Positivity and Love - When people walk

in the door, they should feel positivity and love with every step they take. Our intention is that everyone feels appreciation and love! The **FOUNDATION** of **OUR CULTURE IS LOVE!** I am very open about my caring and my love for all our stakeholders. Our staff... our members...our investors... our vendors... our community... they are all part of the constellation that make up a good and successful business. Finding the right people, and then, of course the third is *keeping positive*.

So, Norm, it's those three things:

1. Being passionate.
2. Finding, connecting, and partnering with the right people.
3. Keeping positive because you know you will find a way to support the health and happiness of all of your stakeholders.

There's a lot of other things I could list, but those three stand out.

LOVE

C.I. - Well, Laury, congratulations on 50 years!!! And, this story is a great way to kick off *Club Insider's* 30th year of publishing. I'm thrilled to be able to say that because of

what I'm about to say. Do you know why *Club Insider* continues to go on? Let me tell you exactly WHY. It is purely and simply because of a four-letter word... you know the word... I know the word... we've shared the word. The word begins with an *L*, and it ends with an *E*. The word is **LOVE!**

LH - LOVE BABY! You've gotta LOVE IT!

C.I. - That's **IT**, Laury! And, without that **LOVE**, you had better not be trying to make a living in the club business!!!

LH - That's for sure! And, I know someone who loves it as deeply as I do... **YOU NORM!** You had a passion for our industry, and you wanted to serve it. You started something to help the people in the industry you love. You had a vision for something. You had a passion for it. **AND**, **YOU LOVED IT!** You live and breathe for *Club Insider!* And, you deal with whatever comes your way! Speaking for health and tennis club owners everywhere, I am so appreciative of your passion and commitment to our industry, and your neverending effort to grow a strong ecosystem of clubs that thrive world-wide.

• • •

I want to thank **Laury Hammel** for sharing the story of his 50th Anniversary in

the health and fitness club industry with us. Clearly, Laury has made a huge difference on this Planet Earth since he arrived here! Well done, Laury!

(Norm Cates, Jr. is a 49-year veteran of the health, racquet and sportsclub industry. He is the Founder and Tribal Leader Since 1993 of *Club Insider*, now in its 30th year of monthly publication. In 1981, he was IHRSA's First President, and a Co-Founder of the Association with Rick Caro and five others. In 2001, he was honored by IHRSA with its DALE DIBBLE Distinguished Service Award, one of its highest honors. And, in 2017, he was honored with Club Industry's Lifetime Achievement Award. You can reach Norm by phone at 770-635-7578 or email at Norm@clubinsideronline.com.)



...Paul R. Bedard, Esquire

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Detail your employment policies within your employee handbook and archive signed acknowledgments of these policies within each employee's file.

Enforce employment policies consistently, regardless of rank. Establish clear reporting channels with alternate or redundant channels available to minimize an employee's fear of retaliation. Retaliation in and of itself is just as illegal and just as damaging as illegal discrimination or sexual harassment in the first place. Even if the underlying allegation is disproven, retaliation itself is illegal. Archive all complaints and disciplinary action taken for at least the statute of limitations for an employment claim within your jurisdiction.

COVID-Related Operational Concerns

Although it feels to many as though COVID-19 has been around forever, this area of potential legal exposure continues to be quite new and is rapidly developing relative to the historical areas of legal concern. Stay abreast of the latest guidance from the Centers for Disease Control and Prevention (CDC) and your state and local authorities. Develop a plan for COVID-19 assessment and control that encompasses all employees. Proactively establish plans and protocols to communicate with members and guests when modification of operations is required. Encourage sick employees to stay home and immediately separate from employees and members any employee who arrives sick to the health club. Follow the latest

CDC isolation guidelines. Implement flexible and supportive sick leave policies and practices to avoid discouraging sick employees from calling out sick due to fear of reprisal or loss of pay. Have contingency plans and schedules at the ready to ensure that staffing levels are not compromised when employees must call out sick.

Maximize the ability for members and guests to socially distance themselves. Mandate proper hand hygiene and have hand sanitizer readily available at stations throughout the club. Increase the day-to-day cleaning of frequently touched surfaces, including equipment, accessories, lockers, doorknobs, handrails, light switches, countertops, telephones, desks and computers. Increase outside airflow and maximize the filter efficiency of HVAC units. Create systems allowing members and guests to check in and purchase items in a touch-free fashion. Regularly advertise these efforts to members and guests. A clean club is a trusted club in the eyes of your members and guests.

• • •

In addition to these primary areas of potential legal risk, legal considerations such as music licensing, *Telephone Consumer Protection Act* compliance and data security are just some of the additional areas of legal exposure that all businesses should proactively address from a risk management standpoint. The beginning of the New Year is as good a time as any to take stock of your club's health from a risk management standpoint.

(Paul R. Bedard, Esquire has nearly

twenty years of management, leadership and operations experience in the health and fitness club industry. Paul is a solo practitioner at The Law Office of Paul Bedard, LLC, in Southington, Connecticut. As a practicing attorney, Paul's health and fitness club industry experience provides him with a unique perspective when advising health clubs regarding employee training, handbooks, policies, contracts,

disputes or premises liability claims. In addition to running his private practice, Paul serves as the Assistant Town Attorney for the Town of Southington, Connecticut. He has also served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. Paul can be reached at AttorneyPaulBedard@gmail.com or 860-414-0110.)

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Not a Boom, but a Slow Burn: *The Return of Our Gyms*

By: **Sara Kooperman, JD**

As 2023 begins, and our world continues to recover from the pandemic of the past 2+ years, reflections on several aspects of the fitness industry are only natural. Particularly, thoughts on how fitness facilities, its employees and members are beginning to come out the other side. Are members back to their regular workout routines, have employees returned to work, have systems been altered and what direction is the future of fitness taking?

Club Openings and the Return of Members

Club owners are stating that members are returning to their fitness facilities at a 60% rate when compared to 2019 numbers. Our industry has stated that 25 - 30% of our 2019 health clubs have permanently closed. It has also been estimated that most of these closed facilities are smaller clubs, including boutiques and independently owned businesses (up to 70%). Some of these clubs have been bought out and taken over by larger fitness

chains. Other empty studio spaces have gone under new ownership. The smaller clubs able to reopen are struggling.

According to the *New York Times*, there is more real estate available for fitness centers, and landlords are reaching out directly in search of new gyms to open in their buildings. Apparently noisy fitness machines with banging weights are no longer as much of an issue in apartment buildings. Small in-apartment gyms are now desirable, and tenants are asking for these types of amenities. Similarly, malls are also looking to open health clubs as well. In the past, the consumption of parking spaces needed for gym members would have been considered a huge negative for mall landlords. But, now, retail businesses are craving the crowds, people and revenue. Even commercial realtors are now welcoming and reaching out to fitness centers. The past concern that build-out expenses would inhibit profitability is no longer a deterrent.

As far as members are concerned, men seem to be rejoining and returning more quickly as compared to women. Younger participants are walking through

doors versus older folks. Members have shifted their workout routine slightly with self-training instead of heading back to group exercise classes.

While we originally thought the fitness industry would bounce right back and boom, we are returning slowly. It is more like a slow burn rather than an explosion. But, we are still burning, which is important.

New Technology Initiatives

In looking at the pandemic and its effect on technology, we see that clubs must now have a streamlined registration system with check-in and cancellation procedures frictionless. During the pandemic, Amazon created the demand for a seamless one-click purchasing process along with simple AI (artificial intelligence), and individuals have zeroed in on this way of operating.

The advancements in technology have also created a demand for live-streaming classes and on-demand programs. Even with live gyms opening, these on-demand and streaming options are here to stay. They are now a necessity. Recently, a dip in streaming fitness has caused some clubs to have shift these offerings to a value-add option to memberships. This allows for a higher-priced premier membership, which includes live-streaming or recorded fitness offerings, generating additional revenue for the facility.

Additionally, there is a definite shift to wellness. It does not mean that struggling facilities need to upgrade all their services and restructure their buildings and machinery. Many facilities are revitalizing and renaming amenities, such as hot tubs, saunas and steam areas to "The Spa." They are also adding in plants and aromatherapy diffusers as another way to improve the environment and increase memberships offerings and club revenue. This wellness focus seems to be increasing the overall value for members.

Fitness facilities that are just beginning the process of adding these newer services and newer equipment are scared to spend money on a business that is experiencing very slow to no growth. They are understandably nervous about investing and launching expensive equipment or new technology. When gyms are looking to invest in improvement, they are critically reviewing a service provider's longevity, reliability and sustainability, hence some of the new technology and service providers that sprang up during the pandemic are now struggling or have even closed.



Sara Kooperman, JD

Fitness Trainers and Group Exercise Instructors

Not surprisingly, fitness professionals, including personal trainers and group exercise instructors, are in short supply. At the onset of the pandemic, owners, managers and directors were so absorbed in survival they seemed to have forgotten about their *Frontline Team*, the "Heroes" of the pandemic. Hundreds, and possibly thousands, of group fitness pros jumped right in at the beginning of the pandemic, offering complimentary online and free virtual classes just to keep their fitness communities and clubs alive. When it became obvious this was not going away anytime soon, the savvy instructors and trainers pivoted, moving to online classes, creating their own revenue streams. These individuals survived and some even flourished, becoming independent entrepreneurs, and consequently, are now reluctant to return to a gym. They are reluctant to share a portion of their hard-earned income and are not returning to their once-home club. Additionally, other group exercise instructors and personal trainers left the fitness industry entirely during the pandemic as they were forced into alternative careers.

All is not lost, however, and we're beginning to see a new brand of instructor that is younger and committed. Also, long-time instructors, dedicated to health and wellness, remain. Clubs are also realizing the value of both ends of the age spectrum. Clubs are willing to pay instructors more and are even open to non-exclusivity agreements, bringing back many expert veterans at higher salaries. Instructors are encouraged to maintain their online presence with the hope that their influence will draw people back to the club. Owners and managers know that individuals want

(See **Sara Kooperman, JD** Page 19)

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Five Ways of Driving a Culture of Innovation

By: Jim Thomas

We can all agree that a business must be innovative and revolutionary to thrive. As a company's CEO, you must find and implement every strategy to create a culture of innovation and facilitate a healthy company atmosphere. But, how to create a culture of innovation? What department can you start with?

Why Fostering Innovation is a Worthy Goal

First, let's dive into why innovation culture is important. As a CEO, you want to be at the forefront of your industry, and one of the best ways to do that is to bring innovative products or ideas to the table and focus on growth.

Some common problems lack of innovation generates are:

- Falling behind competition;
- Lack of pricing control;
- Falling margins;
- Market share troubles;
- Recruitment troubles;
- Losing key employees.

It's best if you create a winning innovation strategy for your company so you can ease into retirement.

What Can Leadership Do to Introduce Innovation Culture in a Company?

Leadership can create an environment that promotes introducing and

spreading new ideas. This change can be a suggestion box, weekly staff meetings or monthly conferences. The most significant idea is to encourage input from every level of the company. That means welcoming ideas from the lowest minimum wage workers to the high executives.

When you're brainstorming ideas on how to create a culture of innovation in your company, you need to consider innovation metrics. The best way to approach innovation metrics is to look at their previous history and improve upon those where it's needed. If the project duration is too long, develop a faster system led by maverick employees.

If the budget is a problem, try to find ways you can cut costs in other areas of your company.

Examples of Cultural Innovation In 2023

What is an example of cultural innovation? Some great innovative culture examples of 2023 are:

- *Miro* is introducing an online whiteboard tool for companies to spread ideas and communicate;
- *Indeed* is introducing a fully automated job search process;
- *Dropbox* is introducing virtual office arrangements for employees;
- *Slack*'s audio call feature and message send scheduling.

These examples of creating a culture of innovation in organizations will contribute to staying ahead of the curve for 2023.

How to Drive a Culture of Innovation

So, how do you drive a culture of innovation? Well, there are five steps that you should take that will lead to you driving a culture of innovation.

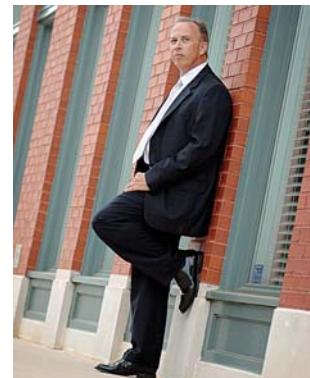
1. Assess - Take a good look at your company and determine what is blocking, hindering or flat-out preventing innovation from taking place. It could be a particular set of rules, lousy management or lack of communication.

2. Quantify - Quantify the tangible assets your company has that can facilitate an environment of innovation. The measurements can be:

- Counting the number of hard-working employees and separating them from the lackluster ones;
- Keeping track of how many customers are coming through the doors every day;
- Counting revenue;
- Quantifying processes and optimizing for efficiency.

3. Build - Build a team that is geared towards innovating and improving the customer experience. You will need individuals with can-do attitudes who don't mind going the extra mile for the company. Of course, you must take care of these people to the best of your ability so their morale does not dip.

4. Compose - Once you have your team, you must create a structure allowing them to use their strengths to the best of their



Jim Thomas

ability within the company. Composing the management of innovation will enable everyone to bring their best attributes to the table.

5. Assign - Assign and address the resources your company has at its disposal. Remember that innovation takes time and money for it to be truly remarkable. Give your mavericks enough time to get their brain juices going, and you will reap all the benefits.

(An Outsourced CEO and expert witness, Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting, turnaround and brokerage firm specializing in the gym and sports industry. Visit his websites at www.fmconsulting.net or www.youtube.com/gymconsultant.)

...Sara Kooperman, JD

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and need a live in-person experience, so the online presence is not a concern. Staying connected is key.

Member Engagement

Help Wanted! Since clubs need more staff, then working to improve the quality and services that they offer is a must. Owners and managers need to upskill their current teams and require better customer service. Retraining has become a necessity. This may come with increasing salaries, encouraging flexibility and being open to employee suggestions. Purchasing wellness-based equipment that personalizes and professionalizes the workout experience will also engage and support members. A variety of equipment that automatically adjusts to size, weight, height and strength of each member will better service clients. Equipment and technology that integrates to store member information should also prove quite

valuable as this will help with goal setting and gamification. Expanding small group training opportunities increases services while building community among members. This also lessens the need for PT staff. Small fee-based group exercise classes may also generate much needed revenue in some cases.

Performance is Key

The return of established members, new clients and retention of both is key to the success of the fitness industry. In thinking about the key performance indicators (KPI) is, of course, finances. How do clubs regain what they lost? How do they gain trust? The personal touch has proven to be invaluable. Personalized hand-written notes with free class passes for friends and individual calls, texts and emails to encourage return are just a few ways letting members know they haven't been forgotten. Streamlining registration for group exercise and personal training, as well frictionless access is important. Offering discounts to club members where

their pre-pandemic facility has permanently closed has also secured new faces.

Final Takeaways

Hang in there! Our industry is returning. People are realizing the importance of community and interaction. With that said, get on the phone, contact your BEST instructors and trainers and pay them more to return. Think about per head incentives to get them to use their social media influence to get members to return. Group exercise staff make wonderful social media influencers, which is a successful way to attract both old and new members. Encourage them to continue their independent revenue streams. Many clients want to return to a club because they do not have all the resources available to them at home (even though many purchased equipment during the shutdown). Be flexible and open-minded. Train new fitness professionals by actively seeking out loyal class participants and get them certified.

Life in the industry is not coming back with a bang, but rather, a slow burn.

Within the next two to three years, we will most likely be back to "normal," and hopefully, our revenue streams will surpass 2019 numbers. Focusing on wellness and building member immunity seems to be on the front burner. Let's keep our eyes on healthy lifestyles and rebuilding community starting with our slow burn until it is a roaring fire.

(Sara Kooperman, JD, CEO of SCW Fitness Education, WATERinMOTION, and S.E.A.T. Fitness sits on the Gold's Gym Think Tank and the canfitpro Advisory Panel and was a Founding Board Member for the Women In Fitness Association (WIFA). Recently nominated for the IDEA Fitness Leader of the Year Award, Kooperman won the 2022 Most Innovating Fitness Pro by Fitness Industry Technology Council. She is also an inductee into the National Fitness Hall of Fame, an Illinois State Businesswoman of the Year and an esteemed panelist for IHRSA's Talks & Takes Monthly Talk Show.)

The Client We Need the Most Hates Us

We Have Driven the High-End Client Out of Our Gyms

By: Thomas Plummer

If there is one, real life business comparison to the modern fitness industry, it would be the cheap grocery store chains. Huge physical plants, filled full of cheap food, sold cheaply to cheap people looking for bargains. Marginal service, performed by bored people, paid low end wages to stock shelves and who mumble when asked simple questions, such as where is the cranberry sauce? What once was a small neighborhood convenience are now megastores trying to offer everything to every shopper.

In the fitness industry, we have believed bigger is always better since beginning in the '80s and the advent of the national chains. Giant boxes, low prices so money is never a barrier, then stuff these places with as many people as we can attract using endless sales and discounting techniques. No service, because true service people cost money, and turn and burn the market to get the numbers it has to have to survive.

Even today's smaller, circuit gyms work on this same theory. Build an 1,800 square-foot box, charge a moderate price, then stuff forty people in shoulder-to-shoulder and rotate them around the room. When sales fall, drop the price and chase yet more volume. These models rise quickly, then burn quicker, because hip and trendy soon becomes last year's been there and done that... now what?

If we look at the last ten-year history of the fitness business, we see the gradual elimination of the client we need most, the one who is over forty, in the top 30% of the population by affluence and who has the education, sophistication, weak body image and hatred for mobs which keeps him out of most every fitness facility in the country.

This client is valuable because he is stable, meaning he stays longer and pays longer and is not concerned with the price he pays if he gets what he wants, but most everything we build or offer in the world of fitness is designed to keep this client away.

Bigger Is Not Better for This Client

Even the big boxes who claim to understand this client fail them by assuming he wants to be surrounded with a few thousand of his closest associates, and if we look again to real world examples, we can easily see this client does not want to be one of many. First class on airplanes is small, designed for the elite willing to pay more for exclusivity. Get on early, get your free cocktail in hand, then watch the poverty parade pass through to the rear of

the plane. I sit here because you cannot afford to be, and I am willing to pay ten times what the back pays simply because I like the service, eliteness and exclusivity.

This same person sits in an intimate high-end restaurant, sipping on his \$120 per bottle of nice red wine, waiting eagerly for his \$49 steak and \$9 baked potato while the masses, those who can't afford intimate and elite, carry trays to their table in the cheap chain places, put out the little sign on the table so the kid knows where to bring a \$10 meal. We have forgotten that paying more, and expecting the quality to follow, is the mindset of the top 30%. In their wealthy heads, cheap automatically means poor quality and poor service. You cannot ever be the cheapest and the best, at least in the mind of the upper affluence level.

We have the big players in the industry who say they understand this client, but then do everything they can to contradict this statement. Nothing like a woman who owns her own insurance agency, with a staff of fifteen agents and who makes a million a year or so, standing naked in an old school locker room amongst long rows of wooden lockers and benches from the '90s, changing her clothes or showering with a few dozen strangers. And, what financially successful guy doesn't want to watch the old morning members stand around naked for an hour blow-drying strange body parts and talking politics?

Boutique hotels with less than fifty rooms, small cruise ships with a few hundred passengers, private tours in wineries, private boxes in sports arenas and gated communities all highlight the top tier by affluence. They are different, but then, we build big boxes, needing several thousand clients minimum to feed them and expect the high-end client to support these places.

These big chains usually have less than 6% of their clients involved in personal training, then can't figure out why their trainers can't sell it. Because no one goes to a Golden Corral family restaurant looking for a \$120 bottle of Vueve. If I am a money person, I certainly don't join a \$29 a month gym, or less, looking for a professional personal trainer. The guy says to himself, I make \$400,000 a year in my own business, how good can a trainer be who is making \$20 an hour and is under thirty and who is willing to work in a low-end gym and charge \$50 a session, the same cost as two good drinks at the local steak house.

Even the small training gyms mess this up. The 55-year old financially successful accountant does not relish the

thought of going to a training gym, one that claims to only work with the highest end clientele, then has to put down the toilet seat so he can set his gym bag on top of it and change clothes in a cheap bathroom.

These Clients Don't Join Mainstream Gyms

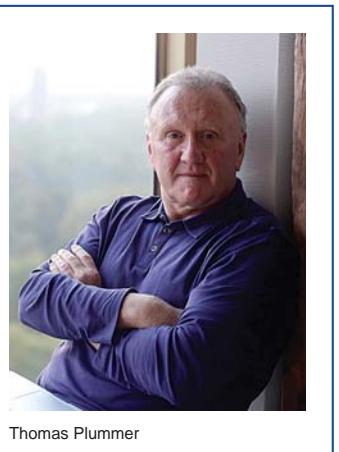
These clients don't join mainstream gyms because they don't feel they belong. These clients are softer and have failed often in fitness but have the money and education to understand fitness is something they have to figure out. A small women's-only training gym on Cape Cod, with a membership of about 250 clients and a base entry of at least \$229 per month, had a fifty something woman come in to inquire about prices.

This women's gym is surrounded by all sorts of competition, including chains and old school group exercise places. The potential client cut off the person explaining prices mid-sentence, stating, "Look, I am here for one-on-one. I am overweight, self-conscious about my body, and I really am tired of walking through a gym and watching some semi-naked guy sitting on a bench press scratching his crotch." This woman was an administrator in the local school system, had money, tried the other gyms, yet never fit into any of them. She tried gyms but realized she was not truly welcome, nor fit, in any of them.

There is a factor within the wealthy mindset called the "club house" effect. This means likes attract likes, but in today's world, there aren't many places in most communities where the wealthy can hang out with their friends. Back in the day, country clubs fulfilled this need, and today, most successful country clubs only have about three hundred members. This was the clubhouse, where the affluent go to smooze with people like themselves, but the numbers are always limited to maintain the eliteness.

There was a 1,500 square-foot upscale training gym in northern Virginia, owned by a woman who was quite financially substantial, and who threw a Friday afternoon party for her clients with good wine and catering. This gym was working distance from D.C. and the community was filled with the wealthy and influential. I visited this gym during one of their parties, and there were about eighty clients in attendance wearing name tags.

There are 766 billionaires in the U.S., and there were three standing in this party in shorts or yoga pants drinking and chatting. Why not the big chain gym down the street with the basketball courts and big locker rooms I asked? "My God, have



Thomas Plummer

you seen the people in that place," one woman said, "and my friends are here, this is our place and we are appreciated here. Could you imagine a big place like that ever serving good wine on a Friday?"

The upscale small training gym, defined as a focus on fitness after forty and usually 3,500 - 10,000 square feet, has become this place for many of these people, especially the gyms which have solved the service issues. The modern version of these gyms might have several 80 square-foot bathrooms, for example, emulating high end hotel baths, complete with sink, nice shower and toilet. These are in essence mini upscale locker rooms for one at a time. Cheap to build compared to the old, massive models, and cheap to service but a touch of class.

These gyms also have recovery bars with good coffee, healthy shakes, snacks and a place to linger since many of these clients now work out of their homes and like to sit, sip and chat with others like themselves. These gyms can even serve free wine and craft beers on Friday afternoons so the clients can stop by, have a glass and socialize. These gyms might have about 350 clients who pay over \$300 per month average. Big isn't better, better is better... and likes do attract likes.

Price Is Perception of Quality

Cheap is cheap, every affluent person knows that from birth. Bottles of wine that are \$100 are usually better than \$10 bottles. Land Rovers at \$150,000 are superior to most anything else you can buy. Why? Because money equals quality.

The same is true in the service world. The \$400 an hour attorney is perceived to be better than the \$50 an hour guy right out of school, especially if you are getting divorced or hauled in for a DUI. The (See Thomas Plummer Page 21)

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\$9,000 a week cabin on a Cunard cruise ship is going to be better than the \$800 a week one with 5,000 drunks on a low-end Caribbean cruise. The low-end coach charges \$40 a session and the high-end coach, in the same town, charges \$100; which coach is perceived to be better? And, if you have money, just how good could a gym be that only charges \$29 a month?

Many of the high-end training gyms use a six-week trial, usually priced at \$299, to attract these affluent clients. We have found, pre- and post-virus, that, when the trial is extended from 30 days to six weeks, and the price raised to around \$299, the quality and quantity of the potential clients increases. The 30-day trial, still a solid marketing tool for a mid-level box gym in the \$29 - 49 price range, doesn't work for the affluent because the 30-day trial is so over-used in mainstream marketing of most everything, including so many online services.

Another example of a poor approach to the elite client in mainstream gyms is the "3 sessions for \$99" training offer. To the money guy, if real training is worth \$150 an hour, why do you have to give it away cheap to get me to try it?

There is a coach out of New York, forty years old, who was charging a personal rate of \$1,000 per hour, a crazy number out of the realm of possibility for most gym people, but he is packed. His list of clients includes the most elite of the city, including A-list actors, financial gurus, brand names and most anyone else who

knows the difference between a trainer willing to sell his soul for \$100 per hour and a trainer who delivers full service for a good price.

The key to again remember is that, if you have money and understand money, higher prices equate to higher quality, or in other words, most gyms charge too little to get the high-end clients. Too cheap... it must be crap. Too big... crap. Too many people not like me... crap.

Another example is many training gyms have done away with team training as a separate sales category. The team, or group experience, meaning six or more in class, attracts those usually in the 24 - 36 year-old strata. This group is not a good fit with the higher end client because this client comes and goes too often and are in a different economic class.

Many training gyms have simply eliminated the team level price point while still offering a form of team, such as traditional functional style workouts but adding boxing, cardio circuits, restoration of natural movement and often keeping cycle classes. If you want these, you pay for the training levels above and then have access to these offerings as part of your overall training experience. This eliminates repetition fatigue, meaning the client tires of just one on one, while also creating a barrier against the younger client who spoils the mix.

What Does All of This Mean?

The best paying clients are left out of the modern fitness facility business plan. We talk about them, decorate for

them, sometimes dress our staffs a little better, then still try and mix them with the other 70% of the population. Wealth means privilege, which in the gym arena means I have a choice not to be one of many in a box experience. And, don't tell me I am a client who now has to be on a waiting list to get into my own gym.

This also means there is a huge potential here for any organization that understands this client, then builds an experience based upon their needs. There is an excellent book that discusses this, something every gym owner dreaming of this elusive client should read, entitled *One Hundred Thirteen Markets of One*, by Chris Norton.

These clients don't, and won't, support big boxes no matter how you attempt to separate them. This group is softer, needing more support during the first thirty days. This group wants intimate, elite and upscale in design and services. The client perceives quality to the price paid. They want service staff to help them, as they expect everywhere they spend money, and the staff all should be the same age as the members.

The hardest part of the gym operator mentality is to shift away from the "more is better" mindset. Making more money, from fewer clients, goes against most everything every big box owner has ever been taught since birth. Lower the price, discount when needed, offer sales several times a year and go for the volume... always the volume, and none of this works for the client in the top 30% by affluence.

This is also about niche marketing,

where the gym states we are here to only service the client past forty. Most affluent clients are over forty, so why not admit this and create a gym experience just for this age group? Smaller gyms that are cheaper to build but generate the same revenue with 300 clients as one with 2,500. Older staff who stay longer. Clients who are self-perpetuating, meaning they bring their friends because, finally, someone has built a gym for people over forty and who understands this client is different.

We are all fighting for the bottom in the fitness industry, and many of us don't even realize this. We build big boxes, declare them upscale then charge \$39 per month, so we make sure we can get the big numbers. We are the masters of the low-end client, and there must be a place for this client, but in the process, we have ignored the most profitable client, the one who has money and wants to give it to anyone who understands him.

(Thomas Plummer has been one of the primary thought leaders in the fitness industry for over 40 years. His approach of change through leadership, delivered in the 1,100+ workshops he has taught all around the world since 1980, has resulted in the creation of many of the current business concepts now in use in the industry, such as the modern training gym business model and layered pricing structure used by so many financially successful fitness businesses. He is perhaps best known for helping young fitness professionals understand and master the business side of the gym business. You can contact Thom at info@thomasplummer.com.)

Resolve to Be the Resolution They Keep

By: Terry Browning

Every January, people know they're looking for something new, something healthier, something that will work (hopefully, this time). They're also looking for motivation, community, connection and inspiration. They just might not realize it... yet.

This time of year, every year, we're given a gift that few other industries can count on. We're assured a stream of new, renewed, recharged, looking-to-commit traffic. We're in people's sites, in their goals and in their budgets. Yet, as I'm sure you're aware, the majority of fitness resolutions are quickly broken, some even within the first month.

As the industry at the epicenter of the recurring resolution revolution, what are we doing, first, to capitalize on our unique position as a resolution must-do, and second, to never have to be someone's restarting, repeating, resolution again?



Terry Browning

Let me explain. We have the unique ability in our business to deliver something that will massively increase the odds of people sticking with exercise. But,

(See Terry Browning Page 22)

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...Terry Browning

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too often, we just don't. We have to give them not only the "healthy" they want, but as importantly, the "happy" they need to stay committed long-term.

See, we can deliver the healthy all day, but that's not enough. Healthy can be boring. Healthy can be found anywhere, including at the competition's cheaper treadmill, in someone's basement (if they have the self-discipline), or not at all, for so many serial starters and stoppers.

We have to leverage a position as social clubs and provide connection and community, proven to increase their

chances of long-term success. In addition to social connection, to increase their odds even more (more enjoyment, better results) a musically-driven, musically-synchronized, group fitness experience is key. It's the power of social connection in the presence of social motion.

If you've never heard of social motion, it's more than a catchy phrase. Social motion is actually a long-studied phenomenon that describes the amazing feeling... the spark we ignite, the adrenaline we feel, the power we generate when we move with other people in a synchronized physical task like exercise. Said another way, people work harder together, have more fun together and are more likely

to get back together to experience it all over again.

When we drive new members into group fitness, into social circles and leverage the value of community, connectedness and social motion, we can make members healthy and happy, feeling like part of something, and they'll commit to you and their new, or renewed, healthy habit for countless years.

We're so fortunate in our business to say it, mean it and deliver the "Happy" and "Healthy" New Year that our customers are seeking in 2023, a year full of possibilities and opportunities for us to be a positive influence and make health-changing, movement-empowering, life-

shifting impact, especially when we team up to get more people moving.

(To learn more about "social motion," a phrase coined by Blue Zones, a group of scientists and researchers who travel the world studying longevity and the environments and habits of people who live long, healthy lives, even past the age of 100, see their 2021 article Social Motion Boosts Performance and Connection at bit.ly/clubinsider146. To learn more about how MOSSA builds workouts and engineers music to leverage the power of social motion, visit www.mossa.net.)

Club Insider Seeks Contributing Authors

Contact Justin Cates

(863) 999 - 2677 or

Justin@clubinsideronline.com

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Thank You to Our Contributing Authors

- **Bonnie Patrick Mattalian** - Independent Consultant - bmattalian@gmail.com
- **Bruce Carter** - President, Optimal Design Systems International - (954) 888 - 5960
- **Cathy Spencer Browning** - VP of Training & Programming, MOSSA - (770) 989 - 4700
- **Chris Stevenson** - Founder, The Empower Group - chris@stevensonempowers.com
- **Daron Allen** - President & CEO, Visual Fitness Planner - dallen@vfp.us
- **Derek Barton** - Owner, Barton Productions - derek@bartonproductions.com
- **Donna Krech** - Founder/President, Wealth of Wellness - (419) 991 - 1223
- **Gary Polic** - Owner, Polic Consultants Group - (630) 410 - 1120
- **Jeffrey Pinkerton** - Business Development Manager, MOSSA - (770) 989 - 4737
- **Jim Thomas** - President, Fitness Management USA - (800) 929 - 2898
- **John McCarthy** - 25-Year Executive Director Emeritus of IHRSA
- **Karen Woodard-Chavez** - Premium Performance Training - karen@karenwoodard.com
- **Mark Williamson** - Co-Founder and Principal, ClubIntel - markw@club-intel.com
- **Mike Alpert** - COO, Smart Health Clubs - mike@smarthealthclubs.com
- **Paul R. Bedard, Esquire** - Crunch Fitness Connecticut - paul@crunchct.com
- **Paul Bosley** - Owner, Business Finance Depot - (800) 788 - 3884
- **Rick Caro** - President, Management Vision, Inc. - (212) 987 - 4300
- **Sara Kooperman, JD** - CEO, SCW Fitness Education - scwfit.com
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