

The Pulse of the Health, Racquet & Sports Club Business

JANUARY 1995

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THE CLUB INDUSTRY'S BEST FRIEND

By Norm Cates, Jr.

This story is about a great man. The health, racquet and sportsclub business has undergone radical improvement and change in the last 15 years. Much of this massive club industry change can be traced back to the brilliance and efforts of this man. He is the club industry's best friend.

His name is Rick Caro.

My good friend, Rick Caro, objected vehemently when I told him that I wanted to publish a front page article about him in our January, 1995 edition. This is typi-

cal of Rick. Always low key. Always wanting to remain behind the scenes. Always giving, but not expecting to receive the credit he deserves. But, ignoring Rick's objections, I now present to you the story of an incredible human being.

Rick Caro grew up in Scarsdale, New York, an upscale suburb of New York City. He graduated from high school in 1963 and enrolled at Tufts University near Boston. While at Tufts, Rick majored in psychology, but took on many advanced-level courses because he wanted to be challenged more and felt that even though he did not have the pre-requisite courses, he wanted

a rigorous liberal arts education. He graduated from Tufts in 1967 and entered New York University to obtain his MBA in Marketing. Rick excelled at NYU, earning high honors with a 3.93 G.P.A. and finishing second in his MBA class of over 600. He was awarded NYU's Hector Lazo Award as the top Masters' student in marketing. A highlight of this accomplishment was when he carried his school's flag during NYU's graduation ceremony held in the Madison Square Garden.

Immediately upon graduation, Rick was selected to become the Assistant Dean in charge of the full-time MBA Pro-

(See Caro page 7)



Rick Caro

THE SECOND GREAT WAVE... Why Clubs Should Consider Alliances With Hospitals And Doctors

By Norm Cates, Jr.

In the 1970's, many of us were operating clubs which provided only tennis or racquetball to our members. As time passed, most of us came to realize that we would have to dramatically modify our clubs in order to remain competitive and in business. All across America, the conversion of often empty indoor tennis and racquetball courts began to reshape the future

of the entire club industry.

Since those days, vast sums of money have been spent on facility conversions, equipment acquisition and new club program development. Moreover, a new breed of club was born with multi-purpose application as the primary design focus. It was this process of evolution.... this sea of change in what and how clubs are offering that has brought the club business to where it is today.

I believe that it is safe to say that in the last 15 years, the club industry has improved and

changed more than it had in its previous 35 years of existence.

To understand the relevance of this rapid change we have experienced during the past 15 years, I think it is important to focus upon and relate to the fact that the club industry is truly an infant industry. For example, compare the club industry to the hotel industry. The hotel industry is at least 2,000 years old. (Baby Jesus was born in a manger because the INN was full.) Just think of it..... for at least 2,000 years the hotel industry has

been evolving and changing. And, it is still changing.... re-inventing itself.... constantly seeking to improve.

So, as we examine the club industry which is only 50 years old..... is it not reasonable to expect more significant change as our industry matures and ages? In my opinion, the "First Great Wave" of change for the club industry is winding down. But, a new and potentially huge "Second Great Wave" is looming over the horizon for club owners and operators everywhere to look forward to.

Consider the numbers. North America has a population which is nearly 300,000,000. Until now, clubs have only scratched the surface in their effort to pen-

etrate this population. Two primary reasons for this are: (1) The population has lacked education about the benefits and value of regular exercise. (2) Due to the behavior (sometimes by accident and sometimes on purpose) of club operators, the North American public has not yet come to truly trust health club operators as a group. Now, both of the factors above have and are changing dramatically.

First, through the efforts of IHRSA, many regional club groups and a number of other organizations, the education level of the average consumer about the benefits and value of regular exercise is rapidly increasing. Second, also through the efforts of IHRSA, (See Hospitals page 14)

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THE INSIDER SPEAKS

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Club Employee Recruitment... Are There Any Rules?

By Norm Cates, Jr.

In early December,

Curt Beusman, the owner of the Saw Mill River Club in Mt. Kisco, New York and two

Sportplex Clubs in up-state New York and Connecticut, received

a very unfriendly letter from a fellow IHRSA member, Bill Austin and his partners Lyle Schuler and Mary Murphy. (See the letter on this page.) (Also on this page, I have published a letter that I sent to Bill and his partners.)

back and the help of a couple of industry professionals in the field of employee recruitment, I hope to do that next month.

Next month, I will report to you about what others in the industry think about this question:

CLUB EMPLOYEE RECRUITMENT..... Are There Any Rules?

Consider the following questions and let me know what YOU think about this issue.

38 Mill Plain Rd., Danbury CT 06811
 106 Commerce Rd., Stamford CT 06901
 260 Route 17K, Newburgh NY 12550
 353 Sheafe Rd., Poughkeepsie NY 12561
 420 S. Riverside Ave., Croton NY 10520
 (203) 748-9
 (203) 323-6
 (914) 564-7
 (914) 462-4
 (914) 271-6

GOLD'S GYM.

Aerobic and Athletic Clubs

December 2, 1994

Mr. Curtis Beusman
 Hudson Valley Club
 72 Route 9W
 New Windsor, New York 12553

Dear Mr. Beusman:

As fellow club owners and members of INFSI, we feel the need to address your recent "head-hunting" maneuver's involving the Sales Manager/Club Manager of our Newburgh, New York facility. Your actions have been most underhanded, and certainly not acceptable within any reasonable standard of business ethics. While this is not the first time you (or your representatives) have offered positions to our key personnel, this offense is by far the most serious.

The situation we are referring to is your recent offer to Barbara Meredith, Sales Manager/General Manager of our Newburgh club. We chose to let previous advances made to one of the Newburgh sales staff and to the Physical Therapist at our Stamford location go unaddressed, but enough is enough.

After Barbara declined your most generous compensation package (stating that money was not what motivated her and that she was very happy where she was), you continued to call her, both at work and at home, in an effort to persuade her to change her mind. As an enhancement, a pension plan... a company car... and a beauty salon were added to your original offer!

In total, you personally contacted Barbara four times at work and another couple of times at her home. Each time, she told you she was not interested in the position you were offering -- that of General Manager/Sales Manager at your New Windsor location. Barbara found your calls to be annoying and your persistence to be borderline harassment. She at no time encouraged you to continue your efforts.

Through the years, our facilities have been visited by countless club owners and managers. Our staff has been instructed to be hospitable and as helpful to them as possible. We are certain you found this to be the case when you toured our Newburgh club, even though you are the operator of a competitive club within the same market.

Curt, in all our years in the health club industry, we have never had a competitor stoop so low to undermine one of our operations. In speaking with other club owners, we have since found ours was not an isolated incidence, and that you have used these same tactics to entice key personnel from other facilities. For someone who preaches Club Commandments and codes of conduct, and who was recognized as IHRSA's Service Award winner, it is embarrassing to observe your recruitment methods first-hand. Can you honestly believe your actions typify the ethics of the model club owner and industry consultant that IHRSA has encouraged its members to look up to? We think not.

Please understand we felt it necessary to copy everyone listed below in an effort to discourage your continuation of such unprofessional behavior.

We hope our feelings have been made clear in this letter. We request that further contact with our employees, either by you or your managers, be ceased immediately. Additionally, you are no longer a welcomed guest at any of our five facilities, and future access will be denied without prior personal approval by one of the three undersigned.

Sincerely,

Bill Austin
 Owner - Gold's Gym Newburgh, NY

Lyle Schuler

Very truly yours,
 Norm Cates, Jr.

Norm Cates, Jr.
 CLUB INSIDER NEWS

P. O. Box 671443 • Marietta, GA 30067-0025 • (404) 850-8506 • FAX (404) 933-9698
 Toll Free Hotline 1-800-700-2120

•NORM'S NOTES•

RED, WHITE and BLUE - This issue is trimmed in Red and Blue on White paper in honor of the 104th Congress. God Bless America!

DIANE HESS-MARSHALL and **SUE McGOUGH** have written excellent articles on Day Camps for Clubs published in this issue. I am trying to provide you with feature articles which will help you grow your club revenues and profits. For example, one of my subscribers, **JIM KARR** of **CLUB UNIVERSE** in Milwaukee reports that he has installed Tae-Kwon-Do into his club due to an article published in the **CLUB INSIDER**. Programming in clubs which will generate revenues above and beyond the normal income stream of membership dues and fees has been identified as one of the great potential growth areas. The day camp programs for clubs can provide a welcome summer time boost to your business.....and the summer camp effort will produce new membership and member retention results all year long. These two articles are intended to give you the inside information you need to launch

your own Day Camp Program at your club. I know, some clubs are suitable for such programming and some are not. But, I want to provide the necessary information for you to consider the opportunity for your club if you have the physical plant and have never done a Day Camp Program before.

KIM FULLER, owner of the Livermore Valley Tennis Club in California had quit IHRSA in protest of its admission policies. Nice to hear that Kim has re-joined and will be involved in the debate.

NEIL SOL, the President of Health Vantage, Inc., a Houston, Texas-based club management consulting firm, has informed me that he plans to re-enter day-to-day operations in the club business by seeking a General Manager's role. Neil is one of the most experienced people in the club industry today. His resume and credit list is extremely impressive, encompassing virtually all facets of the club business! But, what is more important to me is Neil's leading edge role and grasp of the potential for the health club/hospital relationship. Neil was speaking and writing about that subject over 10 years ago - ahead of his time.....but on target. Beginning

with this issue, Neil will focus on the Health Care world with a monthly article under the title: "The HEALTH CARE CONNECTION" with this month's article entitled: "CLUBS ARE THE "M" IN HMO." You can look to his column each month for the most recent and up-to-date information on what is going on with the movement of health care and health clubs coming together. Neil is also the person who went in and took over the Houstonian the mega-club in Houston, Texas and helped rebuild it from a bankrupt situation to a re-kindled success. If you are looking for a high powered, experienced, leading-edge thinker for a General Manager role in one or more clubs, contact Neil at (713) 494-5550.

The **WALL STREET JOURNAL** published an article recently highlighting the efforts of clubs to boost revenues by providing member services which are out of the ordinary. Mentioned in the article was the East Bank Club in Chicago, the Saw Mill River Club in Mt. Kisco, N.Y., Crunch Fitness in New York City, the Houstonian Club in Houston, Texas, the Cooper



Norm Cates, Jr.

Clinic in Dallas, The Baylor Fitness Center in Dallas and Bally's.

GEOFFREY DYER, the Owner of the Lifestyle Fitness Centers in the Tampa, Florida area wrote a nice letter to me sharing how much he and his staff had gotten from the IHRSA Orlando Sales and Marketing Conference. He said: "I'm excited to report we had 3 home runs on the first day of seminars at the IHRSA show in Orlando. I personally attended the seminar entitled: "Building Referral Partnerships" by GAYLENE PRINGLE. After 20 years in the business, I find Ms. Pringle's presentation to

be a fresh approach. Our General Manager, **GAYLE DERESTAHL**, attended the program led by Brenda Abdilla and was so impressed she immediately invested \$149 in Brenda's sales tapes to train her staff. Our controller, **PENNY SABIA**, attended a one day workshop on "Sound Simple Management Techniques" and she too came away from the meeting feeling inspired to make changes that will improve the way in which we manage the financial side of our business. Overall, the IHRSA conference in Orlando was an inspiration to all of us and left me with a

(See *Norm Notes* page 11)

IHRSA
263 Summer Street
Boston, MA 02210
(617) 951-0055
(800) 228-4772
Fax (617) 951-0056

December 15, 1994

Mr. Norm Cates
Club Insider
P.O. Box 671443
Marietta, GA 30067

Dear Norm,

Congratulations on most successful year.

You are providing the industry with a fresh, irreverent, often trenchant, and upbeat read. Above all it is your own touch, that of the "happy warrior", that makes *The Club Insider* so personal and compelling. Also, there is a marvelous unpredictability to the content that adds to the interest and enjoyment of reading your paper.

Attached is my check, renewing. (As Cathy McNeil has already renewed from IHRSA, I am taking advantage of your second person rate.)

All the best,

John McCarthy
IHRSA

P.S. Please mail my copy to IHRSA, not the address on the check.

12/18/94

Mr. Norman Cates, Publisher
The Club Insider
P.O. Box 671443
Marietta, GA 30067

Dear Norm:

Just when we thought your periodical was reaching a zenith of journalistic accomplishment, you've broadened its scope to yet another level! By including a picture in your December issue of a handsome, powerful and clearly resolute pulling guard (page 3), you have given your readership fodder for some extremely obscure sports' trivia questions. To then throw trivialophiles further off the track by insidiously identifying this young Adonis as one "Norm Cates" is surely a clever and devious editorial ruse. The evasive right-to-left move by #66 is vaguely familiar, and the bemused, semi-tough face is arguably somewhat Cates-like, but that full head of luxuriant, manicured dark hair quickly shifts conviction away from that notion.

However, to think that such insidious marketing of some former football icon might somehow subtly dissuade young Justin Cates (page 17) from pursuing excellence in soccer and speed skating, two sports which are aerobically far superior to football, is unthinkable from a leading spokesman of our fitness industry.

Be that as it may, and, in any case, the whole staff looks forward each month to your issue of T.C.I. so keep on tackling the difficult and controversial issues in our industry, Norm. We need your alternative voice.

Happy holidays to you and your family and hopes for success and growth in '95!!! See you in S.F. in March.

Very Sincerely,,

Dick
Richard L. Church
President

General Manager's Compensation Survey

By Claire Anderson

Being a general manager of a health club is one career path to happiness. A strong sense of job satisfaction among general managers was revealed when The CLUB INSIDER conducted a survey of General Manager's Compensation Packages and Satisfaction in the club industry. Club general managers reported three key elements of job satisfaction: the autonomy offered by their position, the satisfaction experienced in working with members and the opportunity to be part of the club industry.

The survey consisted of a one-page questionnaire printed in The CLUB INSIDER and used an independent sample of a wide spectrum of general managers: managers who were responsible for clubs with only indoor facilities versus clubs which had both indoor and outdoor facilities, managers responsible for single clubs versus those managing multiple clubs and managers who held staff positions versus those who also held ownership shares in their

clubs. The survey looked at factors describing the clubs, the backgrounds of the general managers and the monetary payments and benefits received by the general managers. As the respondents to this survey represent 29 managers of 33 clubs, please note that, as not every survey question was answered, the number of responses will vary. Due to a low total number of responses from general managers, the survey is not statistically significant. However, the survey does provide insight into the industry's management practices. All general managers answered the survey questions based on their 1993 earnings.

DESCRIPTIONS OF CLUBS

Indoor/outdoor facilities were available at 18 of the 33 clubs. The 15 indoor-only facilities ranged in size from 7,000 to 50,000 square foot buildings set on 1.3 to 3 acres. The indoor/outdoor clubs (18) were generally larger operations, possessing 16,000 to 225,000 square feet of indoor space set on 1 to 13 acres. All of the clubs were established in their locales: 6 clubs having been in busi-

ness 4 to 10 years, 18 clubs in business 11 to 19 years, and 9 clubs having been operating for 20 to 27 years. Single-club revenues indicated the majority of the respondents managed small businesses: 17 clubs reported gross revenues of \$300,000 to \$1.7 million and five clubs had revenues of \$2-\$3.3 million, though two clubs respectively, reported \$5.5 and \$7 million in gross revenue. The combined revenue of a two-club group equalled \$3.5 million, while the combined revenue of a three-club chain equalled \$4 million.

Experience among the general managers varied: 13 had spent 2 to 10 years in the industry, while 12 had spent 11 to 18 years in the industry. About 25% of the respondents had served as general managers at other clubs prior to working in their present position. Over 70% of the club managers have been in their present job for 2 to 10 years and 30% for 11 to 17 years.

SUMMARY OF COMPENSATION

In the analysis of general manager's compensation packages that follows, those general managers who own a percentage of the club (10 respondents) will be referred to as owner/managers (Owner GM) while all other

general managers (19 respondents) will be referred to as management staff (Staff GM). The designation as an Owner GM does not represent control of a club, as 5 Owner GM's held only 8.75% to 15% interests in their clubs. Other Owner GM's did have controlling interest in their clubs, with two general managers having sole ownership and two others owning 66% and 75% of their respective clubs. GMs classified as owners were evenly distributed between indoor and indoor/outdoor facilities and large and small clubs. Owner GM compensation packages are undervalued as stock holdings were listed but not assigned a monetary value.

Six Owner GM's received 1993 dividend payments ranging from \$5,000 to \$22,000. Total compensation packages for Staff GMs ranged from \$35,200 to \$182,000, with annual base salaries ranging from \$21,000 to \$112,000. Owner GM compensation packages ranged from \$25,000 to \$157,600, with base salaries contributing \$25,000 to \$100,000 of the total packages. It should be noted the highest owner compensation package was that of an individual responsible for three clubs. Sixteen Staff GMs received bonuses/commissions of \$1,000 to \$52,000, while 6 Owner GMs received \$6,200 to \$36,000 in bonuses/commissions.

Profit sharing was enjoyed by 4 Staff GMs (\$900 to \$22,000). Owner GMs report receiving stock or sums up to \$15,000 as a result of their club's profit sharing plans. Pension benefits worth \$2,500 to \$5,000 were awarded 6 Staff GMs, while only 2 Owner GMs reported pensions.

Health benefits ranged from \$500 to \$8,400 for 12 Staff GMs and \$1,200 to \$7,500 for 7 Owner GMs. The ranges for both groups (Staff and Owner GMs) indicate some clubs provided health insurance solely to the employee, while other clubs offer additional coverage to the employee's family.

Thirteen Staff GMs cited free club memberships as part of their compensation (\$500 to \$1,800), though 3 did not assign a monetary value to the membership. Four owner GMs received free club memberships worth \$240 to \$800. A car (bought/leased) supplied by their club was part of the compensation package of 5 Staff GMs and valued from \$3,000 to \$4,600. Eight Owner GMs reported their club provided them with a car (bought/leased) and estimate this feature to be worth \$1,400 to \$5,000. One Owner GM, who evidently sharply monitored club expenses, declined to value his 15-year-old truck but declared that the vehicle was "fully paid for."

ADDITIONAL COMPENSATION

Additional components to their compensation packages were noted by 3 Owner GMs. An entertainment budget of nearly \$15,000 was cited by one and two other Owner GMs listed additional compensation of \$10,000 and \$1,000. Staff GMs listed a wide array of additional items in their compensation packages. It may be that some of these benefits enjoyed by Staff GMs are enjoyed by Owner GMs, but the owner GMs (See GM Survey page 18)



THE THOREAU CLUB
OF CONCORD

Since 1967... Excellence in Fitness, Tennis, Swimming and Aerobics

December 21, 1994

Mr. Norm Cates
The Club Insider News
P.O. Box 671443
Marietta GA 30067

Dear Norm:

Let me compliment and congratulate you on your first anniversary of publishing the "Club Insider News". While, I must admit I was initially somewhat skeptical when you first discussed the idea I supported the concept wholeheartedly.

Your publication has certainly met a need and filled a void in the information exchange within our industry. You inform your readers of industry events, provide thought provoking articles, expose us to new industry spokespersons and most importantly discuss those tough issues no one else does and you deserve credit. I support your decision to accept advertising because I believe it is good for the reader. Please don't fall into the trap so many other industry publications do where the advertising takes over.

One tough issue is sure to raise thought provoking dialogue, this year, is the non profit organization as it relates to the medical and health care field. Letters and positions such as Kim Fuller's in the December issue (page 2) will continue to challenge IHRSA. I sincerely hope the association membership will work together in the spirit of cooperation to reach a mutually agreeable solution. My concern is that we do not split the association and my hope is those who feel strongly about the issue will work to change what exists rather than throw up their hands or become anti IHRSA. United I believe we can have a win win situation.

Keep up the good work with the publication!

We wish you all the best for a Happy Holiday season and a Happy, Healthy, Prosperous New Year.

Very truly yours

Todd A. Pulis
Todd A. Pulis
Owner

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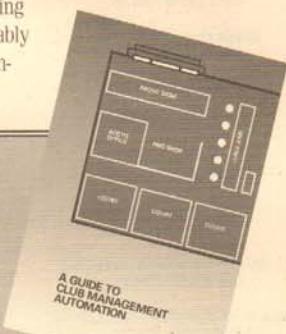
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1995 CLUB INSIDER HONOR ROLL

Norm Cates, Jr.

I have changed the name of the CLUB INSIDER Top 100 Club List to the 1995 CLUB INSIDER HONOR ROLL.

The truth is that there is no way that our selection committee could accurately limit their choices to a list of the Top 100 clubs in the U.S. given the lack of adequate measurement criteria. It would simply be too subjective and unfair to some very deserving clubs. Thus the change.

I had hoped to accomplish a listing of America's finest clubs.....those who have reached high degrees of quality and professionalism so that other clubs could examine them and seek to improve their own operations to reach that level.

I have accomplished that with the list of great club organizations shown below..... but, the list may not be complete.

If your club was not shown on this list and you think it should have been, let me know. My apologies to any deserving club which was not included. (The list is presented in no particular order.)

AMENITY CLUB (HOTEL, OFFICE, RESORT)

The Vinoy Health Club
St. Petersburg, Florida

Weston Athletic Club
Boca Raton, Florida

Wildwood Athletic Club
Marietta, Georgia

Shula's Athletic Club
Miami Lakes, Florida

Mirage Hotel Health Club
Las Vegas, Nevada

Chad Athletic Club
Harvard Business School
Boston, Massachusetts

Ontario Fitness Center
Chicago, Illinois

The Vinings Club
Atlanta, Georgia

McDonald's Corporate Fitness Center
Oak Brook, Illinois

The Spa at Fountain Bleau Hilton Resort
Miami Beach, Florida

Plaza Executive Health Club
Atlanta, Georgia

Vail Athletic Club
Vail, Colorado

CHURCH FACILITY

Jewish Community Center
Dallas, Texas

Family Life Center
Second Ponce de Leon Baptist Church
Atlanta, Georgia

FITNESS CLUBS

Frog's, An Athletic Club
Solana Beach, California

Q, The Sports Clubs
Akron, Ohio

Milestone Fitness Center
Louisville, Kentucky

Cardio Fitness Center
New York, N.Y.

Taking Care Center
Hartford, Connecticut

Lifestyle Fitness Centers
Tampa, Florida

Central Park Athletic Club
Liste, Illinois

Champions Gym and Fitness Centers
Dayton, Ohio

Padonia Fitness Center-Brick Bodies
Timonium, Maryland

Club Universe
Greenfield, Wisconsin

Parkwest Fitness Center
Dallas, Texas

The Club at Westfields
Chantilly, Virginia

Club Body Tech
Miami Beach, Florida

Club One
San Francisco, California

Healthworks
Boston, Massachusetts

Concourse Athletic Club
Atlanta, Georgia

The Thoreau Club
Concord, Massachusetts

Athletic Club at Denver Place
Denver, Colo.

Atlantic Club
Wall, N.J.

Clubsport
Fremont and Pleasanton, Calif.

Flagship Athletic Club
Eden Praire, Minnesota

Athletic Club at Illinois Center
Chicago, Illinois

Four Seasons Sports Country Club
Crestview Hills, Kentucky

Cedardale Athletic Club
Haverhill, Massachusetts

Bel Air Athletic Club
Bel Air, Maryland

Sportslife Clubs
Atlanta, Georgia

East Bank Club
Chicago, Illinois

Pacific Athletic Club
Redwood Shore, California

Athletic Club
Boca Raton, Florida

Courthouse Racquet Club
Columbus, Mississippi

East Side Athletic Club
Milwaukee, Oregon

Courthouse Athletic Club
Salem, Oregon

Greenville Racquet and Fitness Club
Greenville, South Carolina

Western Reserve Club
Phoenix, Arizona

Sports Club L.A.
Beverly Hills, California

Boston Athletic Club
Boston, Massachusetts

Franklin Fitness and Racquet Club
Southfield, Michigan

Willowbrook Athletic Club
Willowbrook, Illinois

Skyline Clubs
Falls Church, Virginia

Mid Valley Athletic Club
Reseda, California

Westbay Athletic Club
Bradenton, Florida

Fitness International
Atlanta, Georgia

Gainesville Health and Fitness Center
Gainesville, Florida

Australian Body Works
Atlanta, Georgia

Premier Club
Dallas, Texas

Concord Athletic Club
San Antonio, Texas

The Houstonian Club
Houston, Texas

Ogden Athletic Club
Ogden, Utah

Los Caballeros Racquet and Sports Club
Fountain Valley, California

Cascade Athletic Clubs
Gresham, Oregon

Racquetball and Fitness Clubs
San Antonio, Texas

Rochester Athletic Club
Rochester, Minnesota

The Marsh Center for Balance & Fitness
Minnetonka, Minnesota

Sports Club Irvine
Irvine, California

Vertical Club
New York, New York

Cooper Fitness Center
Dallas, Texas

McDermott's Athletic Clubs
Westchester, Pennsylvania

What A Racquet Athletic Club
Daly City, California

The WellBridge Center
Boston, Massachusetts

Belmont Racquet and Athletic Club
Long Beach, California

Quadrangle Athletic Club
Coral Springs, Florida

West Allis Athletic Club
West Allis, Wisconsin

Rolling Hills Club
Novato, California

Lehigh Valley Racquet & Fitness Centers
Allentown, Pennsylvania

Memorial Athletic Club
Houston, Texas

Wheaton Sports Center
Wheaton, Illinois

Center Club
Alexandria, Virginia

East Hills Athletic Club
Grand Rapids, Michigan

Decathlon Club/Club West
Santa Clara, California

San Francisco Bay Club
San Francisco, California

Little Rock Athletic Club
Little Rock, Arkansas

Pierpoint Racquet Club
Ventura, California

LifeCenter Plus
Hudson, Ohio

Beverly Hills Racquet Club
Birmingham, Michigan

Village Racquet and Health Club
Phoenix, Arizona

Orchard Hills Athletic Club
Loomis, Massachusetts

Omni 41 Sports and Fitness Center
Scherville, Indiana

Greenwood Athletic Club
Englewood, Colorado

Spectrum Sports Clubs
Los Angeles, California

Wimbledon Sportsplex
Memphis, Tennessee

Tyson's Club of Health & Fitness
McLean, Virginia

New Courtsouth Clubs
Knoxville, Tennessee

Allsport Fitness and Racquetball Club
Poughkeepsie, New York

Gold's Gym Amarillo
Amarillo, Texas

The Aspen Hill Club
Silver Springs, Maryland

Sportslife Clubs
Birmingham, Alabama

Auburn Court House and Athletic Club
Auburn, California

HOSPITAL-OWNED FACILITY

Edward Health and Fitness Center
Naperville, Illinois

Elmwood Fitness Center
New Orleans, Louisiana

Lake Forest Health and Fitness Institute
Lake Forest, Illinois

Michigan Athletic Club
East Lansing, Michigan

Charlton Wellness Center/
New England Health and Racquet Club
North Dartmouth, Massachusetts

Healthplace
Marietta, Georgia

Tom Landry Health/Fitness Center
Dallas, Texas

Riverside Wellness and Fitness Center
Newport News, Virginia

Sentara Hampton Health and Fitness
Center
Hampton, Virginia

MULTI-PURPOSE CLUBS

Red Lerlie's Health and Racquet Club
Lafayette, Louisiana

Saw Mill River Club
Mt. Kisco, New York

Worldgate Athletic Club
Herndon, Virginia

Laguna Niguel Racquet Club
Laguna Niguel, California

Cascade Athletic Clubs
Gresham, Oregon

Racquetball and Fitness Clubs
San Antonio, Texas

PURE WEIGHT GYM

Coffee's Gym
Marietta, Georgia

RACQUET CLUBS

Weston Racquet Club
Waltham, Massachusetts

Mid-Town Tennis Club
Chicago, Illinois

Boston Racquet Club
Boston, Massachusetts

Indian Creek Racquet Club
Kansas City, Kansas

Roosevelt Island Racquet Club
New York, New York

Peachtree World of Tennis
Norcross, Georgia

SPA FACILITY

Canyon Ranch
Tucson, Arizona

La Costa
La Costa, California

Peninsula Spa
New York, New York

WOMEN'S ONLY

Women's Club
Rolling Meadows, Illinois

Lynne Brick's Women's Health and Fitness
Owings Mills, Maryland

The Women's Club
La Mesa, California

The Women's Club
Chantilly, Virginia

...Caro

continued from cover

gram at NYU. He also served as a member of the faculty in the Marketing Department. All at age 23! During his 3 1/2-year tenure at NYU, he worked with and came to know two men: Peter Drucker and Edwards Deming who have since gone on to earn fame in the world of management and total quality management.

"GANG BUSTER"

In 1972, Rick was approached by the Chief of Staff of the Mayor of New York City (John Lindsay) to help straighten out the Youth Services Agency (YSA), an organization devoted to helping underprivileged New York City children. The former Commissioner of the \$50-million Youth Services Agency had embezzled over \$900,000 and had left the organization in a state of disarray. Rick spent 8 months in this position. Part of his responsibility in this role was to wear a beeper and be on call for situations where New York City youth gangs were going to war. Once Rick was called to go to a section of New York City which was rife with gang activity. You may recognize the area..... it was called Ft. Apache in a movie a few years back. On his way to meet with the YSA Director for the area, he encountered one of the gangs which was preparing to go to war. The gang leader challenged him about why he was treading on their turf. Explaining his mission, Rick was invited by the gang leader to tour the gang headquarters. Rick was astonished at what he observed. He came away with three distinct memories: (1) The gang headquarters had the most sophisticated and high-tech stereo system that he had ever seen anywhere. (2) The gang's arsenal was huge....with weapons of all sizes and descriptions only seen in Schwarzenegger and Van Damme movies. (3) The sociology of the organization was amazingly sophisticated with a very well structured leadership and with all roles of the gang members well defined and understood - perfect lines of authority and responsibility.

NEW CAREER

After his experience with the Youth Services Agency in N.Y. City, Rick began to research new business opportunities along

with two local friends who would ultimately become Rick's partners. After significant research and study, the trio decided to enter the recreation industry, specifically in the field of indoor tennis clubs. Going into the club business, they believed that ultimately the laws of supply and demand would dictate the future of their business. At the time, the tennis business was booming. They also went into the indoor tennis business with a sense that ultimately, a plain vanilla indoor tennis club providing only indoor tennis would not last and would someday need to be changed into a multi-purpose club in order to survive. They had a vision of today's multi-purpose club, but they were not sure of what the exact components for the future club would be.

CitiSport, Inc. was born in early 1973. The CitiSport Club group grew to eight locations: 3 multi-sport clubs in Syracuse, New York, 3 multi-purpose clubs in Connecticut, 1 pure tennis club with air structure enclosures on Long Island and 1 Westchester County indoor and outdoor tennis-only facility. They operated the Westchester County facility only on a summer basis. With singles programs, adult and youth tennis group teaching programs, they were able to make it profitable in the first year, when they had been warned that such facilities in the summer were losers.

After 8 years, illnesses in the family of one of Rick's partners forced him to turn his attention to his family's diamond business. Other family obligations which came along at this time with the second partner made the partnership decide that they should sell the clubs. Starting in 1981, they began to sell off each of the eight facilities. The experience was enlightening because each club had its own set of issues and conditions that needed to be handled in order to accomplish the sale. Due to that fact, they had to develop eight different strategies for the marketing effort to sell the clubs. The last of the eight clubs was sold in mid-1983. Interestingly, one of their clubs was sold to a local Jewish Community Center, one was sold to the village where it was located, and another sold to their nearest competitor.

IHRSA WAS BORN

During the timeframe when they were selling their clubs, Rick was serving on the Board of

Directors of both the National Tennis Association (NTA) and the National Court Club Association (NCCA), the racquetball club owners' trade association. Rick was President of the National Tennis Association in 1979. He was the only person to ever serve on both Boards. Once Rick was scheduled to attend an NTA Board Meeting on one weekend and an NCCA Board Meeting the next weekend, both at the same Chicago O'Hare Hotel. While attending the second (NCCA) Board meeting Rick accidentally pulled out of his briefcase the meeting agenda for the NTA meeting held the previous weekend. It was not until the NCCA meeting had reached the 4th item on the written agenda that Rick noticed that he was looking at the wrong agenda, (the NTA agenda). Rick was surprised to see that the first three items on both agendas were the same! This experience caused a light bulb to go off in Rick's head. While serving on these two Boards, Rick had seen the NTA begin to languish and become stagnant, going downhill as time went by. The NCCA, on the other hand, was on the move with new ideas and innovations for its members. However, neither Association was doing well financially. The more Rick examined the situation, the more he became convinced that the two groups were both after the same results and were in fact duplicating many of their efforts needlessly. These two organizations also could be expanded to attract other types of clubs where racquet sports were not the featured element.

Rick believed that a new Association could be created by combining both the NTA and the NCCA. However, he also believed that this vision should be shared with others representing the groups before they could move forward. Rick set up another meeting at a Chicago O'Hare Airport Hotel. This meeting was not to be attended by Rick. Instead, three people from each Association were selected to go to the meeting to discuss the idea of merging and to discuss the common ground that they all shared. Dale Dibble, Curt Beusman and Todd Pulis were selected from the NTA Board. (Curt did not attend due to a last minute conflict). Jennifer Michell, Peter Donohue and yours truly were selected from the NCCA Board. We met for a full day. We were to report back to Rick to let him how we felt about

his idea. The meeting was fantastic! It turned out to be an eight-hour roundtable session in which we talked about all kinds of club issues and challenges. Through this illuminating time together, we all agreed that Rick's idea of the merger of the two Associations was an outstanding idea and we should immediately pursue it. That we did! Three weeks later, another meeting was scheduled, this time in New York City at Rick's office. Attending representing the NTA was Caro, Dibble, Beusman and Pulis. Attending representing the NCCA were Caro, Michell, Donohue and Cates. On that day, in 1981, The International Racquet Sports Association (IRSA) was born. By the time the meeting was adjourned, we had discussed staffing, the name, key objectives, the first convention, winding down the of-

fices, integrating the two Boards of Directors into one and we even elected the 1st President of IRSA, yours truly. I still wonder about what these people were thinking when they elected me to serve as the first President of this new Association. And, Rick would have no part of our desire to elect him as the first IRSA President, instead feeding us some story that because the NCCA people might be sensitive to the new merger, the 1st IRSA President should come from the NCCA. Rick Caro should have been the first IRSA President, but he declined. The next year however, we elected him as IRSA's second President.

By spearheading the effort to create what has become known as the most significant force in the club industry in the world today, now called IHRSA (The (See More Caro page 13)

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Boost Profits With Summer Camp... Plan Now!

By Diane Hess-Marshall

Y our family members may already be shopping for a summer camp program for their children. Many parents have their children enrolled in a camp with cash deposits already made by the end of January or early February. Your club can boost its income and annual profits with a summer camp, but you had better start NOW if you want to succeed! Many clubs plan their summer camps along with their annual goals, club budgets and New Year resolutions. Some clubs begin planning camp 10 to 12 months in advance, but by starting now, you can still deliver an excel-

lent camp program for your community in the summer of 1995.

Running a camp program is like operating any business. It requires research, development, financial planning, marketing, an entrepreneurial spirit, operational planning, public relations, book-keeping and staff management. Before a club decides to offer its first summer camp program to its family members, certain questions, with sincere and honest answers, should be discussed among the club's management team:

- Does the club have a large enough family market segment to offer a camp?

- Is the camp going to be disruptive to other members? If so, how much?

- Are the club's facilities able to handle large groups of children at one time?

- Is the club a child user friendly environment?

- Does the State require any special camp licenses?

- Is additional liability insurance from the club's insurance providers required?

- Will the camp program fit in well with current programming?

- Is there enough indoor and outdoor space for campers?

- Does the club have the personnel who can facilitate the camp program and which department is going to oversee it?

- How have the past family programs fared?

- What are the club's goals and expectations in offering a camp program?

- Can the club afford the financial risk in the camp's first year?

- Can the club's locker room facilities handle groups of children at one time?

- How tough is the local area camp competition within the club's market?

We recommend that the club's family members be surveyed to determine their summer camp needs and interests. In a survey conducted by Program Development Services at several clubs throughout the country, parents were asked what factors were important to them in choosing a summer camp for their child. The top responses were pricing, camper/counselor ratio, qualified instruction and flexible registration policy.

In order to position the club's camp for success, the camp planner must explore the competition's average pricing and program offerings. From there, develop a niche. Many clubs use a niche such as offering instructional tennis camps. Other advan-



John and Diane Marshall

tages that a private club has over a public institution is exclusivity, better equipment and supplies, flexibility and creativity in daily activities, qualified counselors, more indoor space for hot and/or rainy days and especially, a convenient workout schedule for Mom and Dad. But, be aware that public sector camps may be cheaper because of certain government pricing regulations.

We emphasize that early and organized camp planning is important. The following is an overview timeline menu that a camp planner may find useful:

•STAGE ONE

(Eight to ten months prior to the start of camp, if possible.)

1. Design a basic camp structure, one that management agrees on.

2. Coordinate and commence family member focus groups with both parents and children.

3. Set camp goals and expectations.

4. Conduct a facility assessment for child usage to determine necessary changes.

5. Set up a camp budget.

6. Develop a detailed action plan of things to do for camp with deadlines.

7. Place an announce-

ment in the club's newsletter about the camp structure.

8. Secure requirements for state licenses and insurance.

9. Develop a camp marketing plan and timeline.

10. Begin site inspections for proposed field trips.

11. Solicit member-owned businesses to sponsor T-shirts, camp bags, etc.

12. Hire a camp director.

13. Write, design and print a camper application form after the above steps have been accomplished, then begin circulation as soon as possible. Include registration procedures, cancellation policies, the mandatory parent orientation meeting and other pertinent camp information.

•STAGE TWO

(Commencement planning of the camp.)

1. Implement in-house registration procedures.

2. Inform all club's staff of camp program.

3. Set up tracking systems for registered campers.

4. Place counselor job notices with local colleges and newspapers' classified sections.

5. Design counselor job models and descriptions.

6. Begin the interview process by checking all candidate's (See Hess Camp page 18)



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THE HEALTH CARE CONNECTION

Clubs Are The "M" In HMO

By Neil Sol, Ph.D

As Health Care Institutions in every community across America develop and implement Managed Health Care Insurance Programs, the importance of the role of preventive health programs (health and fitness services) increases.

In a recent conversation with the CEO of a mid-sized hospital, I learned that his hospital was merging with another area hospital in an effort to organize and implement a hospital-managed health care insurance plan. Lately, hospitals have been developing managed health care insurance plan divisions, collecting both corporate and individual subscriber premiums using those premium funds to pay for health care, when needed. To be competitive, hospitals had to become more than just providers of health care, as per occurrence compensation was diminishing and managed health care programs were becoming attractive to subscribers, as they offered lower premiums. The CEO indicated that the monthly capitated premium (when annualized) that the subscriber of his newly organized plan would pay, would provide only enough funds to pay for approximately a 2.5-day stay in the hospital. In other words, if each managed health care subscriber in his hospital's plan required an average hospital stay in excess of 2.5 days, then the hospital would lose money in treatment of the subscribers. The gamble by the hospital with a managed health care insurance plan is that the subscriber will not get sick and most importantly, will not use the hospital. Therefore, to make the program successful, a hospital managed health care insurance plan must insure that subscribers stay healthy.

It was mind boggling to me, as to why, with knowing the time, effort and expense that went into developing the hospital merger to facilitate this managed health care insurance plan that the hospital would overlook developing a relationship with a health club pro-

vider that could help insure the success of the insurance plan.

A managed health care plan's success is typically based on (1) population illness statistics, for which the hospital has no control and (2) a new orientation in medicine to care for illness and injury in the out-patient arena, thereby not using the hospital and providing less expensive care which can effect the quality of care. The obvious pro-active effort that hospital managed health care insurance plans could implement is preventive health services. At the end of our discussion, it became vividly obvious that the inclusion of a health promoting environment was the foundation to a profitable managed health care program.

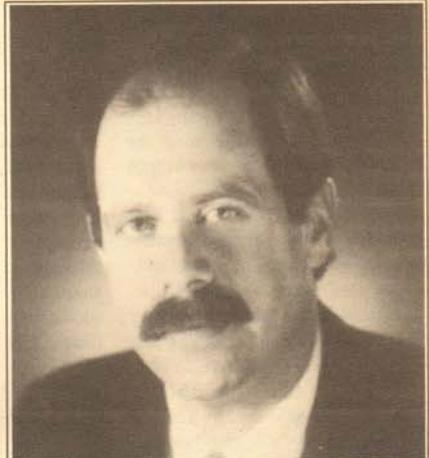
I share this experience because there is an opportunity for clubs within hospital-managed health care plans. However, it can be assumed that your local hospital administrator is so overwhelmed with the process of organizing the insurance plan that they have not even considered developing the foundation that can insure success, namely health and fitness services. This is not because the hospital administrator does not believe there is benefit from health and fitness services, but because the hospital lacks a "champion"; a "leader", who can help implement a well-managed, results-oriented health and fitness program that integrates with the goals of the hospital's managed

health care plan. That's where the club comes in. Health clubs can help hospitals enjoy success with their managed health care efforts and in so doing can help Americans obtain less expensive health care and also help keep Americans healthy and out of the hospital.

Our role is critical in the managed health care process. Some hospital administrators probably do not know yet that health clubs are a key component to the success of their managed health care plans.... but they will soon. As a matter of fact, there are probably many club owner/managers that do not yet realize the scope of the services we offer managed health care plans.... but we will soon. It is a wave of change that is penetrating our industry.

It is in the best interest of hospital-managed health care insurance plans to provide a portion of the subscriber monthly premium to pay for quality health and fitness services delivered by a professional and experienced provider, especially if the provider of the service can document subscriber participation and can document the impact at maintaining subscriber health. Health clubs are the "M" in HMO. Clubs can maintain and improve the health of the plans subscribers, thereby keeping subscribers out of the hospital. Hospital administrators are finally realizing the opportunity that clubs offer.

(Neil Sol is one of the most knowledgeable and experienced individuals in the club industry in the area of hospital and health club relations and health care reform. Neil will write each month an article on health care reform and clubs, called *THE HEALTH CARE CONNECTION*. Neil is the President of Houston, Texas based *Health Vantage, Inc.*, but has recently made the decision to re-enter day to day club



Neil Sol

operations as a General Manager. To reach Neil, call: (713) 494-5550.)

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Tony de Leede Launches Cardio Theater Express

By Norm Cates, Jr.

Tony de Leede, Atlanta's 1996 Olympic Envoy for Australia and owner of the 10-club Australian Body Works chain is on the go.

Just a couple of years ago, Tony acquired a 50% stake in the Cardio Theater Company which provides entertainment venues for clubs. He recently cut a deal with Unisen - the company which makes and sells the Star Trac Treadmills (Star Trac finished tops in the CLUB INSIDER News Treadmill Survey in our March, 1994 issue.) The deal gives Unisen the world-wide distribution rights for Cardio Theater. That move should rapidly accelerate Tony's already aggressive marketing and sales effort for Cardio Theater.

Now Tony is launching a

new venture..... a new chain of clubs which he predicts will make his organization "the largest supplier of fitness in the world." The new clubs will be called: "The CARDIO THEATER EXPRESS." These clubs will be 3,000 square feet each and will contain a Cardio Theater and approximately 40-50 cardio pieces. The clubs will be equipped with a vast array of publication subscriptions (50 different publications) in order to provide plenty of material for his members to read. They will be equipped with an environmental feel designed to soothe the member's senses while there. Tony calls this environment "soft fitness." In theory, what he is building is an entertainment center (Cardio Theater has T.V.'s, C.D.'s, radios and cassette tape decks) first with a fitness center included.

de Leede expects to



Tony de Leede

have 20 of the new facilities in the Atlanta market within a few years and he plans to expand on a national level through a franchise program which is currently in the works.

Tony estimates that there are about 80% of the American population that have never been a member of a club. He believes that by providing a fun, relaxing and enjoyable "soft fitness" place first, combined with cardiovascular exercise equipment, he will be able to penetrate the segment of the market that has never been tapped before. If conviction is a key ingredient in such a venture, then The CARDIO THEATER EXPRESS will be a huge success.

The focus of The CARDIO THEATER EXPRESS will be the heart muscle. Tony explains that if he is able to reduce the resting heart rate of his members in Cardio Theater Express by

just 10 beats per minute, this will reduce by 131,400,000 the number of heart beats over the next 25 years. In turn, Tony estimates 5-10 more productive and healthy years would be added to the life of a regular cardio exerciser. While the heart muscle will get most of the attention, each club will have a upper body strength component such as the Gravitron 2,000.

Tony will soon begin his pre-sale and as usual, he is prepared. He has created a special new member "CARDIO KIT" which includes an oversized T-Shirt with Target Heart Rates printed on it, a head phone, a water bottle and a sweat towel, and every new member will get one. Also, for just a little more per month, his "CARDIO THEATER EXPRESS" members will receive access to his 10 Atlanta area Australian Body Works Clubs, a 13-

year-old chain which he has been diligently upgrading for years. He is not only excited about his pre-sale and Grand Opening of The CARDIO THEATER EXPRESS. He is excited about his annual "one-day" membership sale in his 10-club chain of Australian Body Works Clubs. Last January, his clubs sold 410 memberships in one day!

Tony is full of ideas about how he is going to make these small, 3,000 square-foot clubs pay off. One of those is a cappuccino and juice bar right in the club. Another is the focus on the environment in the club with soft music, lots of wood and green colors and a focus on relaxation. He believes he can adequately service up to 1,500 members per location. Plug those numbers into your calculator and you will get the idea of why Tony is fired up. But, heck, the guy is always fired up, so what's new?

1994 In Review And 1995 Predictions Continued...

Last month we asked the following questions of a number of club industry veterans:

(1) What are the most significant club industry events to happen in 1994?

(2) What are your predictions for the club industry in 1995? Here are three more responses which arrived after our deadline last month:

CECIL SPEARMAN, Chairman, Spearman Industries, Laguna Niguel, California: (1) The increase in awareness of the value of regular exercise. (2) Exercise as a part of health care. (3) IHRSA change of direction from clubs as recreation AND health clubs to a strong emphasis on health.

Cecil predicts: Hospitals will become more aggressive in opening their own health clubs. As clubs become more involved in health care as a component of their club product menu, hospitals will open more clubs. Hospitals will become the major competitor of fitness only health clubs.

ED WILLIAMS, Senior Vice President, Club Sports International, Denver, Colorado:

(1) Breakdown of industry high-flyers. (2) The fiscal reality in the club industry.

Ed predicts: (1) Further consolidation. (2) Increase in professionalism. (3) Financial recognition by lenders.

CRAIG NATION, owner of the Courthouse Racquet-

ball Plus, Vernon, Conn.: (1) Greater scientific discoveries relative to fitness and health. (2) Possibility of Bally Health Clubs cleaning up their business practices.

Craig predicts: (1) Public community programming. (2) Explosion of over-50 market. (3) Greater doctor involvement in referrals to health clubs.

If you had wanted to send in your suggestions for the top 1994 happenings and the 1995 predictions, but didn't send them, go ahead, write them down and fax them to: The CLUB INSIDER, Fax # (404) 933-9698 or mail to: CLUB INSIDER, P.O. Box 671443 Marietta, Ga. Get them here by January 31, 1995. We will publish your responses in the February issue.

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Lynne Brick Stars Again

Baltimore, Md. - Lynne Brick, internationally renowned fitness expert and health club owner, has been awarded the prestigious "Presenter of the Year" award by Bodylife, Europe's largest fitness organization, at their annual meeting in Germany. The award, presented for her outstanding work in aerobics, was determined by a vote of European fitness experts conducted over the past year. Brick has presented and instructed fitness and aerobics teachers in 23 countries.

Brick received the award in part because of her unique teaching method that stresses the total needs of the participants, whether it is a member in one of her five clubs, or a participant in one of her work-

shops. Her unusual background both in dance and nursing has given her a mandate for fitness classes that are medically sound, yet fun to perform.

Previously, Brick was awarded the 1990 IDEA Fitness Instructor of the Year Award by her American counterparts in America's leading fitness organization. She and husband Victor Brick operate five health clubs, including three Lynne Brick's Women's Health and Fitness Centers, the co-ed Padonia Fitness Center and the Orlando Racquet and Fitness Club in Orlando, Florida.



Lynne Brick

She resides in Timonium, Maryland with Victor and her two children.

Norms Notes

continued from page 3

strong desire not to miss another industry convention. I look forward to learning again in San Francisco in March, 1995! " Well Geoff, thanks for the report and my prediction is that you "ain't seen nothing yet and that San Francisco will be a great get together!"

RICK ERDENBERGER, of Club Sports International and General Manager of the world-class Concourse Athletic Club in Atlanta, has been elected to serve on the Greater North Fulton County Chamber of Commerce Board of Directors. (Serving North Atlanta) Congratulations Rick!

S H E L D O N RABINOWITZ is the proprietor of a club in Iowa. I owe Sheldon an apology because he is very unhappy that I used the term "spin-off" in my previous articles about Bally Chairman Arthur Goldberg's announcement about "spinning off" the health club chain from Bally's Manufacturing. Yes, Sheldon, I know what "spin-off" means in the regular sense of the word. In this case, I did not use "Spin-Off" in the way normally associated with Wall Street. I am very sorry that I upset you and thanks for expressing your opinion!

SPEAKING OF OPINIONS..... once again I have asked my readers to give me feedback in the form of rating The CLUB INSIDER with our 1st Annual Club Insider Reader Satisfaction Survey. A statistical summary of the report

is being prepared. I will use your input to improve The CLUB INSIDER and next month I'll provide a summary report on the survey. I want you all to know that I appreciate your support as subscribers, your input on how we can improve and your referrals for potential new subscribers!

RAY WILSON, the Founder of European Health Spas, the inventor of the Life Cycle Bike and the current operator of 70 West Coast Family Fitness Centers called me today. He called to tell me that he had received my 1st Anniversary Issue and that he was impressed and he wanted to subscribe. We went on to have a very engaging conversation on the past, present and future of the club business. Currently Ray is preparing to move into the Northwest with new clubs in Oregon. Ray Wilson once spoke at one of our early IRSA Conventions in Las Vegas on how to convert racquetball courts to income producing work-out areas and aerobic studios. Ray is now 67 years old and in the peak of health and fitness. I am glad to hear from a guy like Ray who has been in the business for 47 years and who says he wants to subscribe. I hope that maybe Ray will give me an interview for a future CLUB INSIDER article because I think what he would have to say would be very interesting.

The SOUTHEASTERN REGIONAL CLUB ASSOCIATION is still in the works. As soon as I mail this issue of The

CLUB INSIDER, I will be mailing out a letter to those who attended the original founding meeting in Orlando in early December and to those who have expressed interest. If you know of others who should be in the Association, drop me a line with their name, address and phone number and we will put them on the list for membership.

TONY de LEEDE, that dynamo of a guy from Australia who founded the 10-club Australian Body Works chain in Atlanta and who now owns 50% of The Cardio Theater Company, has a lot going on. He is the 1996 Olympic Envoy for Australia, he just signed a deal with Unisen, the manufacturer of the Star Trac Treadmill for Unisen, to become the world-wide distributor of Cardio Theater and he is launching a new chain of clubs in Atlanta called CARDIO THEATER EXPRESS. Cardio Theater Express will feature 3,000 square-foot "cookie cutter" floor plans with The Cardio Theater and 40 to 50 pieces of cardiovascular equipment. Check out the article in this issue about the new Cardio Theater Express.

ERROR! Last month I reported that the primary focus of the Commercial Division of Health Rider would be the 48 to 70 year old set. **JIM GIBBONS** let me know that I had mis-understood what he had said and that the 48 to 70-year-olds were ONE OF THE GROUPS they were going to be targeting because the over-50 population is now warm-

ing up to health clubs nationwide. Sorry about the mis-statement Jim!

A CLUB INSIDER News issue would not be complete without some information about the Bally Health Club chain, now would it? This note is about a couple of former Bally employees who filed a lawsuit against Bally for wrongful termination. I plan to publish a complete report on this in next month's issue after I've had time to interview the former employees. In talking to Harold Morgan, the Bally Vice President of Human Resources, it looks to me like Bally is going to have quite a bit of hassle as they try to rid themselves of employees who do not fit into the new Bally plans. Stay tuned....

IHRSA SAN FRANCISCO is set for March 15-18th, so don't miss the biggest and best club convention and trade show in the world. For information call (800) 228-4772.

DEAN and M. J. KACHEL, the owners of the 15 year-old Quadrangle Athletic Club in Coral Springs, Florida have gotten some bad news on top of more bad news. A few months ago, they learned that Q, The Sports Clubs were going to build a new \$5-million, 46,000 square-foot club about 1.5 miles away. Now, they have learned that Bally's is coming in with a new club about a mile away in a store formerly occupied by Marshalls... and to top it all off, the About Fitness Club developed and operated

IHRSA San Francisco "Gateway To Growth"

By Norm Cates, Jr.

Mark your calendar for March 15 - 18, 1995 as the 14th Annual IHRSA (International Health, Racquet and Sportsclub Association) Annual Convention and Trade Show will be held in San Francisco.

The 14th Annual Convention agenda will provide four days packed full of learning opportunities for you and your staff. And, the IHRSA Trade Show is the world's largest and promises to provide an exciting and fun time for you and your staff to see, try out and purchase the newest and best equipment and products for clubs available in the world. If you have never attended an IHRSA (formerly IRSA) convention, you should expect the best planned and executed club industry event ever! If you are a regular attendee at the IHRSA Convention, you can look forward to more of the same excellence you have experienced in the past.

I urge you and your key staff members to attend this 14th Annual IHRSA Convention and Trade Show! For information on registration contact IHRSA at (800) 228-4772. Don't delay!

1/2-mile up the street from Dean's Club is getting ready to expand with the addition of 20,000 square feet to the 22,000 square-foot club opened in December, 1993! All of this to serve a Fort Lauderdale suburb called Coral Springs population 85,000! **STOP THE INSANITY!** Both Leonesio and Lucci are going to be pre-selling like heck to a market that is already well supplied..... what sense does this make? What Mike Lucci ought to do is to purchase Kachel's club, remodel it to suit the Bally motif and beat Leonesio to the punch by about one year. About 7 years ago, I saw the same thing happen in Northwest Atlanta when a total of nine clubs, (ranging in size from 24,000 Sq.Feet to 135,000 Sq.Ft.) including two that I owned, and all within a three-mile radius of each other, had at each other for a market that was strong, but not that strong. I owned two clubs across the street from each other, about 400 yards between them. One club served a distinct Corporate clientele and the other served the 22 to 40-age group. Both clubs were doing just fine and still are. But, **JACK NAIMAN** came in and built a \$24,000,000, 116,000 square-foot club within 800 yards of my two clubs. Well, we all know what happened to Naiman and his Sporting Clubs and the \$24-million unit, owned by the Japanese, has sucked wind since the day it opened!

TOM PEAR, has been hired by Patricia Laus, owner of the Atlantic Club in Wall, N.J., to serve as the General Manager of the 22- (See More Notes Page 23)



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Ace Introduces Lifestyle And Weight Management

San Diego, Ca. - To help combat soaring statistics which show that Americans keep packing on the pounds, the American Council on Exercise (ACE) has introduced a groundbreaking Lifestyle and Weight Management Consultant Certification -- a new credential which combines physical activity and nutrition for successful weight management.

According to the Third

More Caro...

continued from page 7

International Health, Racquet and Sportsclub Association), Rick Caro ignited a fire in the development of new, professionally operated clubs. IHRSA has been instrumental world-wide in truly revolutionizing the club industry. The changes and improvements in the club industry since the founding of IRS have been huge and for the good of the club consumers of the entire world. IHRSA now has over 2,400 clubs in over 35 countries. What is more, the IHRSA clubs have begun to see the standard by which all clubs everywhere are measured. All because of a very good idea.

In 1983, after selling the CitiSport Clubs and founding IRS, Caro established Management Vision, Inc., a New York City-based Club Management Consulting Company. Rick got into the club consulting business because during the early days of IRS, he was frequently asked to help other club operators with their challenges and issues. Once he went to a far away place called Idaho to do what he calls "helping out a friend." He worked with the club owner for a few days and then they went fishing. On the way to the airport the owner asked Rick to tell him how much he owed for his services, so that he could write a check before Rick got on his plane. Rick was stunned because he thought he had come there to "help a friend and to go fishing." Instead, his paid consulting career was born.

Management Vision, Inc. provides club feasibility stud-

National Health and Nutrition Examination Survey, between 1976 and 1980, 26 percent of all adult Americans were overweight. By 1991 this number had reached an alarming 34 percent!

"Developed after months of research, the new certification fills an important niche -- meeting an escalating demand for an integrated approach to weight management," said Sheryl Marks Brown, Executive Director of ACE, the largest non-profit fitness

certifying organization in the world.

"Despite billions spent on weight loss programs and high tech exercise gear, Americans are gaining weight," she said. "The figures confirm what is now common knowledge -- most diets don't work. Experts now know that the key to losing weight and keeping it off is not by fasting, downing diet pills or compulsive exercising, but through a sensible regime incor-

porating balanced nutrition, moderate eating habits and regular physical activity."

ACE's new certification -- the first of its kind in the industry -- encompasses all these crucial elements. Health and fitness practitioners, including fitness instructors, personal trainers and diet counselors, can now obtain a valuable credential which will enable them to assess a client's overall lifestyle and develop management programs which carefully integrate

exercise, healthy eating habits and lifestyle change.

The first Lifestyle and Weight Management Consultant Certification exam will be administered in August, 1995 in conjunction with World Fitness IDEA in San Diego and exams will be offered on a quarterly basis. To order a complete exam content outline and for further information on the test and reference materials, call (800) 825-3636.

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AAC... "We're Here To Work"

How To Dump A Sales Slump

By Brenda Abdilla

Have you ever really asked one of your members who has lost a good deal of weight what they did to lose so much? Chances are they will initially attribute their weight loss to ONE thing, like working out or eating right. With further probing, they will tell you that they actually made many changes, like drinking more water, cutting down on fat, eating before cocktail parties, etc.

In reality, they did EVERYTHING they could and it worked. The next time you find

yourself in a sales slump, do EVERYTHING you can do to get yourself back on track. Start by trying some of these ideas:

(1) The worst thing you can do when in any type of slump, be it sales, emotional, relationship, physical, etc., is NOTHING. The human spirit needs action to be persuaded out of its downward motion. It is likely that this may not be an appropriate time for new projects and ventures but some steady action is crucial to keeping the down-cycle to a minimum.

(2) Stop making excuses. Excuses tend to distract us from reality. If you continue to tell your-

self that the weather or the time of year, for instance, is the cause of your low performance, you will soon believe it. The reality is that the slump is probably caused by a number of factors, some of which may point to your own selling habits or approach.

(3) Get back to the basics. In my consulting experiences, I can tell you that 100% of sales slumps involve some type of a diversion from basic selling skills and marketing principles. Salespeople, especially very intelligent ones, tend to get bored with the selling process. In an effort to stimulate themselves, they may inadvertently make some changes in

how they sell or market, thus altering the results they get. I suggest that the salesperson find some side hobby to stimulate their interest and get back to the boring basic sales principles that will make them rich and successful at work.

(4) Fake it till you make it! There is a certain energy that emanates from a successful salesperson. There are also many behaviors that come along with success like a confident stride and a professional appearance and approach. If success has momentarily slipped away from you - FAKE IT! You'll be back before you know it.

(5) Get yourself some training. Pull out your IHRSA tapes or any motivational/sales material and flood your mind with positive information. It is astounding what an impact this can have on your performance.

(Brenda Abdilla is a professional sales trainer and is a top-rated speaker at domestic as well as international conventions. Brenda is owner of Club Profit Systems, a Denver-based training company which provides clubs with assistance in sales, marketing and management. Brenda may be reached at (800) 448-0180.)

More Hospitals

continued from cover

IDEA, ACE, ACSM and the Regional club groups, the professionalism and expertise of club operators is improving every year..... thus, the confidence and trust of the average consumer is rising, albeit slowly.

Some club operators have identified this "Second Great Wave" and are already riding the crest. Others; however, have not seen the light.

What is this so called "Second Wave?" It is the realization by the health care community that prevention will soon be the key to their business. With the health care reform debate raging, one specific area has been agreed upon by the health insurers and health care provider family. That is that managed care will become more and more important. Managed care will allow the massive costs of hospital and major medical services to be shared by much greater sized groups through payment plans known as "capitation." It will be through this capitation concept that the alleged 37,000,000 Americans without health insurance coverage will someday obtain it.

The health care providers have come to understand that due to the low per person amount paid for health insurance under the "capitation" concept, that the key to their financial success will come from their ability to keep people OUT of hospitals and MAJOR MEDICAL situations. Due to that fact, there is a dramatic shift taking place throughout the entire American health care provider community to PREVENTION,

a.k.a UPSTREAM CARE. Upstream Care can take the form of regular exercise, proper nutrition, smoking cessation, stress management and other components..... all designed to prevent illnesses in the first place instead of treating illness downstream after the person has become sick.

Since most of us who have been in the club business for the last 20 years have experienced, embraced and participated in the "First Wave" of club industry change and improvement, I wonder WHY some club operators have failed to see this next "Second Great Wave" coming and prepared themselves accordingly? Perhaps Voltaire, the brilliant Frenchman with the sarcastic wit was right when he said: "Our wretched species is so made that those who walk on the well-trodden path always throw stones at those who are showing a new road."

Why have some failed to see these opportunities and prepared themselves accordingly? I believe there are several answers to that question: (1) Some club operators did not even participate in the "First Wave" and thus are ill-prepared to participate in the "Second Wave." (2) Some allow fear of the unknown to keep them from taking a pro-active and aggressive approach to hospital/medical alliances. (3) Other operators, due to their perception of and concern for "non-profit" competition, have simply ignored the opportunities that are becoming available. This group may end up just like those in #1 above if they don't come to realize that it will be better to co-operate with hospitals and develop common ground on which to work together.

There are some experts in the area of health care/clubs and Neil Sol is one of them. I urge you to read Neil Sol's article in this issue entitled: "CLUBS ARE THE "M" IN HMO." Also, John McCarthy, the Executive Director of IHRSA for the past 14 years, has been in a position to see and become as well informed about what is happening as anyone in the world. John shared the following thoughts with The CLUB INSIDER:

"My own sense is that the change is directional. Not every club will do the same thing, at the same pace or in the same way, but the movement by the health club industry TOWARD the healthcare industry and VICE VERSA, is, as you say, inevitable."

The reasons for this are simple. It is consumer-driven, not industry driven. It is a function of the changing nature of the purchase of a club membership. What was once primarily a leisure/recreation purchase is now primarily a health/performance purchase. In addition, there are forces in play on this, political, economic and demographic forces, that are much larger than our industry, BUT our industry is positioned to be the beneficiary of these forces.

And, as you have often said, Norm, none of this makes the leisure, recreational and social function of clubs less important. On the contrary, it makes it more important. As the late Dr. George Sheehan said so often: "People will not for long continue to do anything, NO MATTER HOW GOOD IT IS FOR THEM, unless it is enjoyable, social and fun."

The "Second Great Wave" is coming and I want to

urge you, my friends in the club business, to open your eyes and examine the opportunities that are becoming available to you.

Think in terms of co-operation..... and realize that we are just an infant industry which is (See More Hospitals page 20)

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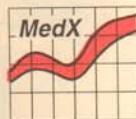
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Summer Day Camp: Making Dollars Out Of Sense

By Sue McGough

Tremendous opportunities exist in the area of programming, now considered to be the new growth strategy for clubs in the 90's. According to IHRSA's "1994 Profiles of Success," clubs which successfully develop new programs and profit centers - collecting fees in addition to membership dues - were among the most profitable clubs in the industry.

As the industry's newest cutting edge, programming is the key to success and profits as well as the key to membership retention. Clubs today have a responsibility to provide lifestyle programs and to create innovative, quality programs that exceed members' expectations and add value to their memberships. In the future, 80% of our new members could be generated by the quality of our programs.

For the Family Market, with an increase in single parent families and a rise in the number of families in which both parents work, the demand for 7 a.m. to 6 p.m. children's programming during the summer months has created a huge demand for Day Camps with extended care. Day Camps provide the club with an opportunity to increase visibility while increasing membership sales, to create a family environment catering to the needs of all family members, to increase membership retention while increasing member participation, and to substantially contribute revenue to the club's bottom line.

Once the decision has been made to implement a Day Camp there are five areas that need to be considered to guarantee your program's success. These are planning, staffing, marketing, the daily program and post-camp followup.

•PLANNING•

Ideally, the initial planning for a Day Camp should begin by early January. Factors to consider include the camp philosophy and goals, length of the season, number of sessions to be offered, age of the campers, the type of program to be offered, extending day care availability beyond 9 a.m. to 3 p.m., pricing, staffing needs and requirements.

equipment needs, facilities to be used, State standards for operating a youth camp, transportation and marketing needs.

•STAFFING•

The key to the success of the camp program is the camp staff. Beginning with the Camp Director, this person should have previous experience in working at a camp as well as have experience in managing people. The Camp Director must possess a genuine affinity toward children and adults, be visible and accessible, have an ability to interact and openly communicate with club management, camp staff, campers and parents. The Camp Director must be able to effectively coordinate the camp's daily programming and special events as well as the scheduling and supervision of camp personnel. The Director should possess in-depth child development knowledge that will contribute to identifying the range of appropriate behaviors and activities for each specific age group.

Human development research indicates that there are universal, predictable sequences of growth and change that occur in children during the first 9 years of life. These predictable changes occur in all domains of development, physical, emotional, social and cognitive. Knowledge of typical development of children within the age span served by the camp provides a framework for the staff to prepare developmentally appropriate activities and enhance the quality of a program.

To ensure the highest level of service and programming while maximizing the ratio of campers to counselors, the highest calibre of staffing must fill each position. Meeting certain competencies when hiring will help to establish a knowledgeable, service-driven, professional staff. These are:

1. The 3 A's in order of importance!
 - a) Affability - having good people skills and being easily approachable.
 - b) Availability - staff must be able to work for the duration of the season. Because counselor-camper ratios must be maintained and because the quality of the program must be consistent, there is little flexibility in the scheduling of staff.
 - c) Ability - knowledge

and leadership in various cooperative and competitive games, knowledge of age-appropriate behavior and activities, awareness of leader positioning, awareness of necessary safety precautions and awareness of positive discipline tactics.

2. Formal Education/Certifications - my experience has been that teachers and college students majoring in Early Childhood Education are a tremendous asset to camp programs. Many of these employees implement creative ideas learned during their education. They tend to have a backup plan that keeps enthusiasm high while providing motivation to all campers within their group. Many times they become role models for not only the campers, but the other camp counselors as well.

All camp staff should be certified in Standard First Aid, Adult and Child CPR, and if swimming is part of the program - American Lifeguard Training. These certifications should be a "condition of employment" and provided at no charge by the club.

While the summer season may only be 8 to 10 weeks long, club management has a responsibility to orient summer employees to the club philosophy of service. Two recommended "service" training videos are: In Search For Excellence (segments on Disney and Stew Leonard's Dairy Farm) and IHRSA's Creating Service Magic. Whether a child attends camp for two weeks or 10 weeks, each summer employee must understand that each child in his group is a "member", and like all other club personnel should know, the quality of the service that he gives to that child/ "member" directly effects the retention of that camper. The significance of this is that a parent whose child participates in camp for the duration of the summer is paying a comparable fee to a year's dues for an adult. Retention is a key goal of every employee in this "club within the club."

Employees should also be indoctrinated to personnel policies as well as club and department policies. In addition to receiving and reviewing their job descriptions, each staff member should receive a manual that includes (but is not limited to) procedures for arrival and dismissal, first aid procedures and follow-

up, medication dispensing procedures, emergency evacuation procedures, transportation policies, pool rules, a daily schedule for each group and clean-up procedures.

Two game seminars, one prior to camp beginning and one midway through the season, should be provided by the club. These seminars will introduce staff to the available equipment and the facilities to be used and will provide each counselor with a more extensive repertoire of games.

•MARKETING•

An increase in sports and specialty camps, Scout camps, Y programs and local recreation department summer programs has intensified the competition for professionally-run, quality-driven Day Camps. Marketing your club's Day

Camp should begin as early as February and absolutely no later than April. Newspaper, radio and cable advertising, newsletter articles, bulletin boards, marquee and message boards, telemarketing calls and front window displays are typical ways to market a camp program. However, the camp brochure, distributed to members and through local schools, projects your image and remains the most effective and cost efficient tool in marketing your camp. A colorful brochure with an overview of daily activities and special events depicts fun and generates excitement.

Open Houses and Parent Information Sessions are additional ways to promote your camp and provide parents with a complete rundown on the activities and special events that set your camp apart from (See McGough Camp page 19)

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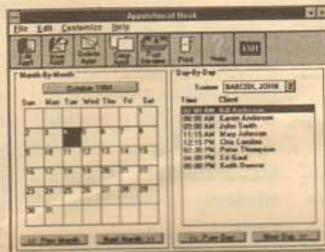
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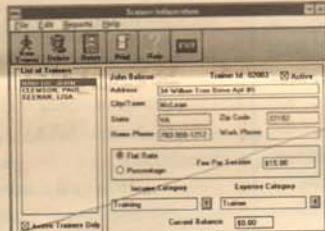
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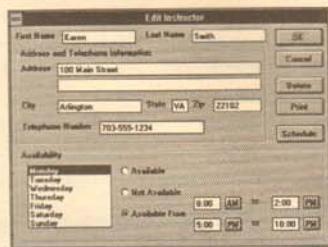
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Hess Camp

continued from page 8

references.

7. Order all required camp supplies and equipment.

8. Designate a storage sup-

ply and equipment area with a corresponding inventory sheet.

9. Compile a counselor handbook.

10. Send registration confirmation letters to parents.

11. Develop the counselor training program.

12. Work with appropriate departments in scheduling pool and court times.

13. Finalize field trips and confirm bus transportation.

14. Coordinate a parent orientation meeting.

15. Distribute parent

packets with emergency and release forms.

16. Make all necessary changes and additions to the club's facility to maintain child safety standards.

17. Designate camper drop-off and pick-up points.

18. Order counselor name tags.

19. Develop any community relation-programs that campers can get involved with such as: nursing homes, hospitals or the fire station.

20. Determine standards of daily camp operations for counselors.

21. Develop regimented communications with housekeeping and any other department upon which the camp depends.

22. Get ready for the first day of camp!

staff changes and budget adjustments.

9. Introduce new campers to a positive environment.

10. Continually collect all needed information forms from parents.

11. Maintain safety standards (this includes constant updates of first-aid kits.)

12. Hold periodic parent feedback sessions.

13. Supply counselors with activity planning reference material.

14. Keep fun and safety paramount.

...GM Survey

continued from page 4

failed to itemize these benefits as they assumed these features to be part of their ownership rights.

Staff GMs itemized a variety of benefits as part of their compensation, including insurance premiums, professional fees and meal allowances. Two Staff GMs report their clubs paid their annual life insurance premiums, \$5,000 and \$4,000 respectively. A third Staff GMs club paid a \$5,100 annual disability insurance premium, while another Staff GM received a \$1,500 car insurance premium. Payments for memberships in professional organizations and business expenses to attend conventions (\$2,100 and \$2,200) were listed by two staff GMs. Three Staff GMs listed restaurant/cafe allowances of \$300, \$1,500 and daily lunches. One Staff GM received a \$500 credit at the Pro Shop and yet another reported having "barter privileges."

The 11 Owner GMs were asked: "if you owned the club and were to hire a General Manager today, what would you offer as a base salary and additional incentives?" Six owner GMs responded that they would offer a lower base salary, but the figure did match his/her own base salary. Four owner GMs

thought that they would offer base salaries of \$40,000 to \$90,000. Five Owner GMs estimated that additional monetary incentives would add \$5,000 to \$50,000 to the compensation packages. Six Owner GMs mentioned they would offer additional incentives to the projected compensation packages, such as a percentage of gross sales or net income, profit sharing, or an undefined bonus package. The majority of proposed general manager compensation packages correlated with those of the Owner GMs, suggesting that the GMs used their own compensation package in determining a base salary.

KEYS TO MOTIVATION

The survey asked both Owner and Staff GMs "what is the one thing the club could do specifically to motivate you more?" Two Staff GMs cited improved base salaries while another two would like their clubs to offer profit sharing. One Staff GM mentioned having more control of the club's personnel hiring and training programs, while a sec-

ond wanted the club to permit private training consultations. A third Staff GM wished the club would cover more educational seminar/workshop fees, as well as dental and life insurance. Two Owner GMs desired better bonus packages. Better retention of club members would increase motivation according to one Owner GM. Two Owner GMs linked their level of motivation directly with their club's physical plants and the need to continue the capital improvement of these facilities.

Compensation packages were not the only factor contributing to the job satisfaction of 27 of the general managers. The three most commonly cited factors were: the autonomy enjoyed by a general manager (9 Staff GMs and 5 Owner GMs), the enjoyment felt in interacting and teaching club members, (6 Staff GMs and 3 Owner GMs) and the sense of pride in their profession and the positive impact of the health club industry on members' lives (5 Staff GMs and 3 Owner GMs). Six Staff GMs mentioned they enjoyed the atmosphere/ambiance of their respective club environments. Two Staff GMs and 1 Owner GM appreciated the flexible hours of their work week. Two Staff GMs felt being (See GM Survey page 23)

•STAGE THREE

(To adhere to during camp.)

1. Establish a weekly newsletter to parents.

2. Establish weekly staff meetings.

3. Hold trouble shooting counselor attitude check outtings.

4. Conduct in-service training sessions.

5. Do weekly inventory checks and ordering of camp supplies and equipment.

6. Track camper billing.

7. Confirm designated field trip sites and associated transportation needs.

8. Maintain camp budget and be prepared to make necessary

These three stages listed are provided merely to serve as a planning guide and can be tailored further for any camp program. If a club wishes not to burden itself with camp planning, then it can hire an outside organization to provide the required services. We strongly suggest that a club develop its own program to insure quality control standards and unified operational practices unique to the club. Also, the net profit will be greater if a club efficiently operates their own program.

Of course, there is much more planning than these three planning stages. Marketing is one such area. Be creative, be fun, use prior camp pictures and testimonials, use exciting colors and keep in mind that the appeal of your club's niche is in the camp's promotional efforts. A special early bird registration discount and other incentives could be helpful. To entice the non-members into joining the club, take off a percentage of what they paid for camp and place it towards (See Hess Camp page 23)

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PRESIDENT/ GENERAL MANAGER

CourtSouth in Knoxville, Tennessee, has a position open for a hands-on club President/General Manager for 3 profitable clubs. Must have 10 years experience in all facets of club operations and be willing to work hard for increasing profitability. Also, must be detailed and dedicated to member service. \$50,000 + guaranteed salary with super profitability bonus. Resumes to: CourtSouth, 207 Walker Springs Rd., Knoxville, Tennessee, 37923

ATHLETIC CLUB SALES MANAGER

Don Shula's Athletic Club is now recruiting an enthusiastic, goal-oriented professional to join its "Winning Team". Individual must be a skillful closer with a genuine interest in the development of other people. Great opportunity for advancement. Fitness background required. Fax resume to Don Shula's Player Personnel Office at (305) 821-1150 ext. 3463.

...McGough Camp

continued from page 16

other camps. This is an opportunity to emphasize the excellence of your staff's credentials, the camp's philosophy and to directly answer parent questions.

A special two-day "Member Only" Registration, offering a discount to members signing their children up and paying in full prior to June 1st, also creates interest and provides the Camp Director with preliminary camper numbers.

•THE DAILY PROGRAM•

The daily program of a Day Camp is an opportunity for clubs to introduce WOW programming; the stepping out and standing out from the growing number of camp look-alikes through staffing and diversification. WOW programming is going beyond the expectation and consistently enhancing the daily plan. It's the attention to infinite detail, the little things, like the minor, picky points that others just don't want to take the time, money or effort to do. The daily program should consist of a wide variety of activities - theme days, trips, recreational games, swimming lessons, open swim, tennis, soccer, aerobics, snorkeling, karate, lacrosse and arts and crafts. Curriculum for three to five year olds should emphasize language, activity and movement for gross motor skill development. Four and five year olds enjoy a greater variety of experiences and more small motor activities like arts and crafts, parachute and scooter games, creative dance, music and cooking. These children use motor skills well, show an increased attention span and an interest in games leading up to team sports. Because of the need to respond quickly and directly to 3-5 year olds, the ratio of counselor to campers is 1:5.

Children ages 6-9, gain greater control over their bodies and are able to sit for longer periods of time; however, they become more fatigued by sitting than by physical activity. To develop physically and cognitively, primary age children should be involved in active, rather than passive activities. This group

shows an interest in competition, rules and team sports. The ratio of counselor to campers is 1:7.

Children, ages 10-13, are ready for TEEN ADVENTURE. This is a program designed to go beyond Day Camp Programming, create continued enthusiasm for camp participation and gear exciting activities toward the Junior High School age camper. This program should include coed groups, a Junior Advisory Board to help in the planning of these days and special events, activities such as snorkeling or scuba diving, inline skating, mountain biking and weekly off-site trips. TEEN ADVENTURE should meet in the morning in a location away from Day Camp participants and, if possible, eat lunch in a separate area. To further differentiate from campers, participants should receive TEEN ADVENTURE or club-logoed tank tops instead of a camp T-shirt. A separate brochure target marketing this age group would aid in the response to the program.

•POST-CAMP FOLLOWUP•

After the last camper has gone home and the pile of lost and found has been cleared away, it is important to evaluate every aspect of the program from staffing, scheduling, daily activities, special events, equipment and the facility. Counselors should be requested to fill out a form at the beginning of the last week asking for their comments and suggestions on every aspect of the program. The Camp Director should then prepare a comprehensive report of the season, complete with an income and expense breakdown, goals that were achieved, recommendations for improvement and projections for the following season.

A survey should be sent to all parents, thanking them for their support of the program and requesting their feedback. Guest passes should be sent to those parents returning the survey and as added incentive, their children's name entered into a raffle for a free birthday party.

Names, addresses and phone numbers of campers and their parents should be forwarded to the Director of Member Services. A letter should then be sent

to non-member parents with a special offer to join the club.

All equipment must be inventoried.

Department of Health camp reports must be submitted to the state by October 1.

THE SUMMER CAMP SCHEDULE

January

- Determine what kind of camp you want to offer.
- Contact State Department of Health to request state code of operation.
- Contract a Camp Director.
- Decide on activities you will offer.
- Create a budget with start-up costs, projected income and number of participants and operating costs.
- Begin writing, producing and printing brochures (may take five to six weeks.)

February

- Order sports equipment.
- Send to the State Department of Health required camp application with fee.

March

- Begin newspaper and radio advertising.
- Publicize camp in club newsletter.
- Send camp brochures to members and through local schools.
- Create job descriptions.
- Begin staff interviews.

April

- Host Open House and Parent Information Sessions to explain the camp program.
- Continue newsletter and radio advertising.
- Complete necessary requirements to conform with state standards.
- Finalize staff selections.
- After initial season, host a "Camp Reunion" for all campers and counselors.

May

- Conduct two-day "Member Only" Registration specials.
- Contact transportation services if needed.
- Order Arts and Crafts supplies.

• Send out Parent Information Sheets confirming transportation, camper needs & camp policies.

• Begin staff club orientation. Review job descriptions and club policies. Have staff complete CPR, Lifeguard Training and First Aid certification.

June

- Continue staff training game seminar.
- Stock First Aid kits.
- Post emergency procedures.
- Have playground equipment checked by maintenance staff.
- Begin program.

July/August

- Oversee program, constantly evaluating and making

changes as needed.

• Hold weekly staff meetings for program feedback.

• Have playground equipment checked and maintained weekly.

• Set aside one hour each day for phone work (addressing parents' questions and concerns.)

• Solicit written counselor feedback on program.

• Conduct employee evaluations

September

- Submit required "Incentive Report" to State Department of Health.
- Inventory equipment.
- Distribute lost and found to charities.
- Complete Program Report

(See McGough Camp Page 23)



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Top 20 IHRSA Orlando Sales Conference Speakers

IHRSA, The International Health, Racquet and Sports Club Association held its 9th Annual Sales Conference in Orlando, Florida in early December, 1994. Here are the ratings (1 - 5 Highest) of the speaking presentations as provided by IHRSA from the tabulation of written rating surveys of the audience immediately after each session. The training sessions are recorded on audio tape and may be ordered for your own use by contacting:

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#3 Sandy Coffman 4.884	The Cornerstones of Programming	#8 Casey Conrad 4.736	Making The Most of The Telephone	#13 Jim Smith 4.647	Non-Media advertising: Low Cost, High Powered Marketing Strategies	#18 Dave Pickering 4.495	Health Promotion & Incentive Programs That Drive Corporate & Health Insurers
#4 Desi Williamson 4.822	Empowered to Succeed in the 90's	#9 Brenda Abdilla 4.735	Coaching Your Sales Team to New Heights (Part I & II)	#14 Tony de Leede 4.556	Proven Small-Club Marketing Strategies For Long-Term Success	#19 Mike Chaet 4.461	How To Market To Today's Tough Consumers
#5 Jocil Rogus 4.794	Expand Your Membership Through Tennis Programming	#10 Michael Scott Scudder 4.733	Sound Simple Management Techniques For The Small Club	#15 Rhonda Ludwig 4.531	Implementing School Outreach Programs	#20 Steve Tharrett 4.458	Securing Corporate Management Contracts

More Hospitals

continued from page 17

destined for change.

The spirit of co-operation and working together already exists in many sectors. Roger Ralph, owner of The Bel Air Athletic Club in Bel Air, Maryland has written a significant two part article for The CLUB INSIDER entitled: "FAIR

COMPETITION AND THE FUTURE OF OUR INDUSTRY" (September and October issues) in which he urges club operators to look for co-operative/high ground opportunities to work with the medical world. Loren Brink, the CEO of The Health-Fitness Corporation based in Minneapolis, wrote an article for the CLUB INSIDER October, 1994 issue entitled: "An Alternative Perspective on

Hospital-Based Health and Fitness Centers." In his article Brink contrasts the size, resources and community standing of the health care industry compared to the health club industry in the U.S. Brink says: "hospitals can easily dominate any market they choose to enter with hospital based fitness centers. With their size, reputation and access to capital, they can out spend and out last any private commercial club group in any market in the

U.S." With respect to the unfair competition campaign currently being promoted by private club operators and IHRSA, he comments: "I believe it is really not having any effect on the hospital fitness center business at all. Most of our hospital clients ask our consulting group how to approach the tax situation and we tell them to pay taxes and compete on a level playing field. Most of them have no problem doing so and believe

it is fair." Brink urges cooperation: "It makes more sense to try to work with hospitals than to work against them," he says.

The CLUB INSIDER asked Jeff Bensky of the Benfield Group, a St. Louis-based firm the following question: "How can "non-profit" and "for-profit" hospital clubs "co-exist" with "for-profit" health clubs?" He responded: "There are a variety of

(See *More Hospitals* page 25)

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Interviewing And Hiring Club Salespeople

By Tom Todd

If we could just get 15% more sales each month, we'd be doing great!"

"Monica is a superstar sales rep. Why can't they all perform like her?"

"I hate interviewing sales reps. They're such good bull—artists that I'd rather just hire seven and see which four work out."

Statements like these are very common in the club in-

dustry. For many GM's, there seems to be a mystery associated with hiring salespeople. Often, the mystery evolves into pure frustration, as the "can't miss" rep turns out to be just another mediocre performer.

Many sales directors and GM's haven't had much experience interviewing and hiring salespeople. Yet, without the proper sales reps in place, it is impossible to achieve maximum membership results. Since most clubs' membership revenue is 70-90% of total revenue, the importance of learning how to interview, hire and recognize the talent of sales reps cannot be overemphasized.

Interviewing and hiring sales reps is made more interesting because good ones have char-

acteristics that make them difficult to interview or they ask questions rather than answering your questions. They may appear as if they don't need the job as much as you may want them. These are the very qualities that, in most cases, you are looking for. They should not, however, be overtly arrogant or intimidating -- who needs that?

Where do you find these people? There is no magic answer. Contrary to popular opinion, you can be successful using classified advertising such as the following:

CORPORATE SALES REPRESENTATIVE

Prominent downtown athletic club seeks college grad with sales experience and successful track record. Base + commissions + bonuses + benefits. Call Kurt Miller 1-4 p.m. Tuesday or Wednesday. 888-8888.

By using the word "CORPORATE" in the ad, you can screen out the guys that show up in tank tops and gold chains. Spend the money to make it a display ad or at least bold headline.

Other good sources for prospective salespeople are your athletics, aerobic and front desk staffs. And, don't forget about other clubs. You can attract people from other clubs if you: (1) Treat them better and (2) Pay them more.

PRE-SCREEN APPLICANTS BY PHONE

Once you have a decent pool of prospects, the interviewing process begins. Pre-screen first on the phone whenever possible. If you're unimpressed or bored on the phone, don't agree to a face-to-face interview. They'll never be able to motivate a customer if they can't even interest you! You may have to wade through five or ten calls to get one quality candidate, but you are SAVING time by pre-screening applicants on the phone.

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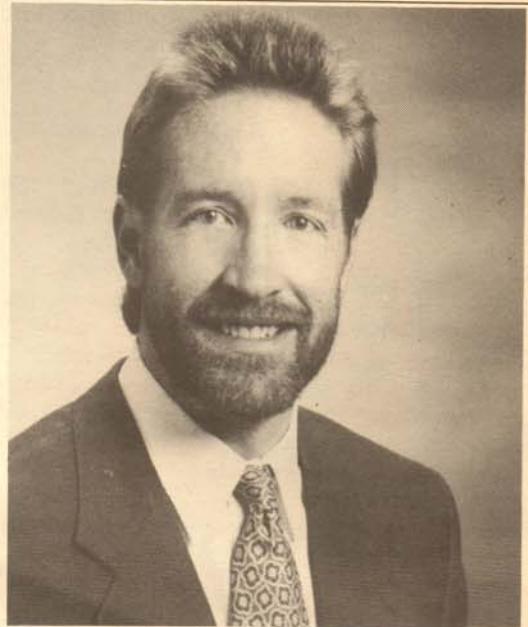
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Tom Todd

- Evening work?
- b. Competition with other sales reps?
- c. Generating your own business through prospecting, cold calling, asking for referrals?
- d. Having your ear welded to the telephone?
- e. Minimum performance expectations? (Explain that unless certain minimum numbers hit each month, that you reserve the right to terminate the employment.)
- f. Learning a new selling system?

Be truthful. It's not ethical or helpful to suggest that the average rep makes \$55,000 a year if the truth is \$35,000 on average. Don't make it sound easy.... because it isn't. But, you also don't want to make it sound as if Zig Ziglar, Tom Hopkins and Anthony Robbins would have a tough time meeting quota.

Make sure you're the one asking questions first. A good way to do this is to say: "Melissa, what I'd like to do here is to find out more about you and your strengths, to see what your skills are and then let you ask some questions about us and the position. O.K.? This way, should they start trying to take control, you can remind them of your up front agreement.

An interview should not be an interrogation chamber, but rather a free flow give and take. Be sure to take notes. By jotting notes on the applicants resume, you will be better able to remember the details.

(See Todd page 24)

How do you feel about:
a. Weekend work?

Hess Camp

continued from page 18

discounting a family member initiation fee.

A club offering a camp program to its members and guests will, if nothing else, be another building block to creating a "clubby" personality that will act as a strong marketing tool in attracting new members and retaining existing ones!

*The type of camp this article refers to is non-athletic, skilled-based, that is, it generally does not include tennis, basketball or racquetball camps. The camp structure is one that consists of rec-

reational activities such as: non-competitive games, art-n-crafts, music/drama, nature, field trips, certified swim instruction and free swim and other fun-filled age appropriate activities for children ages 4 to 11 years. It is one that includes non-members at an additional 30% charge over camp registration fees and a flexible registration system (daily, weekly, half or full sessions.) PROGRAM DEVELOPMENT SERVICES provides on-site camp consultation for private facilities and provides a development training manual. For more information and a free brochure on Program Development Services, contact Diane Hess-Marshall at (908)873-5752.

...GM Survey

continued from page 18

a club general manager offered invaluable work experience.

Club operators will be pleased that general managers, who represent the club ownership to the members, enjoy their role and have a strong sense of job satisfaction. When reviewing a general manager's compensation package or hiring, the results of this survey

will provide guidance in maintaining the high performance expected of general managers and desired by club operators to enhance their business.

(Claire Anderson is a New York City-based Independent Business/Marketing Consultant whose services were retained by The CLUB INSIDER NEWS specifically to process the GM Survey Data and to compile this report. Our thanks to Claire for her excellent work.)

More Notes

continued from page 11

acre, \$8.5-million a year club. Good luck to Tom and Patricia!

NORM's NOTES received high marks on our 1st Annual Subscriber Satisfaction Survey. Thanks for your nice words if you wrote them on the survey. But, I want to ask you all to help me out by taping my (800) 700-2120 number to your desk somewhere so you can call me with a scoop whenever you hear it. Come on guys and girls.... I need your help in gathering the news for NORM's NOTES!

PAM O'DONNELL the Director of Member Services for IHRSA and NESTOR FERNANDEZ, the General Manager of the What A Racquet Athletic Club in Daly City, California had an interesting experience. A guy was using the IHRSA Passport Book to gain entrance into various clubs in the Daly City. He would then break into lockers and rip off the members. Through working

with the Daly City Police and other clubs Fernandez developed a composite of the guy which he passed on to Pam who then faxed it to the IHRSA and other clubs in the area. The guy turns up as a job applicant for a club at a 24-Hour Nautilus Club and they remembered his looks from the composite photo. From the employee application an address was obtained and the police nailed the "Passport Bandit!" Nice job Pam and Nestor.

OUR READERS have been curious about the photo that I ran in the 1st Anniversary Issue in which I was depicted in a football uniform. Yes, I played major college football at N.C. State University. I was recruited out of Rome Free Academy High School in Rome, New York and earned a full football scholarship. I was honored by being named to the 1st Team All - Atlantic Coast Conference Football Team and Honorable Mention All-American Team. My team had the best record in the history of the school, finishing 9-2 with a victory over

McGough Camp

continued from page 19

- Evaluate the program and solicit suggestions for improvement from members and staff.

(Sue McGough is the Presi-

dent of Club Innovations, a consulting company specializing in programming, marketing and retention strategies for the 90's. Sue is the former General Manager of The Atlantic Club, Wall, N.J. where she created and developed their Summer of Fun Day Camp

program. In its 10-year history, the program has a total NET INCOME exceeding \$1 million dollars and has grown from 168 campers in its first session to 1,100 campers in 1994. Sue can be reached at (908) 974-8518.)

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...Todd

continued from page 22

tails of the interview.

**ROLE PLAY.....
THE ACID TEST**

The ACID TEST of a sales interview should be a ROLE PLAY. Ask the applicant to try to sell a membership to you with only the knowledge that they have at the interview. Tell them they aren't expected to do a great job or know the rates, etc. Just to give it shot. If they do a reasonable job of this (your role is to be the customer and an easy sale at that), have them show you what chess players call "end game strategy", also known as CLOSING SKILLS. You say: "Your club looks really nice, but it's costs a lot of money" or I'm pretty sure it's for me -- let me talk to my wife and I'll get back to you." You are looking for a CLOSING ATTITUDE.... for someone who can think on their feet. If they absolutely cannot role play in an interview, the odds that they'll be a superstar are about the same as the

Loch Ness Monster getting hit by a comet. Let them go!

APPLICANT'S QUESTIONS

Did they pass muster on the Role Play and interview questions? If so, allow the candidate to ask you questions. Pay attention to the kinds of questions they ask you -- they reveal a lot about the candidate. See the following table for examples of the kinds of questions you want to hear - or not hear from your candidate.

**THINGS YOU
WANT TO HEAR**

"What does the top rep earn?"

"What's the commission structure?"

"Can I be involved in servicing & programming the members? I really want to help people."

"Do you have bonuses, trips and incentives for top sales performance?"

"What kind of sales training and industry specific training will I get here?"

"I'd like to work here. I know I'll do well. When can I start?"

**QUESTIONS LIKE THESE
INDICATE GOAL-ORIENTED,
COMPETITIVE
MOTIVATED ATTITUDES
AND VALUES.**

**THINGS YOU
DON'T WANT TO
HEAR**

"What would get me fired?"

"Can I get a higher base and less commission?"

"I left my last two jobs because the boss was a jerk, the company was lousy, competition was unfair and you had to work too hard!"

"How much money can I earn here?"

"Tell me... what kind of person are you looking for?"

"Tell me about insurance, sick pay and vacation?"

"I love working with people and believe in exercise, that's why I'll be good at sales."

"My girlfriend tells me I'd be good in sales."

"What do you think? Do I have a job here? How do I stack up against the other candidates?"

"I like to do my own thing -- besides, I already know how to sell."

"I'll wait to hear from you."

**QUESTIONS LIKE THESE
SHOW WEAKER MONEY-
TENDENCIES IN
SALES PEOPLE.**

don't think they deserve a good life will find a way to make sure it happens. Don't be a social rehabilitator!

• A twinkle in the eye and a fire in the belly! An old saying, but still true. When you feel it from your candidate, you've found someone who is self motivated.

Still not sure? Conduct a second interview. Or, have someone with experience in talent recognition interview the candidate. Be sure to check background and references. Then, hire the best candidate!

**"UP FRONT
AGREEMENT "**

If you do the proper job of explaining what is expected of the new sales rep, the person will become more self-managed and less needy. Sales management begins with the interview process. An example of this "Up Front Agreement" is shown below:

Sales Manager: "Welcome aboard Iggy! Review for me what we've discussed."

Iggy: "You want me to read and study the Bonus Buster Sales System and be ready to role play on Monday morning at 8:00 a.m. when I come to work. You also want me to shop the top clubs in the area this weekend. And to read the club brochure, rules and regulations. I'll have them memorized by Monday!"

Sales Manager: "Great! How about reviewing the compensation structure for me, to be sure there is no confusion."

Iggy: "Sure. You said my base salary is \$1,000 per month. Commissions are 25% of the initiation fee for the first fifteen sales, 35% for the next fifteen and 45% for everything above thirty. Bonus this month is \$300 for each rep if we beat budget."

Sales Manager: "Do you remember what we discussed about minimums?"

Iggy: "Ten sales minimum my first month or I'm out. (See *More Todd* page 25)

**MAKE
IT
FUN!**

...More Todd

continued from page 24

Fifteen next month, then twenty. The average rep here sells around 32 each month right?"

Sales Manager: "Exactly. I'm looking forward to working with you. I know you'll do well!"

...Hospitals

continued from page 14

ways that these three entities can co-exist. First, hospitals have traditionally focused on both inpatient and outpatient services. Obviously, an increase in ambulatory and outpatient care services puts a hospital in direct competition with some of the fitness services commercial clubs provide. Developing community health partnerships is something that has become extremely important for hospitals within the last 24 months. Within the next 36 months, we will see hospitals and commercial clubs cooperate as they attempt to put together strategies and tactics to improve the health status of the overall community. In some cases, hos-

pital administrators are being offered incentives based upon the health care status of their communities. We believe that integrated lifestyle management approaches will offer all concerned an opportunity to cooperate."

We asked Bensky: "Where will these opportunities most likely exist?" He responded: "The opportunity for "for-profit" clubs to work with hospitals typically focuses on the integration of a variety of healthcare services. Hospitals are attempting to solidify their continuum of care as it relates to the future of healthcare and reform. In some cases, clubs can provide assistance to the hospitals by providing one end of that continuum as it relates to fitness and prevention. While capital resources are tight with hospitals, a cooperative venture between

prime season of the year, you are probably reading this while you have either prepared well and are staffed well for the New Year's rush OR you have not. Why handicap yourself by working with less than the best? Learn to protect yourself by always having an eye out for a membership sales rep BEFORE you need one. Spend time reading, learning and studying characteristics of successful salespeople; you'll see a great

return on time invested. Don't make the mistake of hiring from fear or panic! All the good ones are NOT taken. No matter whether you came from the ranks of operations or athletics.....with the proper planning and attitude,

you can succeed in hiring top sales performers. Hopefully, the information presented here will help you get a better handle on interviewing and hiring sales reps.

PLAN AHEAD

Since we are in the

clubs and hospitals makes the development of that continuum of care much more palatable. We recommend that clubs focus on assisting hospitals to maintain and improve their competitive advantages as it relates to the integration of prevention, rehabilitation and acute care services. In addition, hospitals are searching for ways of solidifying the loyalty of the apparently healthy consumer. Clubs offer another opportunity in this area.

In future issues of the CLUB INSIDER, Neil Sol, Ph.D., will produce a monthly column entitled: "The HEALTH CARE CONNECTION". We urge you to continue your educational process in this aspect of the business by reading "The HEALTH CARE CONNECTION!"

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ACE HITS 100!**San Diego, California**

nia - The American Council on Exercise (ACE) just completed its 100th certification exam administration. Since 1986, ACE has offered its aerobic instructor and personal trainer certification exam quarterly at locations around the world and in conjunction with many fitness conventions. Over 78,000 people have chosen ACE certification; with more than 50,000 becoming ACE-certified.

"We are very excited about reaching this milestone," said Sheryl Marks Brown, ACE Executive Director. "This represents ACE's commitment to protecting the public against the hazards of poor fitness instruction" commented Brown.

The results of ACE's most recent exam administration show over 1,100 people passing the personal trainer exam and 598 people passing the aerobics instructor exam. This brings ACE's total number of currently certified aerobics instructors to 18,672 and personal trainers to 10,844.

The American Council on Exercise offers personal trainer and aerobics instructor certification exams four times per year in February, May, August and November at sites throughout the world. For more information on upcoming exams, call (800) 825-3636 or write to: ACE, 5820 Oberlin Drive, Suite 102, San Diego, Ca. 92121-3787

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Lady Sportslife: A New Concept in Health And Fitness For Women

Atlanta (January 6, 1995) - The Atlanta-based fitness company, Sportslife, Inc. is proud to introduce Lady Sportslife, the first full-fitness and day spa facility in Atlanta and the Southeast.

Lady Sportslife is a new concept in convenience, service and pampering for today's busy woman. The 15,000 square-foot club will offer a state-of-the-art fitness facility, a full-service day spa, a weight-loss center and a physical therapy suite while providing quality, programmed child care.

The first Lady Sportslife will open Monday, January 23, 1995 in North Atlanta with plans to open six more facilities in the Atlanta area in the next two years.

"With the birth of Lady Sportslife, Atlanta women of all ages now have their own club exceeding anything previously offered," said Micki Robinson, Executive Vice President of Operations for Lady Sportslife. "We believe that women, whether beginners or advanced, want to exercise in an exclusively female environment without giving up any services. Lady Sportslife has it all: a complete health club with a day spa facility."

Lady Sportslife will feature a female staff and will have the most advanced equipment on the 5,500 square-foot exercise floor including: Med X, Keiser, Camstar and Super Circuit; Lifecycles (recumbent and upright); Stairmasters; treadmills; Nordic Tracks and a complete

free-weight section tailored to women. Step Aerobics, Sculpt Classes, Boxing Aerobics and Resit-A-Ball are only a few of the classes that will be offered in the spacious 3,500 square-foot aerobics room. Also, there is a large locker room complete with whirlpool and dry sauna.

The day spa will offer services including: hair styling, manicures, make-up service, facials, massages, tanning, body waxing, salt-water glow treatments, mud baths, herbal wraps and relaxation therapy. Non-members as well as members will be able to take advantage of these services. Full-day and half-day gift certificates for spa treatments will be available.

Lady Sportslife's weight loss center will offer

weight loss programs combining sound nutrition and exercise. Licensed and registered dietitians will be available to offer program support and educational seminars.

Concern for all aspects of women's health has led Lady Sportslife to also offer physical therapy. Pre/post partum exercise, sports medicine rehabilitation and osteoporosis prevention and treatment will be among the available wellness programs. Lady Sportslife is considered a healthcare provider and therefore will accept health insurance as payment for prescribed physical therapy.

Lady Sportslife conveniently offers on-site child care for both its members and day spa guests. The private child care will feature a "Kids Klub" with com-

puters, a movie viewing area and video games for children ages 8 through 11.

Sportslife, Inc. is an independent health and fitness company founded in Atlanta in 1982. Its five operating divisions are: Sportslife Coed, six coed facilities with 61,000 members in metropolitan Atlanta; Lady Sportslife, a full-fitness and day spa facility exclusively for women; Vie Publishing and Merchandising, the popular international fitness and beauty magazine; Sportslife Club Management Systems, offering a broad range of management services to fitness clubs throughout the U.S. and Sportslife Travel Club, offering fitness-based business and leisure travel packages to Sportslife members and the general public.

How To Contend With Non-Profit Competition

By Terry Duschinski

Here is one example of how to make business people understand the untenable position of competing against a non-profit enterprise the likes of the YMCA. Paint them a picture:

Let's suppose an agency

that feeds the hungry decides to sell lunches to those who can afford to pay- presumably to raise funds for those who cannot.

This tax-free agency starts serving discount lunches, undercutting restaurants that pay the full load of taxes on business income, real estate, tangible property taxes, sales tax and has no avenue to solicit tax-deductible donations. Financial distress

would quickly engulf the tax-paying restaurants.

This scenario can be applied to any industry. In reality, the YMCA years ago started exercising its "free lunch" advantage over tax-paying fitness centers. Their rhetoric sounds convincing until you slice through it with the sharp edge of their staggering financial figures.

Present the local YMCA's gross revenues and director's salary for the most recent year. These are obtained from the Y's 990 tax form, which you are entitled to examine. The IHRSA guidebook, "FIGHT BACK", provides step-by-step direction.

Reinforce the local figures by also illuminating those of the national YMCA organization. As John McCarthy, IHRSA Director testified before a Congressional subcommittee last summer, if the YMCA were a private business, it would rank somewhere in the middle of the Fortune 500 companies.

Forbes Magazine, April 11, 1994 edition, reported that nationally the YMCA became the biggest health club operator in the country in 1992, with revenue of \$1.8 billion. Their national director's salary was \$207,000, exceeding that

of the President of the United States.

If your contentious YMCA is similar to the one we've battled, it probably presents an image of constant money struggle. This technique is called "poor mouth."

We are able to pose the question: If the YMCA is legitimately hurting for money, why does it expand every other year?

As IHRSA directives emphasize, be sure to establish support for the YMCA's historical mission statement. But, point out that the YMCA of today bears little resemblance to what it used to be.

Acknowledge some level of YMCA charitable service. Make the point to business people that - whether it be substantial or merely a tax-exempting- token - YMCA charitable service should garner tax deduction of a suitable amount. This is established in U.S. tax law.

But, Burger King would not like it if McDonalds paid no taxes because of its Ronald McDonald Houses, which provided free accommodations to families with children in hospitals. You can't be expected to appreciate the Y's free ride, either.

The fundraising machinery of the YMCA should also not be allowed to thwart free enterprise. Funds donated to the YMCA should be applied only toward

scholarships for low-income youth.

Reasonable business talk such as this will engender support. Conversely, wild ranting and railing over the money you've lost due to YMCA competition is not likely to make business people identify with you.

As a concerned tax-payer you can point out:

Failing to rectify this inequitable situation cheats local taxpaying citizens in two ways: directly through what the YMCA doesn't pay and indirectly in putting tax-paying fitness centers out of business, or suppressing their revenue.

Don't be surprised that circulating this type of message brings an invitation to appear on talk radio shows. It has for me.

Now, brace yourself. In dealing with your local business community, you may be walking through a mine field. This conglomeration of people is likely studded with current and former members of the YMCA's volunteer board.

OOPS! Next month, we'll explain what can happen.

(Terry Duschinski is a professional personal trainer and the Author of a new personal training manual entitled: "HOW TO MAKE MUSCULAR PROFITS" IN PERSONAL FITNESS TRAINING. See his ad on page 22 or call Terry at (800) 679-7930.)

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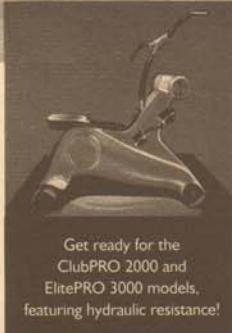
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