

Norm Cates' **CLUB INSIDER**TM

The Pulse of the Health and Fitness Club Industry



Family Fitness' Kari Chupp (L) and Kay Aplin

Family Fitness

Where Staff Really Is Family

FEBRUARY 2011

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Family Fitness

Where Staff Really Is Family

By: Justin Cates

In the world of dance, a great performance is comprised of strong individual efforts supported by equally strong team efforts. Dance performances have solos and individual stars, but the ultimate success or failure of the show is in the hands of the entire company of dancers. If a soloist falters for only an instant, most will not notice, and the performance can still be considered a success because the group will overcome the mistake of an individual. If the entire company is off rhythm, though, or they miss cue after cue, it would be hard not to notice, and

the performance will have failed outright. In preparation, they relentlessly *practice* and rehearse under the hands-on guidance of the Director. When mistakes are made during *practice*, they are discussed and corrected, and the show goes on.

Kay Aplin, Owner and President of Family Fitness in Lake Jackson, Texas comes from this world, and she has transplanted that experience into the team of professionals she trusts to perform day-in and day-out on the stage that is the floor of her health and fitness club. Every day is a performance for her team, and every day, she leads them to give their all and do their best for the paying audience, Family

Fitness' 4,000+ membership base. After interviewing Kay and two of her key staff members, Dwight Perry, General Manager and Kari Chupp, Program Director, it became clear to me that the story that needed to be shared was one about staff.

So many times, we find ourselves talking about what this club has or what that club has. Is it bigger or smaller than local competitors? Does it have the newest equipment and most up-to-date programs? How about its price point? An often overlooked, but just as important question, if not the most important, is what is the staff that actually runs the club like? Are they well trained and professional at all

times? Do they have a leader that expects their best every day?

When a great staff is in place, and they are led to deliver greatness every day and held accountable when they do not, some of the other questions begin to answer themselves. For example, related to the questions above, by being vigilant and keeping a finger on the pulse of the membership, a great General Manager will know when the time is right to update equipment and which equipment should be updated, not to mention the thousand other things they must be very good at. A great Program Director will learn what programs

(See *Family Fitness* Page 14)

Fitness Legend, Jack LaLanne, Passes Away at the Age of 96

By: Norm Cates

The legendary icon of fitness, Jack LaLanne, passed away at his home in Morro Bay, California on Sunday afternoon, January 23, 2011. He died of respiratory failure due to pneumonia.

Jack LaLanne was the unchallenged, worldwide "Godfather of Fitness," and he did more for the idea and cause of exercise, fitness and proper nutrition than anyone ever. In 1951, and for 30 years, he brought exercise to America through television, creating an ever-expanding awareness and understanding of the value of exercise in the minds of millions through his daily nationwide television shows. He and his wife, Elaine,

spoke all over the world, inspiring people to help themselves to a better life; physically, mentally and morally.

He was a mover, shaker and motivator of Americans for over 70 years! Jack was a pioneer who opened the first modern health club in the United States in 1936. He celebrated the Grand Opening by doing a handstand on top of the flag pole located on the roof of the 9-story office building where his new club was located.

During Jack's career, he was THE fitness guru for the world. During his amazing career, LaLanne performed many physical feats that amazed Americans and people around the world, including:

●1954 - Age 40: Swam the length of

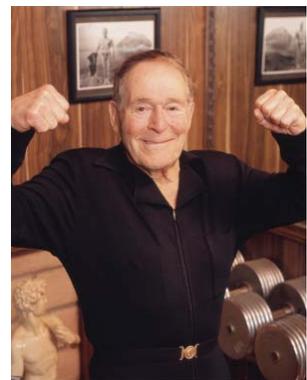
the San Francisco Golden Gate Bridge underwater with 140 pounds of equipment, including two air tanks... an undisputed world record.

●1955 - Age 41: Swam, handcuffed, from Alcatraz to Fisherman's Wharf in San Francisco, CA.

●1956 - Age 42: Set a world record of 1,033 pushups in 23 minutes on "You Asked for It," a TV Show with Art Baker.

●1957 - Age 43: Swam the treacherous Golden Gate Channel, towing a 2,500-pound cabin cruiser. This involved fighting the cold, swift ocean currents that made the 1-mile swim a 6 1/2-mile test of strength and endurance.

●1958 - Age 44: Maneuvered a paddle-
(See *Jack LaLanne* Page 6)



Jack LaLanne Flexes at Age 95

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Norm's Notes

•**Hello Everybody!** This is your **CLUB INSIDER Publisher** and **Tribal Leader** **Since 1993** checking in! This month, I bear belated **Happy New Year** greetings and wish you all great health and wealth in the coming months of 2011 and beyond. Last month, this greeting lacked a *Happy New Year wish* to you all specifically because I had the sad duty of beginning these Notes with the sad news of the passing of two good industry friends, **DALE "Mr. Enthusiasm" DIBBLE** and **TIM RICHARDS**, and the honest truth is that I was so engrossed in writing about those events that I just forgot to write **Happy New Year** to you all. So, **Happy New Year!**

•**Is America a great country**, or what? **Mmm... Mmm... Mmm!**

•Now, I must report more very sad news, but I'm sure you already know it. Our industry's great friend, **JACK LaLANNE**, **The Godfather of Fitness**, passed away on Sunday, **January 23rd** at his home in Morro Bay, California. The loss of this great man has saddened millions of people around the world, including yours truly. We have all lost a man who changed the world immensely with his exercise and proper nutrition teachings (See www.jacklalanne.com). I had the pleasure of meeting **JACK** and **ELAINE LaLANNE** and having dinner with them in Chicago in the Fall of 1999. Subsequently, I met with

them at **IHRSA San Francisco** in 2000 and interviewed Jack for our **April 2000 CLUB INSIDER** cover story.

I spoke with Elaine, his devoted and loving wife of 51+ years on February 2nd, the day after his Memorial Service, and she said to me, "Oh, I'm hanging in there, kid. It's been tough. I miss him so much, you know. The outpouring of condolences has just been phenomenal. He was my buddy and my friend and my partner and my everything. He never wanted to see me cry. So, I try not to cry because I know he would be saying, 'You're not smiling, Elaine! Come on now, SMILE!' He had so many of what I call his *LaLanneisms*... his favorite was *'Anything in life is possible if YOU make it happen!'*"

So folks, please join me starting on **Page #3** as we remember the one and only Jack LaLanne, a man who has made this a better world for millions of people. May Jack Rest In Peace.

•**Club Industry Magazine** has announced the cancellation of their **Club Industry East Conference and Trade Show** that had been scheduled for this Spring in New York City. My thought, and the thought of several others I have spoken to, was a *good move*. The truth is with the **Annual IHRSA Convention and Trade Show** each March, the **Club Industry Show** in Chicago each October and the **Athletic Business Conference and Trade Show**

each December of every year, our industry has *more than enough trade shows*. So, this move will help balance the trade show offerings during these continued recessionary economic times.

•**IHRSA30!** Let me take this opportunity to remind you that it's not too late to make plans to go to **IHRSA30**, the **Association's 30th Anniversary Conference and Trade Show**, to be held in **San Francisco, March 16-19th**. Call **(800) 228 - 4772** or visit www.ihrsa.org for information. Also, when you get to **Page #8**, please take a moment to photocopy our **CLUB INSIDER Advertiser Exhibitor List** and take it with you to San Francisco. Please stop and visit our advertiser's exhibits and do business with these great companies because they'll treat you right! And, please come by **Booth #1038** to see my son, **JUSTIN**, and I. We'd love to see you there and hear what's happening in your club!

•**LARRY GURNEY's Rush Fitness** has announced that they're going to open their **23rd location in Greenville, South Carolina** this Summer. The new 40,000 square-foot club will feature all of the bells and whistles the other Rush Fitness locations have, including their *truly differentiating amenities*, such as a different approach to fitness by merging *exercise with entertainment*, something they have coined "**EXERTAINMENT.**" **MIKE FRAZIER**, **General Manager** of the new Greenville club, said, "This is accomplished in part by the use of innovative workout areas like our popular '**RING OF FIRE**,' an elevated octagon-shaped, 6-station training platform that pushes members to their limits and '**STADIUM BLEACHERS**,' which



Norm Cates

allows members to combine the benefits of running outdoor bleachers with the convenience of an indoor climate controlled environment. **Stay Tuned!**

•**Congratulations** to the **Planet Fitness Team** of **MIKE** and **MARC GRONDAHL** and **CHRIS RONDEAU**, as they are expecting the opening of their **400th location** this month! As we went to press, it looked like the 400th would be in either **Albany, N.Y.**, **Green Bay** or **Southfield, MI**, or **Las Vegas, NV**. **Stay Tuned!**

•Recently, I called **RON POLISENO**, formerly with **CheckFree** and now the man in charge of **ZX Fitness**, based in **Charlotte, North Carolina**, to learn about the then rumored, now real, closing of its Harrisburg, N.C. location. Ron told me they had to close it because they were not able to get a satisfactory deal on the lease renewal. He also told me they were looking for another site in the area to build a
(See Norm's Notes Page 8)

About Club Insider

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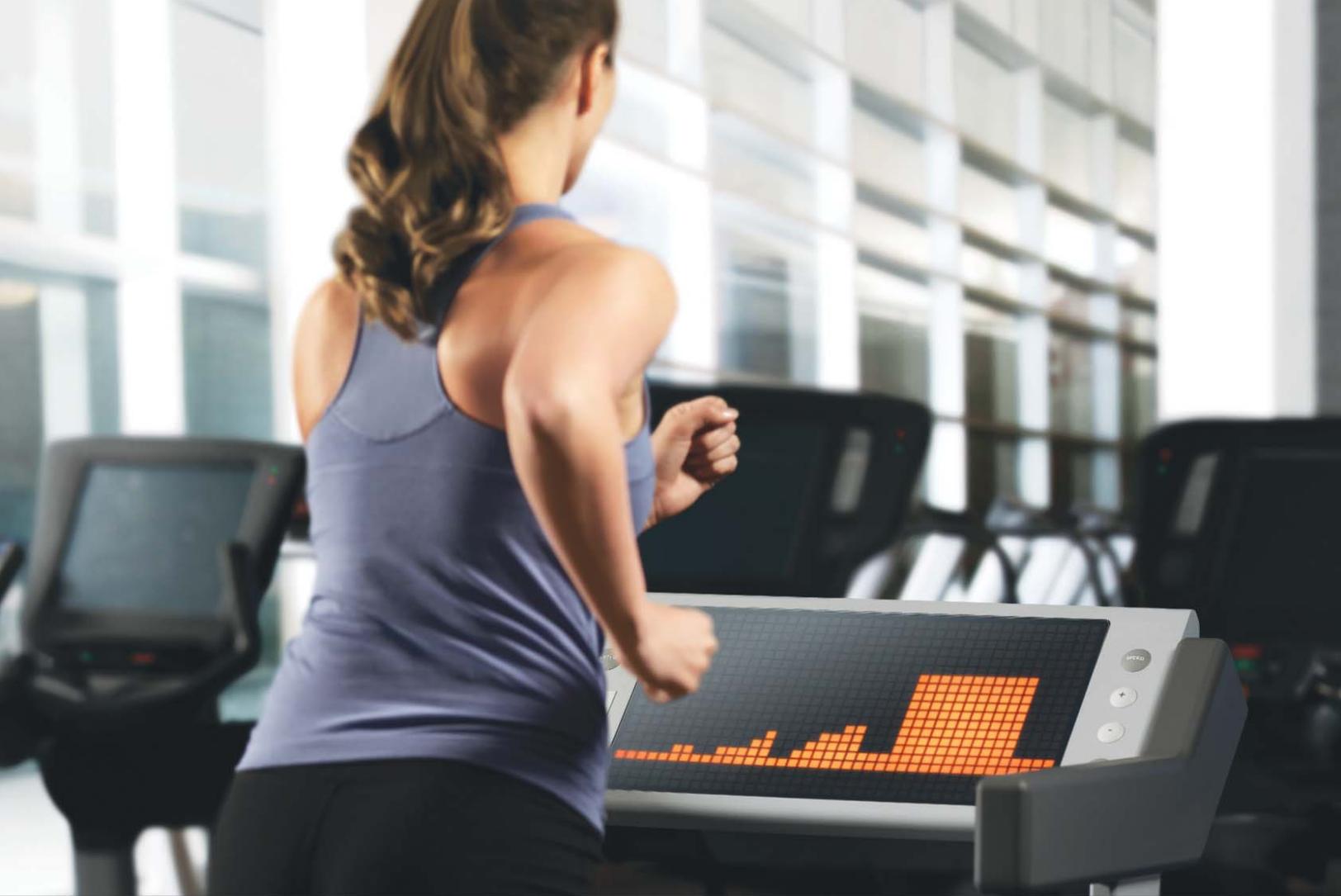
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...Jack LaLanne

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board 30 miles, 9 1/2 hours non-stop from Farallon Islands to the San Francisco shore.

●**1959 - Age 45:** Completed 1,000 pushups and 1,000 chin-ups in 1 hour and 22 minutes. His beloved dog, "Happy" is born, and **The Jack LaLanne Show** goes nationwide.

●**1974 - Age 60:** Swam from Alcatraz Island to Fisherman's Wharf, for a second time... handcuffed, shackled and towing a 1,000-pound boat.

●**1975 - Age 61:** Swam the length of the Golden Gate Bridge, underwater, for a third time... handcuffed, shackled and towing a 1,000-pound boat.

●**1976 - Age 62:** Commemorating the "Spirit of '76," swam 1 mile in Long Beach Harbor, handcuffed, shackled and towing 13 boats (representing the 13 original colonies) containing 76 people.

●**1979 - Age 65:** Towed 65 boats filled with 6,500-pounds of Louisiana Pacific pulp wood while handcuffed and shackled in Lake Ashinoko, near Tokyo, Japan.

●**1980 - Age 66:** Towed 10 boats in North Miami, Florida filled with 77 people for over a mile... in less than 1 hour.

●**1984 - Age 70:** Handcuffed, shackled and fighting strong winds and currents, towed 70 boats with 70 people from the Queen's Way Bridge in the Long Beach Harbor to the Queen Mary, 1 1/2 miles away.

●**1992 - Age 78:** Academy of Body Building and Fitness Award.

●**1994 - Age 80:** State of California Governor's Council on Physical Fitness Lifetime Achievement Award.

●**1996 - Age 82:** Dwight D. Eisenhower Fitness Award.

●**1999 - Age 85:** Spirit of Muscle Beach Award.

●**2002 - Age 88:** Jack receives his very own star on the Hollywood Boulevard Walk of Fame.

●**2004 - Age 90:** Jack celebrated his

birthday with a major media blitz in New York, San Francisco and Los Angeles. ESPN Classic runs a 24-hour marathon of the original Jack LaLanne Shows.

●**2005 - Age 91:** Received the Jack Webb Award from the Los Angeles Police Historical Society, the Arnold Classic Lifetime Achievement Award, Interglobal's International Infomercial Award, the Freddie, Medical Media Public Service Award, and he was a Free Spirit honoree at Al Neuharth's Freedom Forum.

Jack was blessed to have his wonderful wife Elaine by his side for 51 years. She was with him at all of his thousands of personal appearances and with him in Chicago at the Club Industry Show in October, 2010 when he was honored by Club Industry Magazine with its Lifetime Achievement Award. "I have not only lost my husband and a great American icon, but the best friend and most loving partner anyone could ever hope for," Elaine said in a written statement released by his agent, Rick Hersh. In addition to his wife Elaine, Jack is survived by his two sons, Dan and Jon, and a daughter, Yvonne.

Jack's celebration of life was held on February 1st, 2011 at the Liberty Hall Forest Lawn Hollywood Hills

Please extend your workout an extra hour in memory of Jack.

Ray Wilson Comments About Jack LaLanne

Jack LaLanne was the most important pioneer of the modern fitness industry. Without Jack's very popular Jack LaLanne TV Show and his lectures in Southern California, there's no way that Vic Tanny or I could have launched our two companies in Southern California (Vic Tanny Gyms and my American/Silhouette Health Clubs). And, for sure, we could not have gone national in the '50s without Jack's TV appearances.

Later, I was very lucky that



Jack LaLanne Promotes Fruit Consumption Using His Blender

Jack chose me to partner with him in my Southern California European Health Spas. We featured a life-size picture of Jack at every one of our 48 Southern California locations. That was better than having the President of the United States endorsing our company! Jack was that popular and that respected. Even in his 90s, Jack never lost his dedication to fitness or his tremendous enthusiasm. To me, Jack LaLanne was the '8th Wonder of the World,' and no one will ever come close to his fitness records and his positive influence on the fitness of America.

Jerry Kahn Comments About Jack LaLanne

It is so sad, unreal and unbelievable to learn that my dear old friend, mentor and hero, Jack LaLanne, passed away Sunday.

Many of us in the fitness industry have been called pioneers; however, Jack LaLanne was truly the grandfather of health and fitness.

I first met Jack in 1953 through my then employer, Bert Goodrich, the first Mr. America, while managing one of Bert's Southern California gyms. I had never met a person with so much energy, enthusiasm and personality as Jack LaLanne. That same explosive persona was still around the last time I saw Jack and Elaine, a couple of years ago, at a Las Vegas function. He serenaded me with numerous songs while we were driven to the venue.

While Jack was filming his TV show on Sunset Boulevard, during the mid-1960s, he invited me on stage to join him to 'jog in place' during a 3-minute commercial break. I thought it was going to be a walk in the park! However, when the camera returned to us, I was huffing and puffing out of breath and Jack was breathing normally, full of his usual dynamic energy. After that, I listened to the high lama of fitness: Jack always said 'If it tastes good, spit it out!'

In the 1970s, I was fortunate

to be associated with Jack LaLanne and my partner, Harry Schwartz, in opening gyms in New York City and New Jersey under the Jack LaLanne banner. Jack LaLanne was such an icon on TV in New York, New Jersey and California, which was very instrumental in our success. I owe and respect Jack for his contribution to our industry! My heart goes out to his wife, Elaine and my deepest condolences to his family.

Life Fitness President, Chris Clawson, Comments About Jack LaLanne

Jack was an inspirational man and Life Fitness is deeply saddened by this loss of such a motivational soul," said Clawson. "Having opened the first health club in 1936 and creating the fitness movement as we know it today, Jack LaLanne had a commitment to exercise that was ahead of his time. We will be forever grateful to Jack for what he's done for fitness as an industry and for Life Fitness as a company.

Casey Conrad Comments About Jack LaLanne

Not only is it hard to imagine a world without Jack LaLanne passionately advocating exercise and a healthy lifestyle but it is impossible to imagine where our industry would be today if he hadn't impacted as many lives as he did. He will be missed but never forgotten.

Wally Boyko Comments About Jack LaLanne

Jack LaLanne was the iconic fitness guru who moved the fitness industry to where it is today. He inspired multitudes to work out with his television show that began airing in the '50s and his continued advocacy for working out, proper nutrition and staying fit was the mainstay of his life... The

(See **Jack LaLanne** Page 7)



Jack LaLanne Doing Stretches on TV

...Jack LaLanne

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Godfather of Fitness will truly be missed.

**Greg Rowe Comments
About Jack LaLanne**

Although it is sad to hear of Jack LaLanne's passing, it is also a thunderbolt reminder to 'live fit, to motivate self and others, and to be kind.' On occasion, I met Jack and had the occasional phone calls. Jack was always consistent. His elevated mood elevated your mood. His inquiry as to your fitness habits were genuine and wouldn't miss a beat for something extra you must include or change. It wasn't a gimmick; it was a heartfelt diagnosis that he believed would mentally or physically change your life. He did.

On each occasion of talking to Jack, my mentorship and partnership with Ray Wilson always came up. Jack held Ray in extremely high esteem. I have the impression he may not have always thought that. I share that perception, in that Jack was all about fitness, and I never heard his nuts and bolts on how to run the business. Jack needed a guy like Ray who had the business vision to succeed. So, together they were like Nitro and Glycerin blasting Jack LaLanne's European Health Spas throughout the United

States and improving millions of lives.

Fortunately, I was with Ray during his post LaLanne era and into the launch of Lifecycle and Family Fitness (FF) and the subsequent sale of FF to 24 Hour Fitness. Jack thought Ray was a superstar bringing fitness to the masses, with no binding contracts, month-to-month dues and the launch of Lifecycle. Jack thought the business had finally become sexy, mainstream and affordable. Jack told me no one could have done what Ray has done and is going to do, so stick with him.

Jack was correct. Sticking with Ray was the best decision of my life; to enhance my skill sets, for personal growth and to gain financial freedom to take care of my family and those charities that make a difference in young adults. Thank you Jack.

**Dr. Kevin Steele Comments
About Jack LaLanne**

I, like most people in our industry, grew up watching and listening to Jack deliver his powerful, important messages that had everlasting impact upon our society. His TV show changed the lives of millions of people over the years and inspired thousands to get into active careers helping others improve their lifestyles.

I was one of the fortunate ones that knew Jack personally and had opportunities

to spend some good quality time with him and Elaine. Besides his obvious incredible personal and professional commitment to being 'the example' for a fit lifestyle, his wonderful sense of humor also made him great and helped get his message out and resonate.

I remember once, at a dinner with him and Elaine, he looked me in the eye with a straight, serious face and asked, 'You know who my biggest fans are? The newlywed and the nearly dead!' He then just started laughing, and the rest of the evening was fun, educational (for me) and very motivating. Anytime that I called him, he always took the time to discuss whatever it was that I needed his input on and always told me, 'never stop helping people help themselves.' He was also a mentor and friend to some of our industry's current and past leaders. He has advised Presidents, our military and many other international leaders. Jack, the American Icon, will be missed.

**Phil Trotter Comments
About Jack LaLanne**

Jack LaLanne is and will continue to be the motivational and cultural icon for fitness. He is the 'Godfather of Fitness' and America's original health and wellness pioneer. I think we all can agree that Jack's appeal and message is timeless and can bridge generations.

**Norm Cates Comments
About Jack LaLanne**

The owners of 25,000+ health clubs in America should be forever thankful to Jack LaLanne for the fact that there is a market for what is sold in their clubs: exercise and proper nutrition education. For decades, this brilliant man's work on his Jack LaLanne TV show introduced millions of Americans to the concept of exercise for the first time ever. In turn, those millions passed on this lifestyle of exercise to their children. Millions of those same children, and even some of those early TV viewers, are now among 40+ million members of health clubs across North America. The mere presence of Jack LaLanne on this Earth was a great motivation to thousands of people in our industry to be excited about what we do, to do what we do with full vigor and dedication and to always have a smile on our face and make exercise FUN! The memory of his smiling face and exercising body will live in the minds of people in the health and fitness club industry forever. Jack LaLanne is already greatly missed.

In closing this tribute to our industry's great friend, Jack LaLanne, I want to wish his loving wife Elaine, and all of his family, all the best as they move on in life. Elaine, God bless you and your family! And, may Jack LaLanne Rest In Peace.

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...Norm's Notes

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replacement club. Polisenio has a real chore on his hands because ZX Fitness, formerly known as Peak Fitness, had developed a really bad reputation with consumers in the Carolinas, and Polisenio must swim upstream against that as he strives to make ZK Fitness a legitimate operation in the eyes of consumers.

• **Clark Howard** is one of America's most influential financial gurus with a long-running daily, nationwide syndicated radio show, a weekly TV show and occasional

writings published in newspapers such as **The Atlanta Journal Constitution (AJC)**. On **January 20th**, in the AJC, Clark touched on one of the subjects I have heard him go after aggressively, over and over, for years and years. The headline of his article was, "**Run Away Fast From That Gym Contract.**" In the piece, he told his readers reason after reason why they should not join any gym or health club that requires them to sign a long-term membership contract. I have heard him say at least five times over the years that there are "*good gyms*" and "*bad gyms*" out there and the *good gyms* are the ones that do not require long-term contracts, but instead,

offer month-to-month memberships with a guarantee that the member may cancel at any point he or she wishes without any penalty, cancellation fee or other issues. So, if you're still operating in a "long-term-contract" world, you might seriously want to consider how you are swimming upstream in today's market because Clark Howard is not the only one warning consumers to avoid long-term contracts at all costs.

• "**Is the Gym Passé?**" was the title of one of what I call this time every year, the *print media's annual cursory New Year attempts at meaningful articles about health and fitness clubs*. This one is by author, **OSCAR HIDALGO**, of the **New York Times**. By his title and first comment, he appears to bash our industry's bigger, multi-purpose clubs, clubs he calls "an everything-and-the-kitchen-sink gyms." He started off with, "*It used to feel worthwhile to commit to an annual membership at an everything-and-the-kitchen sink gym featuring high-spirited classes, top-of-the-line cardio machines, weights --and perhaps a shot at striking up a conversation with Ms. Lithe sipping a post-workout smoothie. But these days, the idea of a full-service gym is as stale as yesterday's sweat-soaked towel.*" However, the author then proceeded to deliver a string of comments from a number of smart people in our industry that conflict with his title and message, comments that seemed to be intended to show balance in the author's presentation, but frankly, would leave the average reader wondering what this guy's mission for the piece really was. Certainly, it was not to support the title of the article, but apparently, the article was intended to mislead the reader into thinking full-service, multipurpose clubs are now passé and doomed for failure. While I doubt that he intended to mislead, I think he did. However, I agreed with some of the quotes, but I disagreed with others.

Two quotes that I agreed with the most were from **MIKE GRONDAHL**, the **Co-founder and Owner of PLANET FITNESS** and **RICH BOGGS**, the **Co-founder and Owner of The STEP Company and Body Training Systems**, a Division of The Step Company. Grondahl said, "I can't keep you motivated to do something you don't want to." Boggs commented, "Only 15 percent of the American population belongs to gyms. When we've got 85 percent saying 'I don't think so,' we've got to *recalibrate* what we're doing." *Amen, boys!* If you would like to read the article, go to <http://nyti.ms/hlXuPi> send me an email at norm@clubinsideronline.com, and I'll send it to you.

• Speaking of **RICH BOGGS'** comment in the **New York Times** article and the previous note about our industry *recalibrating* what we're doing, the "**Recalibrator In Chief**" in our industry is the one and only **THOMAS PLUMMER**. Plummer, through his teaching at his **National Fitness Business Alliance (NFBA)** seminars, which drew more people here in Atlanta than the **AFIRM Showcase**, by the way, has been the **Pied Piper** of this industry for a while now. He's been promoting and advocating for years that clubs, fitness centers and gyms switch to a menu that includes much more functional training, such as heavy rope work, kettlebells, heavy medicine ball work, rope climbing and other functional exercises not requiring expensive machines. I can tell you all this; if you're making your living in our industry, you can't go wrong attending one of Thomas Plummer's seminars. For information about the next stop for NFBA near your town, go to www.nfba.com.

• **Millennium Partners**, a New York- (See *Norm's Notes Page 10*)

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...Norm's Notes

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based investment banking firm with major interests in the upscale segment of the health club industry including the **Reebok Sports Club/NY** and **The Sports Club/LA** in Boston, New York, Miami, San Francisco and Washington DC, has announced that, due to a new capital partnership, the company is making strategic leadership changes to prepare for rapid future growth of the company. **Chief Executive Officer, ART CURTIS, Ph.D.**, will transition to parent company, Millennium Partners, to focus on mergers

and acquisitions of health club properties, and **SMAIYRA M. MILLION, Chief Operating Officer**, has been promoted to **Chief Executive Officer**. "Art will be a tremendous asset to our team at Millennium," said **CHRISTOPHER M. JEFFRIES, Founding Partner of Millennium Partners**. "With his vast experience launching and managing health clubs, I know that Art will be successful jumpstarting our effort to acquire and develop new properties," added Jeffries. Best wishes for great success in your new roles Art and Smayira!

● **MIKE MOTTA's Plus One Health**

Management, Inc. announced on **February 1st** that it has acquired **Fitness Works at Work**, a provider of customized corporate health solutions in New England. Plus One will immediately assume management of Fitness Works at Work's existing corporate contracts in the **New England Area**, including leaders in the energy, healthcare, industrial goods and food and beverage industries. The acquisition continues Plus One's growth as an industry leader nationwide and provides significant new lines of business. Financial terms of this agreement were not released. "The acquisition of Fitness Works at Work allows Plus One to continue our focus on strategic growth opportunities," said **CHRIS CIATTO, Plus One Chief Operating Officer**. "New England, in particular, is an area where we have seen recent success, and Fitness Works at Work was a perfect fit for advancing Plus One's goals in the region."

● **STEVE AYERS, ABC Financial's National Director Sales**, has announced that **MICHAEL MURPHY** is the new **Regional Sales Director** for the states of **Arkansas, Oklahoma, Texas, New Mexico, Arizona, Louisiana and Nevada**. Based in Austin, Texas, Murphy will manage all sales operations within his territory, as well as present detailed billing hardware and software solutions and analysis to current and prospective clients. Ayers commented, "Michael's experience and success in management positions with an internationally known fitness brand (Gold's Gym International) makes him a perfect fit for our company. Our customers expect us to have a knowledgeable and friendly staff that provides real solutions to their business problems, and we think Michael fits that bill. We are pleased to welcome him aboard." Check out **Steve's Article on Key Performance Indicators (KPIs)** on **Page #30**.

● Well, last month, I warned you about **State and Federal REVENUERERS (tax collectors)** coming after your club's money. This month, I have a warning for you folks in Chicago, but I bet you already know this news! Mayoral Candidate, **RAHM EMANUEL**, formerly **White House Chief of Staff** announced that he's going to *seek new sales taxes on all luxury businesses*, such as such as limousines, charter jet rides, pet grooming and Botox injections. Reportedly, his list also includes businesses such as bowling alleys and fitness clubs. His announcement caused one of his opponents, the former school board chief, **GERY CHICO**, to begin running ads warning Chicagoans to look out because Emanuel wanted to tax their bowling alleys. Emanuel's list has been evolving, too. It first included "health clubs," but then, as Chico began holding news conferences at neighborhood health clubs to say Emanuel's plan could put them out of business, Emanuel said his plan would exempt neighborhood health clubs

and tax only "luxury" clubs. **Stay Tuned!**

● **Entrepreneur Magazine** has just released its **2010 Franchise 500 List** and **Jazzercise is #17, Anytime Fitness is #18, Snap Fitness is #33, Gold's Gyms is #72** and **Planet Fitness is #81**. I obtained this information from a **Club Industry Magazine Newsbeat** writing by **STUART GOLDMAN**, so thanks Stuart and Club Industry Magazine!

● **Be sure** your staff is prepared to answer **10 important questions** whenever engaging a new member prospect. The brief article on **Page #24** from the **Better Business Bureau** covering those questions was provided to me by **DOTTIE CALLINA** of the **Atlanta BBB**. **Thank you, Dottie.**

● **SENATOR TOM HARKIN** of Iowa has reintroduced the **Workforce Health Improvement Program Act (WHIP)** as part of a comprehensive wellness bill known at the **Healthier Lifestyles and Prevention Act (HeLP America Act)**. Aimed at reducing obesity, chronic disease and health care costs, the inclusion of the WHIP provision of the bill would allow employers to deduct the cost of offsite health club memberships for their employees and exempts this benefit as taxable income for employees. IF and WHEN passed, this should be a huge boost for our industry. Harkin, the **Chairman** of the powerful **Health, Education, Labor and Pensions Committee**, and a long-time **IHRSA** ally, commented, "We need to integrate health and wellness into all elements of American communities... By providing people the information and resources they need to live longer, healthier lives, the HeLP America Act will empower people to take care of their health, boosting overall quality of life and lowering our spiraling health care costs." **HELEN DURKIN, IHRSA's Executive Vice President of Global Public Policy**, is pleased with the bill's introduction early into the legislative session, but she acknowledges that a long road still lies ahead. "I'm thrilled with HeLP's introduction and thankful to Senator Harkin for all of his hard work," says Durkin. "But now, the real challenge is before us, and that is to see that other lawmakers commit to wellness and prevention by turning HeLP into law."

If you are a regular **CLUB INSIDER** reader, surely you recall reading my comments urging you to support **IHRSA's Public Policy** efforts, and I want to restate why you should, in case you've not read my comments before. You should view IHRSA's Public Policy efforts, where in the last two years they've won 50 State legislative victories for our club industry, while losing ZERO, as **investing in insurance for your club**. This insurance concept I write about is as important as fire insurance for your club. By supporting IHRSA's Public Policy efforts, you will help fund IHRSA's excellent legislative

(See Norm's Notes Page 12)

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...Norm's Notes

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work on behalf of your club on both the State and the Federal levels, thus insuring that legislation that will be bad for your club business will be strongly opposed and defeated. You do not have to be a member of IHRSA to support these efforts, but I would strongly recommend that you join and support IHRSA, if you are not already a member. To learn more about IHRSA Public Policy efforts, contact **MEREDITH POPPLER** of IHRSA at (800) 228 - 4772 Ext 129. Give a little to save a LOT!

• **CHUCK LEVE** worked for IHRSA for 27 years until they parted company in 2008. In 2009, Chuck teamed up with the **Sporting Goods Manufacturing Association (SGMA)** to create what they call the **Association of Fitness Industry Retailers and Manufacturers (AFIRM)**. The purpose of AFIRM, as stated in the SGMA Press Release dated **December 12, 2009**, is "to give manufacturers and retailers a voice in the industry." Subsequently, Chuck announced that they were launching the AFIRM Showcase, which is a two-day educational seminar and mini-trade show. According to the

brochure provided by AFIRM, there were 26 companies represented in Atlanta at the first AFIRM Showcase, February 3rd and 4th, and there were 16 speakers who came from around the country to speak on a variety of topics. The exhibits were terrific and so were the speakers. Chuck and his friend, **RICHIE WAGNER**, did a fine job with the event setup and the hospitality, including serving two lunches and providing two cocktail hours for the attendees, speakers and vendors.

Unfortunately, however, for this first AFIRM Showcase event, the most important ingredient, *seminar and trade show attendees*, was somewhat lacking. Chuck told me he had over 350 people pre-registered for the event. Based on what I saw the first day of the event (I could not attend the second day because of February's **CLUB INSIDER** deadline schedule), there were probably no more than 75 attendees there. I know Chuck had promoted the event well in the Atlanta area, as I received his postcard and brochure mailings. To be clear and fair, the weather in Atlanta those two days was just awful and may have contributed to the low attendance by club owner/operators. The following vendor comment came to me in response to a brief survey I sent asking the vendors to rate the

attendance on a scale of 1 to 5 with 5 being the best, "The customer attendance was lower than expected, so I rate attendance a 2.5 out of 5. The weather surely kept attendees planning to travel on Thursday night and Friday away. Attendance may have also been impacted by the time of the year since clubs are busy in February."

The next AFIRM Showcase is scheduled for the Washington, D.C./Baltimore, Maryland-area in June, so the weather should be good then. The jury is still out, however, about whether the companies that invested in exhibiting in this inaugural AFIRM Showcase will continue to make the investment for future events. The attendance of *potential buyers of products* could be summed up in one sentence from one of the exhibitors who wrote to me saying, "We saw very little traffic but did leave with a few leads." From the perspective I have as a person who thinks the speaker lineup was indeed excellent and believes that ongoing industry education is very important, I say *Hooray! Great job speakers! Every person in attendance must have benefitted. Thanks to DAVE PICKERING, DOUG MILLER, DONNA KRECH, DR. KEVIN STEELE, PHIL TROTTER, SANDY COFFMAN, DR. CHRISTOPHER BREULEUX, CASEY CONRAD, ERIN K. KELLY, RENEE SPRIGGS, JENNIFER HANSEN, DR. JASON CONVISER, BRUCE CARTER, DANIEL J. LYNCH, PAUL BOSLEY and JESSE CAMPANARO.* To the companies who were exhibiting, including five great companies that are **CLUB INSIDER Advertisers (ABC Financial, Sport and Fitness Insurance, Cybex International, Iron Grip Barbell Company and Donna Krech's Thin & Healthy Total Solutions)**, I say thanks for your dedication to supporting education in our industry! To Chuck Leve, and old friend Richie Wagner, I say, thank you for your kind hospitality guys. Check out the **AFIRM Showcase** photo collage on our website at www.clubinsideronline.com/afirm2011 and stay Tuned!

• In closing, let me remind you that the bravest man in our industry, **AUGIE NIETO**, Chief Inspirational Officer of **Augie's Quest**, will co-host the **6th Annual Bash for Augie's Quest** at **IHRSA30** on Friday Night, March 18th. His co-host is **BIG JOHN MCCARTHY**, highly esteemed retired IHRSA CEO, who is **Chairman of the Bash Committee**. To reserve a table or individual seats, go to www.augiesquest.org/bash. Funded by the \$26+ million **Augie's Quest** has raised

over the past six years, researchers are getting closer and closer to finding a cure for the dreaded disease, **ALS**, also known as **LOU GEHRIG'S disease**. Also, you should know that **STEVE THARRETT, FRANK O'ROURKE** and **JAMES PETERSON**, have teamed up to write a new book entitled, *Legends of Fitness: The Forces, Influencers and Innovations... A History of the Individuals Who Made the Health and Fitness Facility Industry What it is Today!* and they've dedicated all proceeds from the book to **Augie's Quest!** So, everybody who attends Augie's Bash in San Francisco will receive a copy of the brand new book at the event. It's very thorough and gives you the history of fitness dating as far back as **2100 B.C.** Also, if you do not attend the Bash, the book will be for sale at the **IHRSA Store**, which is located in **Moscone Center South**, on the street floor level before you go down the escalator to the trade show.

• Some may not know that **CLUB INSIDER** is a **Paid Subscription-based Publication**. Are you a **Paid Subscriber**? If the words **PROMOTIONAL COPY** appear above your name and address on the cover of this month's edition, you are **not** a **Paid Subscriber** and are not enjoying the full benefits of a Paid Subscription to **CLUB INSIDER**. Don't delay, subscribe today by going to www.clubinsideronline.com/subscribe.

• As we roll into 2011, I'd like to again thank our **troops** and all servicemen and women who are serving America in the **Middle East** and around the world for their service to our great country's safety. I also want to wish them all safety, good health and a return home unharmed very soon. Thanks also to the families of our troops for the sacrifice they make every day for America. We all owe our troops and their families a deep debt of gratitude. Please thank our servicemen and women for their service as often and whenever you can. **God bless you, your family, your club(s), your staff and your members. God bless America!**

(Norm Cates, Jr. is a 37-year veteran of the health, racquet and sportsclub industry. Cates was the Founder and is in his 18th year as the Publisher of **CLUB INSIDER**. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of IHRSA's highest honors. Cates may be reached by phone at **770-850-8506** or email at norm@clubinsideronline.com)

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...Family Fitness

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are desired by members and keep them up-to-date. They will also produce an atmosphere and events that make members feel at home and part of a club family. And so it goes on down the line, from the owner, all the way to seasonal part-timers.

At the point in which each and every staff member knows his job, and he is held accountable for that job and how it fits into the company as a whole, a club does not necessarily have to be the biggest on the block and have the lowest rates to survive and thrive. Those are relative measures and should only be part of the overall equation, not the end-all, be-all. What is absolute, though, is knowing your membership base and figuring out how to serve them properly. It will be different in every club, but if you listen, they will tell you what they want. Once again, it comes down to staff. They must listen, and they must execute.

Maybe it will help to think of a club's staff as a conduit. They are the conduit between what the members want and what a club can provide day-in and day-out. Even if a club is the biggest and has every piece of equipment and new program imaginable for a steal of a deal, if the connection through the conduit is not clear, there will be a disconnect, and the club will suffer. If the connection is clear, though, the sky is the limit, even for a club that has only the basics.

I invite you now to enjoy the story of Kay Aplin's Family Fitness, in Lake Jackson, Texas, where staff really is family.

An Interview With Kay Aplin, Owner and President

CLUB INSIDER (C.I.) - Where were you born, and where did you grow up?

Kay Aplin (KA) - I was born in Freeport Texas, which is the anchor city in Brazosport and consists of a tri-city area



Kay Aplin

that also includes Lake Jackson and Clute. It's also one of the largest ports on the Gulf of Mexico, so I had an opportunity not just to grow up by the beach, but next to a thriving port and industrial area that has remained and grown.

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

KA - I have three beautiful children. Anne Elizabeth at TCU, Katherine at USC and Hart, who is 16 and a sophomore in high school.

C.I. - Where did you attend college, and what did you study?

KA - My Masters of Management is from the University of Houston, and I was fortunate to attend school there during the Phi Slama Jama days when it was exciting to be on that campus with Drexler and Olajuwon on the basketball court and Freddie Couples swinging a golf club out back. The dance and athletic/fitness worlds were coming together at a fast pace at that time, so I made money on the side teaching aerobics. I started to recognize fitness as a revenue producer.

C.I. - Before entering the health and fitness club industry, you had a 15-year career as a professional dancer and ballet company director/choreographer. Please tell us about



Kid's Club at Family Fitness

that experience and its influence on you related to your career today as a health and fitness club owner.

KA - The most important thing about my ballet and dance career is, not only did I learn to love movement of all kinds, but I also learned to put it in an entertaining way for the people who are moving with you, whether that is dance or any kind of movement discipline. The most important thing about the professional dance world for me was that, as part of the team, or the collective of people that make up the production, as you rise, there are people who are, in a management sense, under your direction. I began to see that the management and direction side of the business was what stimulated me the most. As I left the ballet world in my early 30s and came home to Lake Jackson to have my family, I needed to transition into the business world.

C.I. - In 1998, you opened Family Fitness in Lake Jackson. How did this come about?

KA - In 1994, I bought a bankrupt club that had a decent level of service and a small membership base. It had great potential. I also needed a job; I was a retired ballet dancer with three kids, and I needed to find something for me to do in my community that would keep me close to my family.

At the time, we were at 12,500 square feet. We had 867 members and 9 employees, and we had a will to be the best in the community. When I bought the club and paid off the original note in three years, it was in a leased space. People, then, were literally parking on the shoulder of the highway to come to classes. We couldn't do that anymore. We needed our own space, so that's when I began to look for a prominent piece of real estate that factored into the future of Family Fitness as an aggressive trendsetter in our area for fitness service. So, in 1998, I built Family Fitness on 3.3 acres.

C.I. - Please tell us about the club when

it originally opened. How large was it, what were its key offerings, what was your initial membership base, etc?

KA - The original building was 25,500 square feet. We responded to the many needs of our membership base in our original blueprint. We had a club within a club, Female and Fit, with the relaxed ease of women enjoying their own environment and fitness goals, and we expanded of our program direction to include small group and sports specific training to offer something for everyone.

The primary thing we did when we opened Family Fitness, though, was to begin to be family-focused. We built a 2,000 square-foot Kid's Klub facility with individual focus areas for children from infants to twelve years old, and it was free for our employees to keep their children close by. A great idea was born. As parents and coworkers, we all realized that the luxury of having our children onsite while working was an amazing plus in the workplace. We began to raise our children as a family, and they have as much fun now with each other at company events as we staff members do. Later, we added the aquatics area, which is not large, but it is the perfect level of service for our membership base. It has a 25-meter pool and a 12-person hot tub outside with a screen. We are very warm here about eight to nine months a year, so being outside is an important facet of our workout experience.

C.I. - Please tell us about the club today. How large is it, what are your key offerings, what is your current membership base, etc?

KA - Our current membership base is 4,000 members with a Family Fitness team count around 60. We have a strong aquatics program and a personal training structure that are amazing for ancillary income and results-based word-of-mouth in factoring the annual revenue of Family Fitness. Female and Fit, our women's only club within a club, is reaching into a market that

(See *Family Fitness* Page 16)



Female and Fit at Family Fitness

advice, etc.

Thin&Healthy's Total Solution Ties It All Together

RYAN VOGT,

A doctor suggested their patient try Thin&Healthy's Total Solution. The doctor called me with the woman's name and I called her. She was in the club within a half hour with her mom and her best friend. All three of them joined the program.

With competition in the fitness market building from other clubs in the area, we decided to go after a market that wasn't coming into the club with something that would really set us apart from the other facilities. After attending an IHRSA conference we knew weight loss was the way to go, so we added Thin&Healthy's Total Solution into our club to attract the overweight population and give us the edge over the competition.

We've seen great results so far with our current members, but the unexpected surprise is that people who are using the Total Solution are telling their friends outside the club about the program.

We also have a couple of doctors that are members who have seen ladies losing weight and now they are starting to refer patients to us. Our first physician referral was a patient who weighed 400 lbs and was asking her doctor about different diet plans. The doctor suggested this lady try Thin&Healthy's Total Solution because of the results she was seeing in other club members. The doctor called me with the lady's name, I called the lady, and she was

in the club within a half hour with her mom and her best friend. All three of them joined the program and all three of them enrolled their families as well. The club received two year-long family memberships, one year-long couple membership and three Thin&Healthy's Total Solution memberships off this one, single physician referral!

When you total it up, this referral added \$8000 to the bottom line and it will lead to more product sales and more referrals! We're excited about implementing the physician referral system (Prime Program) Thin&Healthy's Total Solution has created which we know will take us to the next level.

I've been in the industry for 17 years now and I believe Thin&Healthy's Total Solution ties everything together for a club. You have members who just come in and do cardio or weights, and it's only a matter of time before that doesn't get them the results they want. The Thin&Healthy's Total Solution program has an accountability factor with the one-on-one coaching which allows more of a connection with the people who want to lose weight that the club alone just doesn't have. This program gives the member someone to help them through it.

This is what the club industry has been missing—the coaching and accountability factor. When joining just the club, members get the initial consultation with

the trainer and equipment orientations but that all happens in the first week and then the person is just left on their own. They need to be coached on what to do. This program gives our members an affordable option to receive help throughout the duration of their program, so they can not only achieve their goals, they can also learn how to maintain.

What the Thin&Healthy's Total Solution program does is it gives you the ability, when you're presenting your facility to someone, to be able to look them in the eye and say, "I feel 100% confident that in following this program, you are going to be successful," and that is what we want for our members. Our goal is NOT to have someone join and get little or no results, we collect dues for a year and then they quit. We want our members to get results. If you really want your member to be successful, this gives you that tool. You'll be able to look at them and honestly say, "Choose this option and you will lose your weight." X

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...Family Fitness

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is emerging with women who want to have a space of their own to reach their fitness goals. Our Kids' Klub is a hub of activity for staff and members' children. Many of us at Family Fitness have raised our own children within the Kids Klub walls and take great pride in the fact that the kids, whether our own or our members', are in a safe and fun atmosphere that is not only entertaining for them but is also setting a great example of the fitness lifestyle. This is such an important factor these days as childhood obesity rates rise to an exceedingly high level.

Not only have we grown in physical size but in the types of programs and offerings that we have. I continue to invest in the improvements and education levels of my staff and the programs that we deliver on a daily basis. Even above expanding in size, it is extremely important for membership retention to pay close attention to the evolution of programs and offerings to keep members around for the long haul.

C.I. - Above anything else, what is Family Fitness' key differentiating feature?

KA - Our key differentiating feature is our team and the professional way we approach wellness in the community. It's really a 'wow factor' club. People come here from large city clubs, or even from their small hometown clubs, and they are so impressed by the atmosphere and excitement here. You can feel it when you walk in; we have never met a stranger, and there's something for everyone to do when they enter the club. Our staff is educated, experienced and capable of handling members with special needs as well as the first-time exerciser, as we design innovative programs to meet individual fitness goals.

C.I. - How has that differentiation helped you attract and retain members?

KA - First, and most important, is word-of-mouth. Then, when you have all those tenured employees, you have long-standing citizens of the community who are out there every day looking great, feeling great, happy about life and ready to infect the next person with a healthy lifestyle. It is an infection of excitement.

Another thing that has set Family Fitness apart is our long-standing relationship with IHRSA. *Success By Association*. It is absolutely the truth and the way to operate your club. Here, it's kind of 'What Would IHRSA Do?' The ethical guidelines set by IHRSA give a level of professionalism and mode of operations that is a blueprint for success. As an industry, we all come together at conventions and seminars to share ideas and to offer the best club experience possible when we return to our own clubs.

C.I. - Tell us about the leaders on your staff, your key staff members.

KA - We manage by quorum. I don't have the only say. The seven managers who work with me are on the frontlines every day, and I respect their opinions.

Amy Daspit does an amazing job of keeping our Kid's Klub at the forefront of family and community involvement. We begin with our own children and make our childcare area a fun and healthy environment. From our summer camps, holiday celebrations, Zumbatomic and youth boot camps, children are constantly being exposed to activities that keep them coming back day after day. Our kids bond with the staff and look forward to participating even when their parents are not quite as motivated. We see this as a huge retention tool especially as we watch the children graduate to the club floor and begin their own healthy lifestyle.

Jeff Myer, our Operations Manager; oversees all floor operations and front-desk management. He is also a chef and entertainer, so he really brings that spirit to the front door. His hospitable personality is engaging and that transcends though to his staff.

The ladies behind the scenes, **Sasha Jaramillo** and **Shanel Stone** are quietly keeping the club, its membership base and its daily business current and in-house. It gives us an opportunity to act very quickly. Sasha also runs HR for us, and oversees sales tracking. We work with Fiserv, and Shanel is an expert in their procedures.

Our maintenance crew, **Jim Fipps** and **Aubrey Little** have set us apart from our competition for many years by keeping our equipment up, ready and maintained at all times. Jim and Aubrey have been with Family Fitness



Equipment Floor at Family Fitness

since the day we opened, and they really know the equipment inside and out.

Dwight Perry and **Kari Chupp**...

I could not do what I do, as a director of a club this size in our community, if I did not have the best right and left hands I've ever met. They are both outstanding. I'm so lucky, you have no idea. We work together intrinsically in lockstep.

It's not always smooth, but the entire team is going toward the goal of making our fitness message a vital part of this community. Our reputation and our longevity depend on it. That means we don't always get along or agree, but not agreeing is actually kind of a combustible form of energy from which other great ideas are sparked.

C.I. - What are some specific things you have done and continue to do to build and grow your club's relationship with the community over time?

KA - We have remained involved in our local activities on a ground level that incorporates volunteer staff, knowledge and inspiration to the charities that surround all of us.

Family Fitness chooses a focus charity every year, and we benefit that cause as well as many others to a lesser degree. We spend our year planning

fundraisers and member events to increase our members' awareness of that particular need in our community, and we give them a reward to strive for, whether it be a 5K or a Fitness Challenge, or simply an event that brings us together for an evening. We are also very involved in social networking and have, among our staff and home sites, thousands of connected friends and fans and are acquiring more daily. It's very exciting to watch such a new marketing tool become essential in a very short period of time. I feel it is where the marketplace is headed, and we are working everyday to stay in the forefront of this exciting new realm.

When Hurricane Ike came through in 2009, our team came together and manned the Family Fitness facility 24 hours a day for coffee, showers, workouts, and sometimes, just for fellowship in a moment of frustration. We invited members and nonmembers to come in and take a moment to recollect themselves and their families and for the rescue crews for CentrePoint Energy to escape the stress of the hurricane aftermath. We were not going to desert the community at the moment it needed us most. When you have large banks of showers, water and coffee, and places to sit down that have power, it's incredibly rewarding to give
 (See *Family Fitness* Page 18)

Service Years of Long Term Employees

Jim Fipps - 13 years	Elizabeth James - 6 years
Aubrey Little - 12 years	Pinky Patel - 6 years
Crystal Lezak - 12 years	Renee Griffith - 5 years
Danielle Cooper - 11 years	Fatima Walts - 5 years
Kari Chupp - 10 years	Trina Dominquez - 5 years
Janice Guidry - 10 years	Angie Keefe - 4 years
Reggie Baker - 10 years	Tom Williams - 4 years
Shanel Stone - 9 years	Rebecca Baldrige - 4 years
Sasha Jaramillo - 7 years	Dwight Perry - 4 years
Manjiri Paradkar - 7 years	Amy Daspit - 3 years
Kimberly Carlton - 6 years	Brianne Bradley - 3 years

Community and Charity Involvement

Brazoria County Military Moms and Wives (sends goods overseas to US Troops)
 The Salvation Army (various food drives)
 Brazoria County Women's Shelter
 Brazoria County Youth Home
 Brazoria County Pregnancy Help Center
 Adopt an Angel (Salvation army program that collects toys at Christmas for children)
 CASA (Court Appointed Special Advocates for abused children)
 Susan G. Komen
 The Mermaid Project (breast cancer)
 Big Love (local organization raising funds for childhood cancer)
 BACH (Brazoria County Association for Citizens with Handicaps)
 Brazoria County Youth and Family Counseling



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Visual Fitness Planner
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...Family Fitness

continued from page 16

that gift to anyone who walks in the door.

C.I. - Please share some tips about how to deal with things you've experienced as a club owner that you think would benefit our readers.
KA - Invest Time - The first thing I did was put my time in at the club learning every station. For years, I was there for the 5AM opening and the 10PM closing. I am fortunate to live one mile from Family Fitness and have a staff now that looks as critically at the facility and its operation as I do. My staff continues to invest their time and talent daily by continuing their education and acquiring new certifications as they strive to meet members' evolving needs.

Invest Money - Family Fitness continues to reinvest in new equipment, staff education, cutting edge programs and keeping it fresh. Depreciation is a real number in this industry that allows us to upgrade our facility and equipment and spread the associated cost over an extended period of time.

Invest Love - I have been raised in the South, and I have been taught hospitality since I was very small. I consider Family Fitness to be an extension of my home and the staff members to be an extension of myself and family values. I am blessed with so many long-term, educated employees who know their jobs and look to themselves for the next innovation in a member workout or a way to interface with the community in a more meaningful way.

C.I. - When did you join IHRSA, and how has the Association helped your club business over time?

KA - I went to my very first IHRSA Convention in 1994, and I didn't know anyone. I was just a ballet dancer from Texas who had bought a bankrupt club. I walked into the convention, and your dad, Norm Cates, was in the front, like he usually is, so

I walked up to him and introduced myself. John McCarthy was there, and we talked for a bit. At one point, I said, 'Wow, this convention just blows my mind. I'm really shocked by how much of a true industry fitness is.' Your Dad said, 'If you think this is something, hold on to your hat because you haven't seen anything yet!' He was so right. The fitness industry is exciting and rewarding on many different levels. These meetings of great minds at IHRSA were energizing and productive and helped me get through the coming year long after I had left the event. Now, whenever my staff and I return to Family Fitness from an IHRSA Convention we come back to the community energized and motivated. I love to surprise our members with new concepts and challenges. One of the things this organization does that is so important is, expose me to the best of consultants. I've had great success with the club consultants I've brought in to Family Fitness from the conventions over the years, and I always want them to look at our club with a neutral eye, as a consumer, and not as an expert.

C.I. - What is your vision and plan for Family Fitness in the future?

KA - I want Family Fitness to continue, long after I am not involved with daily operations, as a community institution.

Our future is definitely in corporate wellness programs and in the medical sectors that support proactive health care. We are positioned to be the corporate fitness providers for a broad spectrum of companies in our area that are critically analyzing their employees' health with regard to their lifestyle and wellness. Our industry is changing so dramatically that we are responding to insurance and wellness and incorporating incentives as they become available. This is a work in process, and we will continue to monitor both governmental and corporate trends as they occur. I project that, within the next four or five years, you will see an amazing partnership between insurance companies

and health and fitness facilities. You have to be positioned and sitting ready for that and you must have your corporate relationships in place.

An Interview With Dwight Perry, General Manager

CLUB INSIDER (C.I.) - What year did you join Family Fitness? What was your original position?

Dwight Perry (DP) - I started here in May of 2007 as their controller.

My wife, Alice, was having health problems, so I was looking at what I could do to be more available to her without doing too much traveling. Family Fitness put an ad in the paper looking for a Controller, and my wife saw it. So, I came by and met the General Manager at the time. He and I already knew each other as I was supporting their computer network. We were familiar with each other, so I brought my resume in and said, 'Take a look at this and see if you'd be interested.' One thing led to another, and the rest is history.

C.I. - What educational and professional background did you have coming in?

DP - It was one of those deals where I had a full-time job and a young family. I realized that, if I wanted to move up higher in the management group, outside of supervisor, accounts payable, payroll and those accounting functions, I was going to have to get a degree. So, I went to the University of Houston for ten years. After a while, you have gone so long that you just can't quit.

C.I. - As the General Manager of Family Fitness, what are five key tips for management that you feel will help our readers in their clubs?

DP - 1. Hire only the best people. One of the points I made in my bio that's on our website (www.family-fitness.com) is that, when I got ready to get involved in Family Fitness, I realized what a really good staff they had. I had been around here enough at that time that I knew most of the people. For me here, and any other place I've ever been, it's always been about getting the right people. What you want are people who will try to push you out of your job because they are really the ones who will make the business work. All you have to do is just 'steer the car,' so it makes it a lot easier.

2. If you are going to do that (hire the best), you've got to be able to retain and maintain them. One of the easiest ways I've found to do that --and my rule has always been-- is try to pay about 10% above your competition. If you do that, then you eliminate one of the biggest problems in small business, besides cash flow, which is keeping staff. People come into minimum wage jobs, and they stay until someone offers them 20 cents more. Then, their off! If your salary structure is such that you are not always concerned about your people leaving, then the continuity you get out of that from the staff



Dwight Perry

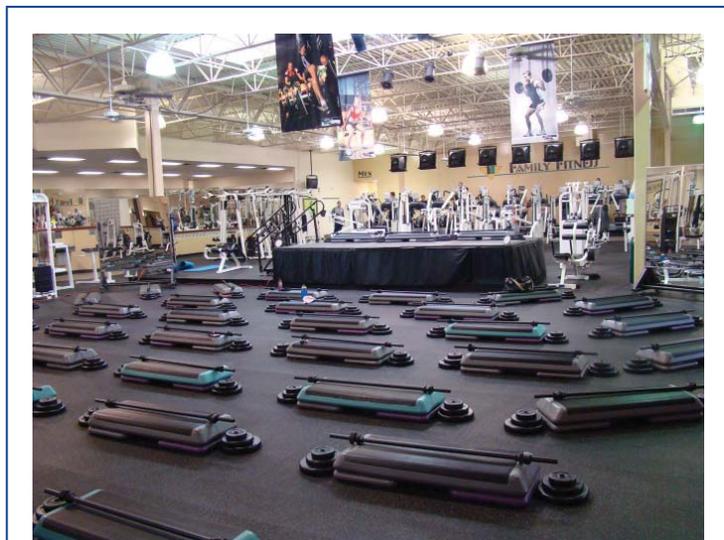
that is around you makes the management side of your job so much easier. That's probably the easiest part of my job.

Another part of that, and one of the things that I think you should always do, is try to treat your staff as family. I'm in an office here with a couple of ladies --we all do the administrative side of the business-- and I always tell them that I spend as much or more time awake with them as I do with my wife. I do! If you think about it, the day-to-day you have in your job is a family situation, just like it is when you go home. So, treat your staff as family.

3. Always respond to maintenance issues. All of the things that happen in the club impact the members, and all the members talk to members. Anything negative that is going on is getting chatted about, I promise you that, so you want to try to get problems solved as quickly as possible. That's one of the challenges that we have here right now because our facility is in its thirteenth year, and we have some equipment problems that come with that length of time. You've got to move on them immediately. You only have so much control over some problems because you have to deal with vendors. A recent classic example was with a pool heater, when we had to deal with the manufacturer in California. They don't necessarily relate to our problems or our members very much. The local vendors are part of our family here. They are the people we depend on to do the maintenance on our equipment and facilities and are folks that have been around this club for thirteen years. You just don't get good service without having the relationships that go with it.

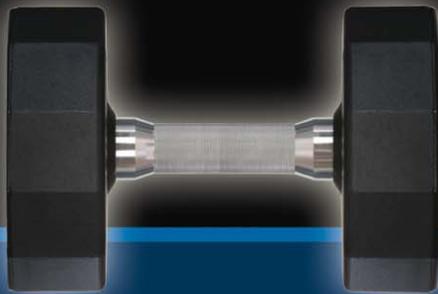
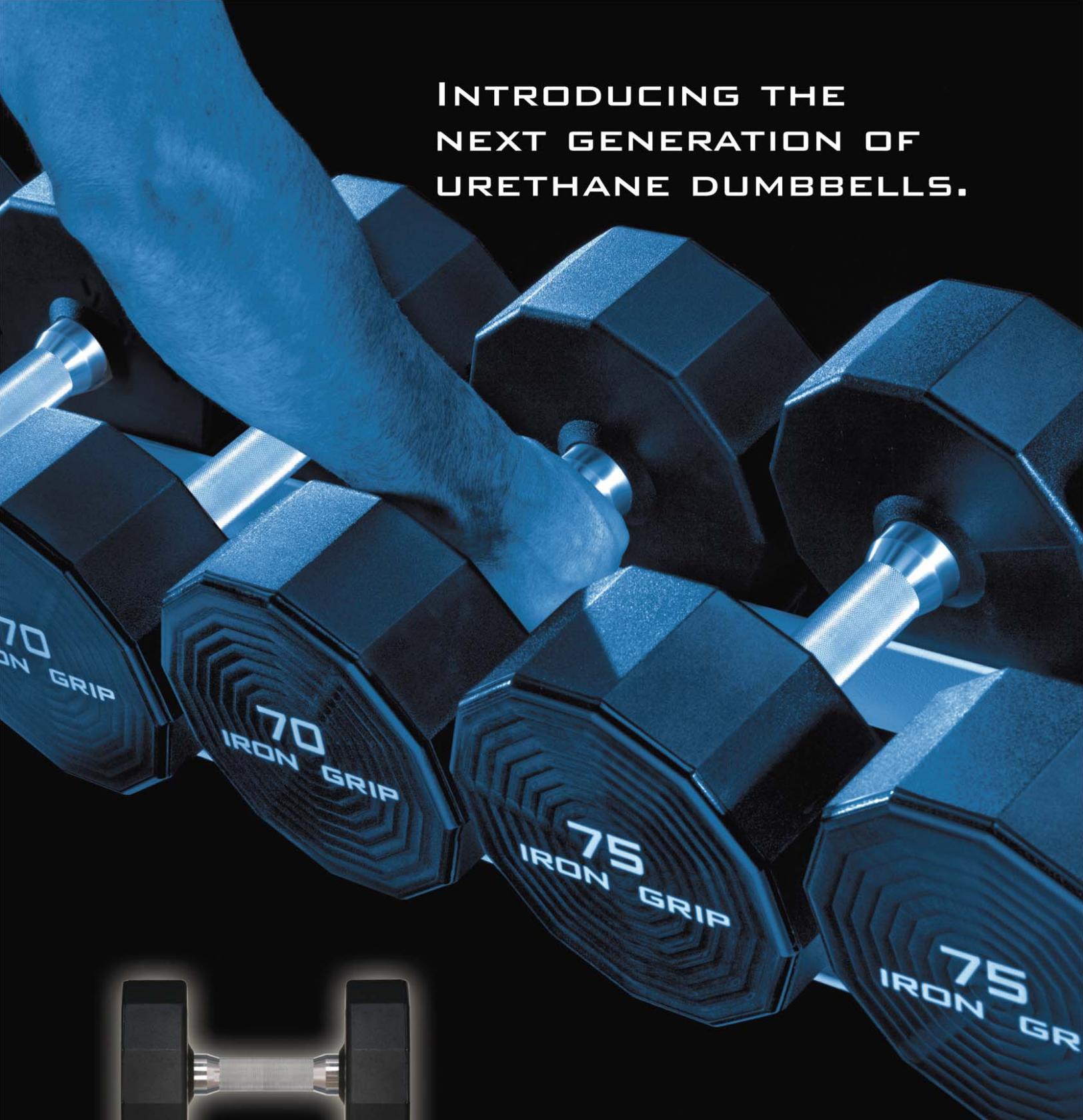
4. During the busiest time each morning, I spend a portion of my time when many of the members are here, making sure the facility is in the shape I want it to be, that everybody is smiling and happy, and that the problems we have here are being taken care of. I do that every morning and every afternoon before I go home. I want people to know that we are looking after their club, and we are looking after the fitness programs they are trying to get done. This creates a huge amount of goodwill.

(See *Family Fitness* Page 20)



Group Exercise Floor at Family Fitness

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IRON GRIP
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...Family Fitness

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5. Another thing that I always do is, if I make eye contact with any member that I don't know, I go over, shake their hand and say hello. It's the right way to build relationships with your membership. I'm not as lucky as Kari is because I'm not in classes with the people all day, so most of the time, they know me from an arm's length.

C.I. - What are your top day-to-day challenges, and how do you approach them?
DP - The biggest problem I have is how I evaluate and balance the demands on my time and the demands on the cash we have available to maintain the facility between members, service, and staff. You know, they have the same problems that you and I have on a daily basis, so you have to help them however you can. Generally, I don't ever get up in the morning and say, 'Well, I have to go back to Family Fitness and do the same old job.' It's not like that; it's very dynamic here. The problems you incur with members and staff, or members and members --all those things happen-- dictate how you utilize your time to take care of them.

C.I. - What key piece of advice would you give our readers about dealing with this ongoing recessionary economy?

DP - Have faith. That's probably the biggest thing you can do. In the business world for sure right now, the economy has been something that, as a businessman, you don't have any control over. It has dictated things to us in many ways that we really couldn't be prepared for. Two and a half years ago, when DOW Chemical suddenly announced that they were going to lay off 25% of their staff, a large percentage of those people were now out of work, and they were our members. Because of that, we had to be sure we did the best we could to maintain our business at the same time our members, vendors and all the people around us were having exactly the same kinds of problems.

We probably froze more accounts (for ninety days at a time) than ever during that period of time. Sometimes, we did them back-to-back two or three times because the people were out of work and trying to make it on whatever income they could generate at that point in time. Rather than have them lose the tenure they had with the club and their really good rates, our recommendation was to freeze the account rather than cancel it. When they got back on their feet, it gave them the opportunity to come back and go again. That's what they've done, and our membership has picked right back up this year.

One of the things we had during that same period of time was dealing with the hurricanes. When Ike and Rita came into this area, they impacted this area tremendously. We were really very fortunate at Family Fitness because we only lost some screens around our swimming



Kari Chupp

area, a satellite dish off the roof and some things like that, but other than that, we really didn't get very much damage. Our neighbors, right down the road from us, got beat all to heck. So, as soon as we found out we were going to have power and be back online with hot water and things like that, CentrePoint Energy (the power company making repairs) came here and asked us if their crews could come in and use the facilities for showering and things like that. Absolutely! Could they park their trucks out here in our parking lot? Absolutely! It was surprising, but we had some members in the neighborhoods around us who went six weeks before they got their power back. They came in and used our showers. We were their bathroom. It was interesting, but once you find out who they are and what's going on with them, it's a day-to-day hearing about, 'Are you back on yet?' It's a matter of, when the time comes, *you have to stand up and reach out.*

An Interview With Kari Chupp, Program Director

CLUB INSIDER (C.I.) - What year did you join Family Fitness? What was your original position?

Kari Chupp (KC) - I started working for Family Fitness in 2001. I began as a personal trainer and a group fitness instructor. In 2004, I became the Group Fitness Coordinator. Then, in 2007, I became Program Director. As Program Director, I broadened my responsibilities from traditional group fitness management and began researching new and innovative ways to increase long-term member participation and retention within the club. The Program Director of Family Fitness oversees all personal training, group fitness, special events/fundraisers for charity as well as day to day activities going on in the club.

I continue to do Personal Training as much as my time allows and teach an average of ten classes a week. Allocating my time is always a fun juggle as I still have to reserve time each day for employee management, administrative duties, event planning and the most fun part of my job, which is member interaction and engagement.



Group Exercise Class Outside Family Fitness

I am also a proud mother of 3 amazing boys; Dakota 14 years, Mason 11 years and Bryson 3 years.

C.I. - What educational and professional background did you have coming in?

KC - I graduated high school and immediately got married. We started a family a year later, and I was a stay-at-home mom for about four years. After I had my second child, I came to Family Fitness to start working out, like every other new mom does. As I journeyed into my own lifestyle change and started seeing results, I began having people approach me for help. As that was happening, my interest in the whole industry began. I loved the gratification that came over me when I was able to help someone and encourage them to become healthy and improve their quality of life. It wasn't something I ever thought I would do. I did not grow up thinking I would become a fitness professional. This profession is something that jumped out and found me. I now know that, aside from being a mother, this is what I was born to do

As my passion grew stronger, I began using the building blocks that Kay has in place that allows employees to grow and become educated through various fitness organizations, such as AFAA, ACE, Les Mills and Sara Cooperman programs. I began getting certifications such as Group Fitness, Personal Trainer, Aquatics, Pilates, Zumba and most recently, over the last couple of years, Body Pump, RPM & Body Flow, which are Les Mills programs. I have also attended the Les Mills Management course which teaches best practices in all aspects of group fitness management. Over the years, I have remained extremely dedicated to the industry and worked my way through the ranks. It's been a gradual process, and I continue to educate myself daily from every aspect of the business whether it's on the fitness side of things or most recently the business side. The business side of it

all is opening my eyes to a whole other world in the industry, and I am extremely excited to continue to learn about and utilize in the success of Family Fitness.

C.I. - As the Program Director, you're responsible for producing events and programs for your club members. What are two key things that you always try to focus on when doing your job?

KC - 1. Balancing everything at one time; service, staff and delivery of whatever programs we have going on. Service is a crucial component as our members and their satisfaction come first for me. Staff comes in second to none as my team is the most amazing group of people a girl could ask for. They are like family to me and their success and daily accomplishments are what make me tick. I truly admire each and every one of them. And last of all, delivery... It is extremely important to me that I practice what I preach. Personally being prepared and delivering our programs at a world class level that sets us apart from the 'ordinary.'

2. Coordinating events that are safe, fun and so exciting that it keeps them begging for more. I want our members to feel as if they are coming to an 'event.' Not just to work out... Not just to get it over with... They need to feel their adrenaline pumping when they walk through the doors. They need to be constantly intrigued and looking forward to the next experience.

Also, staying in touch with the community on a daily basis so we can respond immediately to whatever the community's needs are, whether it is fundraiser oriented or fitness related. We do a lot of fundraising for different organizations; school supply drives, food drives during the holidays, military moms and sending things overseas for the military, so we try to respond to the needs of our community. As for fitness related, we have a college that does Biggest Loser (See *Family Fitness* Page 22)

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...Family Fitness

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competitions, so we open the club up for them to use during their competition. We provide trainers to help them, and we give them help with nutrition. We routinely are involved with local schools and go in with fun and interesting ways to get kids involved in fitness. So, whether it's staying in touch with the community from a fundraising perspective or a fitness perspective, we stay on top of it so we can respond. We have a really good team of employees that help us put all the pieces together to make things work in harmony.

C.I. - What are the ways that you keep up-to-date with industry trends in programming?
KC - IHRSA has always been a benchmark for us, whether it's staying on top of industry trends or attending the conventions and workshops. We go to whatever we possibly

can: IHRSA, IDEA, Sara Cooperman events, and you saw us personally in Chicago at Club Industry 2010. Our group fitness instructors and trainers routinely attend continuing education sessions and Les Mills' quarterlies. We stay on top of everything that is forever changing in the industry and keep everything current by attending events and reading your magazine as well as other industry publications that provide us with the latest and greatest in what the fitness world has to offer. Family Fitness will never become stagnant. Every day, there's something new coming out, and the public knows it. The public travels, and they go to other clubs. So, it's real important for me to keep up with the trends and keep us constantly moving forward in full force. If we become stagnant, so will the members, and we will not retain them if they get bored. We must keep them enticed and coming back, and the only way to do that is to keep changing

what they are doing.

C.I. - Please share your thoughts on the most important things to remember when focusing on member retention.

KC - Well, I feel that, when members walk through the doors, they should feel like this is their home away from home. They should feel welcome and a personal connection to Family Fitness. My team of instructors, trainers and I work on this on a day-by-day, member-by-member basis. We create bonds with our members and those kinds of bonds hold strong though all kinds of situations that could impact individual and widespread member retention. It's not just a gym. It's our own 'gym family.' One of the most important retention assets we have is our group fitness programs. When we can get members involved in the group aspect, they get hooked. Creating not only bonds with our team but with other members as well. We currently have 42-45% of our members that walk through the doors attending some form of group fitness. We all know that Texas is a 'friendly' place, but nothing compares to the friendships that are formed within the walls of Family Fitness. That is RETENTION in itself!

C.I. - What is your vision and plan for Family Fitness in the future?

KC - Family Fitness will soar! We will

continue to provide the finest services and facility in our area. Our team will grow, our programs will grow and our community involvement will grow. With all of this, in return our membership base will exceed our expectations. To me it's not so much a vision... A vision is an idea that you would like to see happen. All of these things will happen for Family Fitness because we have an action plan in place and a team of professionals that I am confident will be successful in the constant and positive evolution that lies ahead.

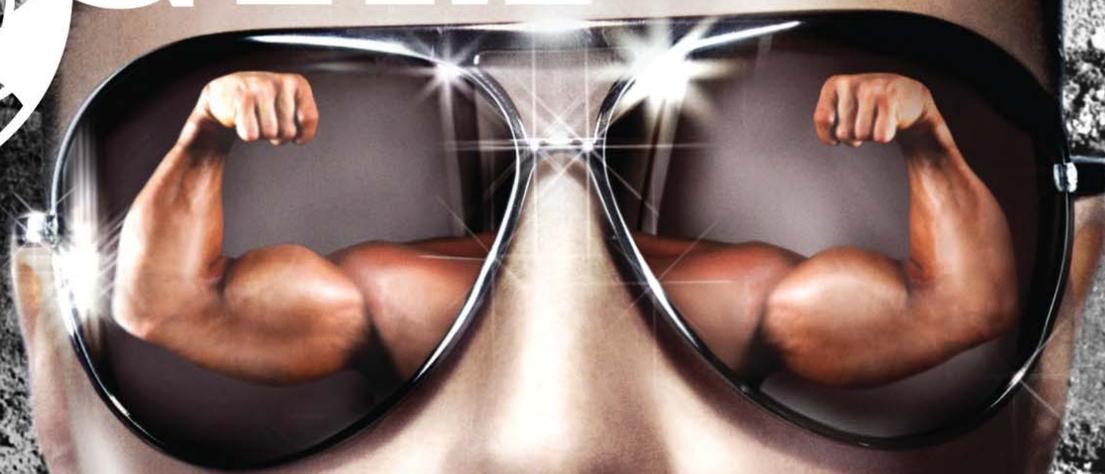
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My sincere appreciation to Kay Aplin, Dwight Perry and Kari Chupp for their time and help bringing this story to our readers.

(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health, racquet and sports club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home which doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 25 years, since his own day one. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin may be reached by phone at (770) 595 - 6086 or email at Justin@clubinsideronline.com)



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Ten Questions to Ask Before Joining a Gym

Questions Your Staff Should Be Prepared For

Losing weight is one of the most common New Year's resolutions after the gluttony of the holiday season. If you're pledging to lose some pounds this year by joining a gym, the Better Business Bureau (BBB) recommends asking ten questions before signing on the dotted line.

In 2009 alone, BBB received 7,787 complaints about gyms and health clubs, putting the industry in the Top 20 for most complained about businesses. Not only does BBB receive a lot of complaints about gyms, but complaints increased by 21 percent in 2009 over the previous year.

"Regardless of how eager you are to start losing weight in the New Year, take the time to do your research before joining a gym and don't give in to high-pressure sales pitches," said Fred T. Elsberry, Jr., President & CEO of the BBB Serving Metro Atlanta, Athens and Northeast Georgia. "Always check the health club out with your Better Business Bureau, inspect the facilities closely and read the contract carefully, making sure that all of the promises are in print."

BBB recommends asking the gym

and yourself the following ten questions before signing up for a membership:

Questions to ask the gym:

1. What are the terms of any introductory offers? Gyms often use special introductory offers to lure in new members. Just make sure you understand the terms and what the price will be once the introductory period is over.

2. Will my membership renew automatically? Every year, BBB receives a large number of complaints from people who joined a gym and didn't realize that their contract would renew automatically and that they would have to take specific steps to cancel their contract.

3. How can I get out of my contract? Getting out of a gym contract isn't always as easy as getting into one, so make sure you understand what steps you would need to take to cancel your membership.

4. What happens if I move? Gyms have

any number of different policies when it comes to how moving will affect your membership. It might depend on how far away you're moving and if they have other locations nearby.

5. What happens if you go out of business? BBB often receives complaints from people after their gym suddenly closed up shop and took their money with them. Ask the gym to explain what will happen to your money if they suddenly go out of business.

Questions to ask yourself:

1. What are my fitness goals? Determining your fitness goals in advance will help you select a facility that is most appropriate for you. If you have a serious health condition, consult with a medical professional when setting your fitness goals.

2. Is this location convenient? If the gym is across town, you'll be less likely to workout. Choose a fitness club that is convenient to work or home so the location

is not a deterrent to getting exercise.

3. Can I really afford this every month? Monthly gym fees add up, and after any introductory periods are over, the price could jump higher than your budget can handle. Do the math before you join and make sure you can afford a gym membership.

4. Am I feeling pressured to join? Do not give in to high-pressure sales tactics to join right away. A reputable gym will give you enough time to read the contract thoroughly, tour the facilities and make an informed decision.

5. Did I get everything in writing? Read the contract carefully and make sure that all verbal promises made by the salesperson are in writing. What matters is the document you sign, so don't just take a salesperson's word for it.

For more advice from BBB on how to be a savvy consumer all year long, visit www.bbb.org.

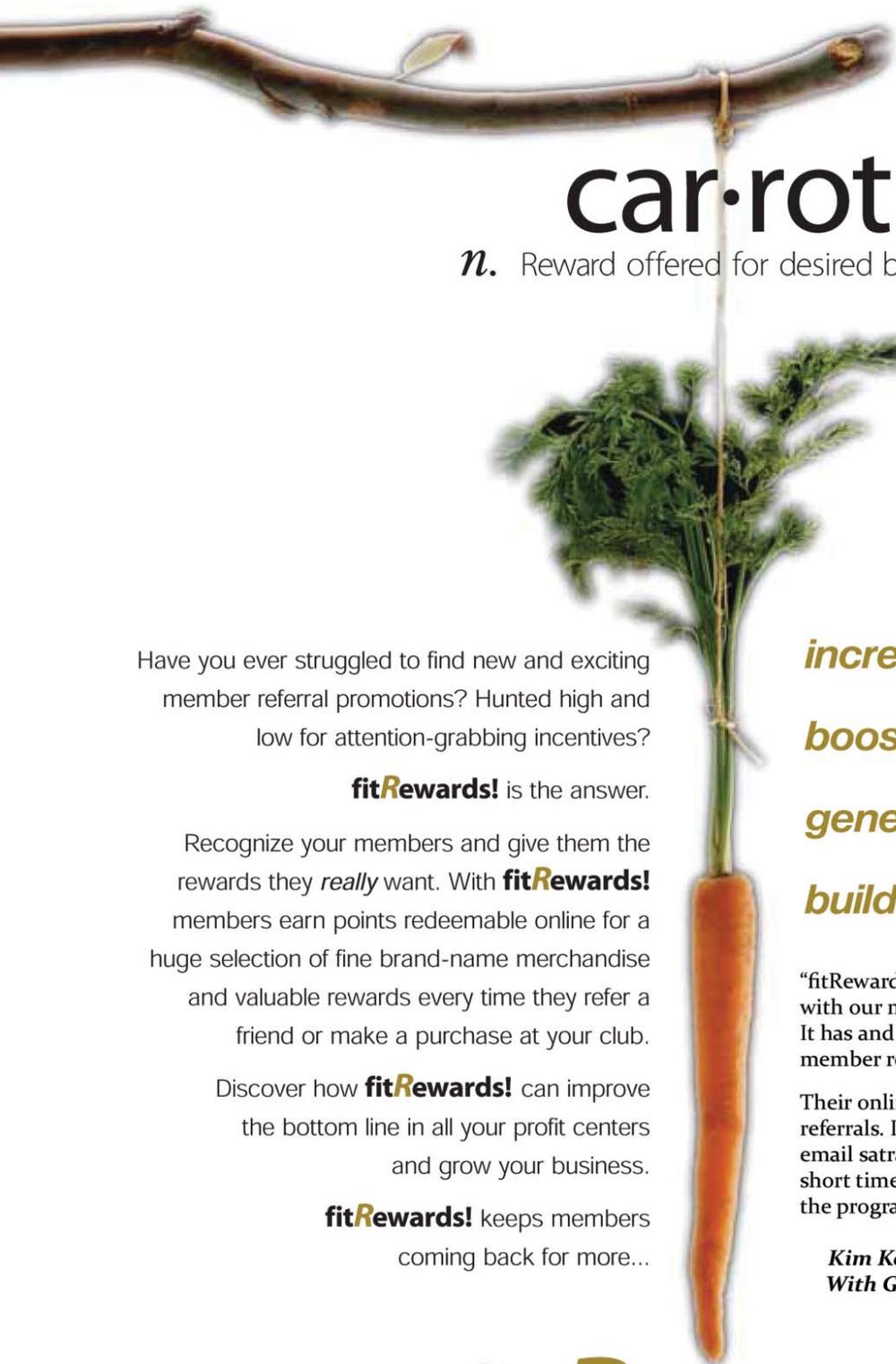
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Managing the Member Experience

By: Karen Woodard-Chavez

Part III

In Part I, we began with the fact that, for the past ten years in our industry, much has been discussed about the best way to insure that the member experience is one that 1) creates differentiation so that current members stay with the club and 2) creates differentiation in attracting new members, allowing the club to have an edge over the competition. This has always been a critical part of any business model. But, as of late, it has become even more urgent for many club operators due to the proliferation of competition in almost every market.

We continued with the reality that, often times, achieving this goal is elusive due to the fact that management may not be clear on some of the bigger picture elements of the business, proceeded with a diagnostic survey or check-up for the managers and concluded with the promise of how to analyze the answers to the survey when the questions had been answered. In Part II, we explored the answers to the first five questions.

In Part III of this article series, we will address the answers that you should get to the final seven questions of the survey, the answers that you might likely get and what to do to move forward. And away we go...

Club Manager Survey

6. Please describe how you successfully delegate: Most Managers are not great at delegating, as they have not yet learned to successfully do so. Because of this, they prove to themselves that "delegation does not work, and it is just faster to do it myself." The problem with this is that they do not develop talents among their staff, nor do they get away from doing the things themselves that truly should be done by others so that they, as the manager, can focus more on driving the department or the club.

If this sounds like some of the managers at your club, then the following is what you want to champion to take place with your managers:

Knowing *how* to delegate is equally important as knowing *what* to delegate. Here are some primary questions you should ask yourself before delegating work.

- Can anyone else do the job instead of you?
- Can someone else do the job better than you?
- Can they do the task without your supervision?
- Can they do the job at a lower cost than you?

• Will the job provide an opportunity for the employee to grow?

Choose the right person:

- Must have the skill set and the desire.

Outline the project:

- The why, what, when and how.

Define the outcomes:

- The end result, not the process. The employee may have a better process than you. Do not squelch him on his creativity. Listen to how he would do it (differently).

Define the time expectation (total hours and completion date):

- Be clear about how long it will take and when you expect it to be done. Is it negotiable or non-negotiable?

Define the follow-up process:

- Check in on a regular basis (don't micromanage)
- Do not make the mistake of checking in only when the project is to be completed
- Catch successes or mistakes early and correct them
- Trust the employee.

Know that, when you delegate, it requires leadership and management on your part. Do not just walk away thinking that you created clarity and that the project will be done perfectly. It's imperative for you to check in as agreed upon. You, as the manager, and the employee, both have responsibility for the success. Delegation takes practice and mastery. Don't expect that, just because it did not go right the first time, it never will.

7. Please describe what your three major priorities are in your role based on the amount of time you spend doing them: This answer will be very revealing. The assumption here is that you and your managers have defined precisely what the core elements of each of their roles are. The answer to this question should reflect the weighted accuracy of the job description.

If, for example, you ask a Membership Sales Director this question and she/he responds with more of an administrative-based answer, rather than "1) Developing, training and motivating my staff to exceed goals; 2) Building relationships with the community that will lead to strong sales and a strong positive reputation for the club; and 3) Building relationships with members that will lead

to results, retention, referrals and revenue." then you know there is misdirected energy and lost results. Perhaps, there is even a bad match for the person in the position. If this is the case, there needs to be some clarity created for the manager on his purpose in his role; clarity as to whether he really wants to do that job, and then, clarity on turnaround expectations for necessary readjustment in his role, if he is indeed to remain in that role.

8. Please describe how you determine whether or not a program will succeed:

This should be an easy and no lines blurred type of answer, but that is not always the case. Too often, managers respond to this question with a very "intuitive" approach rather more of a business plan approach. For absolutely any program or promotion, my recommendation is to utilize a form called the Program Planner, which is a business plan approach for the program or promotion that allows the manager to know before investing time, energy and financial resources whether the program will have a return, lose money, succeed or fail. If you would like a copy of this form, please email me at karen@karenwoodard.com and I will send it to you.

9. Please describe how you strategically plan and meet goals:

Assuming the club has a strategic planning program for the overall goals, the departmental *planning* should already be done. Regarding *meeting* goals, the manager's response should include the following elements: sharing the goals with the staff, breaking the goals down into doable daily and weekly goals, tracking and adjusting daily to assure that goals are hit and keeping the goals and the bigger picture in the forefront of all his staff members' minds and behaviors.

10. Please describe how you determine your ROI for your department:

ROI = Return on Investment. This is an important term for all managers to know as business people. To determine ROI, take the Net Contribution (Total Revenue - Total Operating Cost) and divide it into the revenue. For example, if the revenue was \$25,000 and the operating cost was \$5,000, the net contribution is \$20,000. You would divide the revenue of \$25,000 by the net contribution of \$20,000 and get 80%.

11. Please describe the steps you take in having a difficult conversation with a staff person:

The assumption is that all managers understand the importance of having these conversations with a sense of immediacy surrounding the incident causing the need to have a conversation rather than wait and avoid the conversation



Karen Woodard-Chavez

until review time (which completely undermines trust).

The practice that allows the most effective answer should include the following elements: I observe what has happened (or hear from a member or staff person what has happened). I then immediately go to the staff person and share with him what I understand happened based on the observation/feedback from the first party. I then ask him to share his version of what happened. I then share how that reflects the values of the club and ask him what he feels could be done differently. I also share with him that my role first is to guide all staff to be his best in every situation, and then, share that he either handled it well or could handle it differently. Together, we come up with a plan to move forward. Or, if the situation is irreconcilable, explain why we cannot move forward. I then take the appropriate next steps for the staff person, member and/or club. I do not place blame on any person or the club for the conversation.

12. Please document the percentage of your time you spend on the following areas each week:

Assuming the managers are working a 40+ hour work week, they do not have the luxury of their own administrative staff and do not have tremendous amounts of new staff or turnover, consider the following as a guideline:

- Staff training - 5% (2 hours)
- Admin duties - 5% (2 hours)
- Selling/marketing your department's services - 20% (8 hours)
- Professional development - 5% (2 hours)
- Managing growth of the department - 20% (8 hours)
- Performing the task of the department (the secondary purpose) - 20% (8 hours)
- Serving primary purpose - 25% (10 hours).

(See Karen Woodard Page 27)



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...Karen Woodard continued from page 26

The questions and answers in this article are some basic assessment questions to determine whether or not the managers are truly managing the member and staff experience effectively or are perhaps not actively managing the member experience, staff experience or the business. Assess whether or not the managers at your facility are answering the questions above with a similar quality of response. If not, it may be time for some refresher or revolutionary training for the managers of your business to truly manage and lead your business.

(Karen is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Guerrero Mexico. She has owned and operated clubs since 1985 and now consults with and trains club staff throughout the world. She provides her services on-site, online, by phone and through books, CDs, DVDs and manuals. She can be contacted at 303-417-0653 or karen@karenwoodard.com)

2011 Club Industry East Canceled

In a recent survey, we received a lot of feedback about how to enhance the attendee and exhibitor experience at Club Industry events. As a result of that feedback, and in an effort to make a positive change affecting participants in our events, we have decided to cancel the 2011 Club Industry Executive Summit in New York. By focusing on one event this year, Club Industry 2011 (www.clubindustryshow.com) at McCormick Place, Chicago, October 12-14, we will better meet the direct needs of our industry.

Given the economic and scheduling challenges of attending multiple trade shows and events throughout the year, we decided to consolidate our efforts into producing one meeting that will best unite the entire fitness community under one roof. We firmly believe that this event is Club Industry 2011. For the 2011 event, we have introduced aggressive initiatives aimed to amplify the event and plan to add a C-level forum, enhanced networking functions, audience development programs and lead generation to every exhibitor.

-Zari Stahl
Group Show Director
Penton Media

Celebrity Marketing

By: Derek Barton

Some say Michael Jordan helped make Nike, and others say Nike helped make Michael Jordan. I say it was a little of both.

I remember the first Nike commercial, with Michael Jordan flying through the air in slow motion from the foul line, his right arm high above him holding the ball like the Statue of Liberty holding her torch, and as he hovered over the rim, he slammed the ball through the net for the most amazing dunk I ever saw. Holy s#\$%. Air Jordan was born. I remember watching that over and over again saying to myself, "How in the hell does he do that?"

The subtle answer from Nike is simple. Wear our shoes. Yep, wear Nike shoes, and you can fly like Michael. Even though I'm a marketing guy, I bought into their message. I figured if one of the greatest basketball players of all time wears Nike, then a weekend warrior like me should do the same. Cha-ching \$\$\$\$... Another sale for Nike.

Does Celebrity Marketing work? It does for me from both sides, as a consumer and as a marketer. When I was the head of marketing for Gold's Gym from 1985 to 2005, I used my celebrity contacts as a means to help build the brand. I didn't have as big a budget as my competitors, so I had to outthink them.

I knew the power of PR, and I knew the power of product endorsement. Living in Los Angeles, we have our share of celebrities. Many would come into the famous Gold's Gym in Venice, "The Mecca of Bodybuilding," as it was called. I took advantage of that celebrity pool as well as my own celebrity friends from my show business background. I gave them all free memberships. One year at a time. No lifetime memberships. I gave their significant others a membership, too. Thanks to my famous football legend friend, Lyle Alzado, I learned to give their significant others only 3-month passes. Celebrities usually stay celebrities. Their significant others change like, well, like... celebrity's significant others. I knew where my loyalty was.

Anyway, what I learned quickly is that, if you take care of celebrities, they will take care of you. Armed with free memberships and Gold's Gym sportswear, I gladly gave our celebrity members and their significant others free gifts. Yes, they could afford everything I gave them, but they're just like us, they appreciate a free gift.

So, for those radio DJs, television sportscasters, sports athletes and movie stars to whom I gave memberships, guess what, their appreciation would hit the public airways in ways I could never

afford. One day, I heard our popular DJ on the air saying he trains at Gold's. The next day, I see Carl Weathers, who played Apollo Creed in the *Rocky* movies, wearing a Gold's Gym t-shirt on a promo for *Saturday Night Live*. Then, in the movie, *White Men Can't Jump*, there's Wesley Snipes wearing a Gold's Gym tank top. In *Men in Black*, Will Smith shows his Gold's Gym VIP membership card. Bingo, what a concept. Be nice to someone, and they will be nice back to you.

I know what you're thinking. I don't live in LA, and I have no celebrities around me. Oh contraire. Every city has a high school or college. Comp the athletic director or coach. Tell them you want to be the official gym for their schools and that you have a special rate for their sports teams. Support or sponsor them, and they will support you. Take care of your veterans, who have put their life on the line for all our businesses. Join your Chamber of Commerce, and offer your gym as a place for monthly luncheons. Donate your old equipment to local fire and police departments. Pretty soon, you'll see a story on your local news showing a Police captain explaining how his team is in better shape thanks to generous community leaders like yourself.

This is a true story. A Russian defector walked into Gold's Gym Venice back in the early 1990s. He said he wanted to see two things; Washington D.C. and Gold's Gym Venice. I welcomed him and gave him a free membership. Boy, was he happy. The next thing I know, one of the sportscasters that I comped asked me to let him know if there were any newsworthy things happening in our gym. "How does a story about a Russian defector sound to you?" I asked. Before I knew it, a camera crew was in our gym filming our new Russian member, Oleg, working out. It was great publicity and a great win/win for everyone.

I also learned that there were many celebrities in our gym that weren't really celebrities by the standard definition, but they were celebrities in the making. There was a man in a wheelchair who was determined to walk. It was a great news story, especially when he stood up and walked out of his chair forever. We even used him in one of our print ads.

An 84-year-old woman who had never lifted weights before came in to train at one of our gyms. The doctors told her it was a waste of time. She trained anyway. She later got the world record in the bench press in the Senior Olympics. She's won over 50 Gold Medals so far. We made her a celebrity, and those news stories continued to make us one, too. I learned that radio and television needed content 24/7/365. I

gave it to them.

When I first started at Gold's in 1985, I sent out flyers to all the casting agencies in Los Angeles. I offered our gym as a film location for TV shows, movies and commercials. I also told the casting agencies that, if they needed the next Arnold or Stallone, we had them here. When they would cast people out of our gym for movies, TV shows and commercials, they asked me what our fee was. I simply said, "It's a free service, but if you could put a Gold's Gym shirt on them, I would appreciate it." They gladly did, as I entered the world of Product Placement.

I also contacted all the fitness magazines and local newspapers to let them know they could film there as well and that we were their resource for health and fitness. Camera crews and still photographers became a mainstay at Gold's. We became the most photographed gym in the world. The brand really started to grow from its exposure in all media, just because we provided a service to them.

So, for me and many others, celebrity marketing works. Does it ever backfire? It can, if your celebrity has fallen from grace (i.e. Tiger Woods). Even though some of his sponsors abandoned him, companies like Nike stayed loyal. It's one of those chances you take when you play the celebrity game. But, you can bet when Nike thought about their most famous celebrity's downfall, the good far outweighed the bad for them.

As my parents taught me, you're judged by the friends you keep. I guess you can say the same about partners or sponsorships. But, no matter what Tiger does off the course, that guy can play golf! And, he's proven that he's better than anyone at that game. You may not see the Nike Swoosh when you're in bed with him, but on the golf course, you see that logo on his shirt and on his hat front and center. He is Nike, and Nike is Tiger. From Michael Jordan to Tiger Woods, Nike is synonymous with superstar athletes. They are a force to be reckoned with. The bottom line is that Nike is serious sportswear and footwear! We get that message loud and clear.

Celebrities are used to bring



Derek Barton

credibility and coolness to a brand. If you sell sugar-water and name it Coke, you have to be a genius to make us buy it. We all know it's not the greatest thing for us, but it is the "Real Thing" as one of their taglines told us.

Then, they take a celebrity superstar like Mean Joe Greene, put him with a cute little kid, and you have one very cool commercial. Since 1979, that TV spot gets played on every Super Bowl show as the all-time favorite commercial.

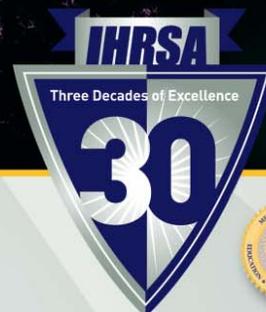
Trying to add some "cool" to their brand, McDonald's used celebrities Michael Jordan and Larry Bird back in 1993 in their "Nothing but net" commercial. 17 years later McDonald's recreated that spot using basketball greats Dwight Howard and LeBron James. We love those commercials, and therefore, we love McDonald's.

Can you be successful without using celebrities? Look at Apple. Their celebrities are their innovative products and services that you can experience in any one of their 300 stores throughout the world. And, Apple products pop up everywhere in movies and TV shows as we point to them and say, "Hey, that guy has an iPhone! Cool!"

(Derek Barton is the Owner and President of Barton Productions, Inc. a Los Angeles-based company. Derek may be reached at derek@bartonproductions.com)

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The Club Industry Gathers for IHRSA30!



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Key Performance Indicators: *Which Ones Are Right For Your Business?*

By: Steve Ayers

Today's business owner is faced with many uncertainties in this ever-changing global financial environment. How do you, as a health club owner, monitor your company's performance based on those changes? Which Key Performance Indicators (KPIs) are right for your company? KPIs can be specific to the health club industry, but foremost, they need to be specific to and in line with the goals and vision of your individual company. Sometimes, these KPIs are even specific to certain clubs or departments inside your own company. You first have to determine which KPIs are important and useful to you and your staff in order to monitor your progress toward your vision and desired company results.

Most of the established KPIs used in the health club industry are derived from successful companies within our industry. Some of these may or may not be relative to your company based on regional markets,

competition or lack of certain competition within your trade area. You must first know who you are and how you frame your company's success. Then, determine which KPIs will best help you monitor your progress toward your company's target.

KPIs are not static data only to be collected and compared; they are dynamic in nature because they cause action to be taken. KPIs are what drive your business plans and what actions you will or will not take in order to improve your business based on your negative variances to your established targets. They cause you to continually refocus and reevaluate the performance of your company and each department contained therein. KPIs are your road map to improved efficiencies and profitability, but only if you take action and formulate a plan based on their discoveries.

Over the years, I have established and compiled many benchmarks or KPIs that I determined to be best for our clubs and for the clubs in which I consulted. They were established using our historical data,

industry publications, data from successful clubs within our industry and from consultation with some of the industry's most respected and successful owners and industry experts. I hope some of the KPIs that I am about to share will help you to evaluate the performance of your company, establish a plan and continue to reach the level of success you desire and deserve.

Note: The KPIs below may not be relevant to your specific club, but they are useful guidelines.

The process of establishing KPIs that best suit your business and our desired results will teach you about what others do well, but they may also provide you with insight on what you do well as a company. Finding out what you do well is just as important as discovering what areas in which your company has deficiencies. Establishing what you do well and tailoring your business model around those strengths will create long-term value for your company and clients, along with allowing you the ability to better adapt to



Steve Ayers

changes in our ever evolving industry.

(Steve Ayers is Vice President of Sales and Marketing for ABC Financial. Steve may be reached at 800-551-9733 or email steve.ayers@abcfinancial.com).

Per Member KPIs

Members per square foot: .195	Personal Training: \$8-14 (depending on model)
Total Revenue: \$31.37	Base Rent: \$5.33
EFT-Dues Draft: \$18.37	Marketing: \$1.25

Based on a 20,000 square-foot club and average monthly dues of \$35, the above matrix would translate into the following member base and **monthly** revenue:

Members: 3,900	Personal Training: \$39,000	Revenue: \$122,343
Base Rent: \$20,787	EFT-Dues: \$71,643	Marketing: \$4,875

Per Square Footer KPIs

Total Revenue: \$6.13	Base Rent: \$1.04
EFT-Dues Draft: \$3.65	Marketing: \$.25

Based on a 20,000 square foot club and average monthly dues of \$35, the above matrix would translate into the following **monthly** revenue:

Total Revenue: \$122,600	Base Rent: \$20,800
EFT-Dues: \$73,000	Marketing: \$5,000

ACE Expands Partnership With ICCA

Following up on the Norm's Note in our January 2011 Edition, here are details of the new ACE/ICAA agreement:

SAN DIEGO, CA - The American Council on Exercise (ACE), announced that it has collaborated with the International Council on Active Aging (ICAA) to offer professional development for staff members who provide fitness and wellness programs in senior living and community-based senior centers throughout the country. As an extension of the existing partnership between ACE and the ICAA, formed in March of 2009, the dedicated education tracks are designed to enhance the knowledge and skills of rehabilitation, nursing, recreation and fitness professionals who provide fitness and wellness programs to mature adults.

"We are thrilled to see a growing interest in fitness and physical activity at older-adult facilities," said Scott Goudeseune, ACE president and CEO. "As a result of

the growing awareness in understanding the critical nature of physical activity for this population, we are pleased to be able to enhance our partnership with the ICAA by co-creating specific professional development tracks to help advance the knowledge, skills and abilities of individuals working in these environments and provide safe and effective programming for the 50+ population."

"By expanding our partnership with ACE through this co-branded curriculum, we are empowering older adults to improve their quality of life," said Colin Milner, Executive Director of the ICAA. "We know that this demographic is seeking safe, relevant and effective fitness-based programming, and it is our goal to offer the highest quality educational tools available to ensure that they receive it. Given that the individuals delivering training at these centers come from variety of backgrounds, these tracks strengthen their expertise while providing them with specific lessons and guidelines to follow."

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Rope is the Only Thing Your Staff Should Be Skipping!

By: Ron Alterio

Okay, so that super, crazy-busy time of the year is upon us! You made it through January, but you still barely have time to breath, so I will do you a favor by getting right to the point!

Let's face it, the insane mad rush that is January and February can make even the most seasoned sales professional tinker with the idea of taking short cuts just to keep up. However, if your market is like most, there is more competition than ever before. For many of you, the chances of securing a new sale after the prospects' first visit are less now than at any other point in time. Skipping steps in today's ultracompetitive markets is no longer an option. You either make the most of EVERY lead that walks through your door or someone else will.

In essence, the art and craft of maximizing every lead comes down to three simple steps:

1. Gathering the right information
2. Presenting the right solution
3. Asking for the sale.

Skipping any one of these steps --even during you busiest months-- will dramatically decrease the number of "Yes's" you get. So, how do you ensure that your staff is maximizing EVERY lead, even during the busiest time of the year? I have three words for you: SIMPLIFY, SIMPLIFY, SIMPLIFY!

You need to be realistic and understand that you won't have time to

do the "ideal" tour with EVERY lead this time of year. However, you certainly don't have the luxury of skipping any of the crucial steps necessary to secure a "Yes." Therefore, the key is to strike a balance between streamlining the sales process and ensuring that each critical step is executed. To do this, you need to gather up the troops and remind them daily that it's going to be CRAZY. Explain that it's going to be busier than ever before. Most importantly, remind them that no matter how insane it does get, we do three things with EVERY guest:

1. We find out why the guest is here.
2. We tell them exactly how they can get to their goal.
3. We ask them to join today!

For example:

1. The first step to securing a sale is gathering the right information; however, you won't have the same amount of time to establish rapport like you normally do. You won't be able to ask ALL of the questions that you normally do. Therefore, coach your staff to make certain they DO ask the most critical ones such as:

- What is the single most important thing you want to accomplish?
- Why is it important to you now?
- What has gotten in the way of you achieving your goals in the past?
- How motivated are you right now to get to this goal?

These questions get to the REAL reason why the guest is there. They address pleasure and pain, hopes and fears. The answers they give allow you to truly individualize their solution. The above questions are ABSOLUTELY essential to ask and should NEVER be skipped.

2. The second step to securing a sale is delivering the right solution. This is where most sales people drop the ball. Delivering the right solution is NOT about showing the guest your "stuff." It's about explaining how that "stuff" can get the guest where he wants to go.

The guests *do not care* that you have 60 pieces of cardio. What they really care about is that cardio is easy to use, it burns calories and they don't need to be in shape to do it.

The guests *do not care* that you have over 100 group exercise classes. They care that the classes give them endless options to move, that they can do these classes in a group setting (which is more motivating), they care that the classes burn a ton of calories and they care that the classes are fun!

In short, whatever you do show the guest, make sure that the information is relevant to the goal and their past challenges. Make sure to highlight not only how your stuff will get them where they want to be but also highlight how you can help eliminate past barriers and obstacles. **Hint:** You can't do any of the above if you didn't ask the right questions in the beginning!

3. The third step to securing a sale is to

simply ask for it! Believe it or not, well over 50% of the time the sale is never asked for. In our industry, the guest is looking to us for guidance and direction, confidence and professionalism. Not asking for the sale suggests the complete opposite. Simply put, not asking for the sale actually makes it harder to get the sale. The good news is, if your staff is not asking, it's easy to fix. You just need to tell them how, script it out for them and practice. Keep it simple, provide a few different variations, but *make sure everyone asks every time.*

Okay, in my opening, I said I would get right to the point. Notice I never said my point would be short, but thanks for hanging in there until the end anyway. Hopefully, I have laid a basic foundation to work from this New Year season. Just remember to gather the troops daily before each shift and remind them that it's going to get CRAZY. Remind them to simplify things without skipping steps. Remind them the market has changed, and so have the rules. Remind them that, if we don't help the guest, someone else will. Last, but not least, remind them that no matter how BUSY it gets, we ALWAYS find out the **why**, we ALWAYS show them the **how**, and we ALWAYS ask for the **yes!**

(Ron Alterio is the Regional Sales Director-Northeast for the Visual Fitness Planner. If you need help standardizing any aspect of your sales systems, he can be reached via phone at 717-645-3899 or by email at ron@myvfp.com)

Visual Fitness Planner Team Energized By Annual Corporate Retreat

FORT WORTH, TX - The Visual Fitness Planner (VFP) Team enjoyed and were energized by their annual company meetings, conducted again this year at the Telos Fitness Center in Dallas, Texas.

The annual event was facilitated again this year by Brent Darden, Telos Fitness Center Founder, co-owner and General Manager, and current IHRSA Board Member. Brent is a long-time friend of VFP CEO, Daron Allen, dating back to when Allen was in the club business, and they served together in the 1990s on the Board of Directors of the Texas Health Racquet Sportsclub Association (THRSA). The January 17 - 21 event featured the annual VFP goal setting discussions and interaction to assure that all of the VFP strategies and goals are fully aligned with the Vision, Mission and Core Values. Daron Allen commented, "This year, it was more exciting than ever, as we included a full day of teambuilding activities that

included a 'high ropes course.' It was an absolute blast and a tremendous experience for our VFP Team."

VFP Vision, Mission and Core Values

Vision: Create achievable visions for users.

Mission: Deliver innovative systems that increase profits, communicate value, and educate and guide customer decision making for the advancement of health and human-kind, visually and emotionally through cutting edge technology.

Core Values:

- Create value everyday
- Create opportunity
- Act independently with Integrity
- Pursue excellence
- Earn customer loyalty
- Collaborate respectfully.



(Front Row) Lana Pentony, Courtney Minor and Amy Simpson
 (2nd Row) Mario Bravomalo, Ron Alterio, Sam Lanasa, Brian Walker and JD Harper
 (3rd Row) Brian Clark, Greg Richard, Daron Allen, Warren Webb and Rob Hatch
 (Back Row) Joe Eckert, Michael Sena and Russ Brucks

For information on Visual Fitness Planner, on the Telos Fitness Center, go to www.vfp.us. For information www.telosfitnesscenter.com.

The Real Truth About Social Network Marketing

By: Casey Conrad

Part IV

If you're like most club operators, no doubt you have begun using social network vehicles like Facebook and Twitter. If you haven't begun, then you have probably thought to yourself at one time or another that you need to. Let's face it, we've all had conversations with others who tell us, "Man, you need to be on Facebook, Twitter, MySpace, LinkedIn..." or some other social site.

The questions "Should I use social network sites?" and "If so, how do I use them?" are two of the most common questions people raise at my eMarketing seminars and can often instigate some interesting conversations. At a recent convention, there was actually a very heated debate amongst two attendees in the audience. One was arguing that marketing through social networks was now one of his best sources of memberships and the other was grilling the guy for quantitative statistics to back up such a statement. The second guy hadn't been able to justify the amount being spent on labor in relation to the revenue traced back to social networking sources, and he just wouldn't believe the first guy.

As someone who has spent the better part of the past four years understanding and developing business tools and systems that use the Internet, I want to set the record straight and demystify the topic of social networks as it relates to club marketing.

First, let me start out by saying every club operator should be using social network sites as one of the many tools to market their health club. Second, being on social network sites will rarely sell lots of memberships directly.

Yes, you heard me right; being on social networks isn't what will sell memberships, *directly*... As you will learn from this article, though, social networking can become a powerful vehicle to help increase your brand's awareness and *eventually* help sell memberships. In today's hypercompetitive marketplace, where traditional advertising is less effective, you need every advantage possible.

So, let's start out by defining social network marketing and determining where it goes on what I call the marketing continuum.

Social networking refers to any type of internet website that promotes and allows people to communicate with one another. The ones we are most familiar with are Facebook, Twitter, MySpace, LinkedIn and YouTube, which is a video social networking site.

You will notice that nothing in the definition of social networking mentions

the words advertising or marketing. That's because social networks, which are nothing more than communities, are places where people can connect with one another SOCIALLY. Hence the term social networks, not social advertising or marketing!

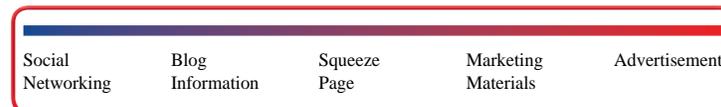
At this point, some of you may be confused, "Didn't she title this article 'The Real Truth about Social Network Marketing?'" Yes, I did, and as I said earlier, you can use social networks as a tool in your marketing, but *how you use* them is critical. Let me use an analogy to explain.

Imagine you are with a group of your friends. You're out on the town having some fun, talking, laughing and catching up on what is new and interesting in your lives. All of a sudden, one of the members of the group stands in front of everyone and screams, "Can I have everyone's attention!?" When he gets it, he begins giving a sales pitch about his product or service. He is oblivious as to whether anyone wants to hear this or not and keeps talking and trying to convince everyone that they should buy. Whether or not someone in the group would be direct enough to tell him to shut up, no doubt you would have a lot of unhappy people.

Now, imagine the same scenario, but instead of the loud mouth getting up and pitching his friends, he finds several people having a conversation that is related to his product or service. He quietly enters the conversation, and without any hype or bragging, he begins to educate his friends on the product or service and the pros and cons of the various options available in the marketplace. Now, he has the full attention of the group. Eventually, he casually mentions that, if anyone wants additional information, they can get his card. Those interested will ask for one while those who are not aren't offended.

The second scenario is a perfect example of successful in-person social marketing. The same exact process can be applied to social network marketing (i.e. the quiet conversation that directs people who are interested to another place or source for more information).

Take a look at the visual below:



You will see that, on one end of the spectrum, you have social networking. On the opposite end, you have advertisements. In between these, you have a variety of marketing tools that are used as levels to walk the customer from one end to the other. Like behavioral change, the steps are most successful when taken one at a time,

not when someone is forced to leap frog! Let me walk you through an example of how someone might access the continuum:

- Let's say that your club posts a YouTube video on three simple abdominal exercises you can do while watching television. On your club's Facebook account, you put a short posting about abdominals and how anyone can use their television time to get in better shape. At the end of the posting, you insert the link to your club's blog where the reader can get more information about the exercises.

- When the person clicks through to your blog, they get a detailed, written set of instructions on what to do and a link that will send them to a YouTube instructional video. At the end of the YouTube video, you tell the viewer (and show them with a small sign) that, if they want a free, more comprehensive 15-minute abdominal workout booklet and instructional video, they can go to a specific website address.

- When the person goes to the website address, they are brought to something called a "Squeeze Page," also referred to by some as an opt-in page. Here, they will find a description of the abdominal booklet and video, perhaps a testimonial and a photo of the booklet. Finally, there is a place for them to place their name and their email address so the materials can be sent to them electronically. There is nothing else on this single web page, hence the term "squeeze" or "opt-in" because the visitor is given two choices; ask for the information or leave. In essence, we are *squeezing* the email information out of them.

- Once the person provides you with their name and email address, that information goes into something called an auto-responder database. Without boring you with details, this is an internet-based product that allows you to create segmented database lists from all of your squeeze pages and provides you a platform to automate endless numbers of sequential messages and/or send out email broadcasts to people who have opted into your lists

(For more information on this product, you can go to www.ourfavoritecart.com).

- With the individual who opts-in for the abdominal workout, you might set up auto-responder messages that give them additional short tips about core exercises. Some of these tips may even link back



Casey Conrad

to additional YouTube videos. Within these free educational messages, you will also weave in subtle links back to club information. Most certainly, you would invite them to attend a free abdominal workout class and provide a link for them to download a guest pass. Of course, this link would bring them to a squeeze page that simply asks them to give their name and email address so the guest pass could be emailed to them. As you've already figured out by now, their name would now go into another online database for guest pass recipients.

- Finally, for someone who opted in to receive a guest pass, you would program into the auto-responder messages a reminder for them to use their pass and even provide incentives and deadlines to do so. It is here where this person has reached the advertising end of the continuum.

I hope you can see from this multi-phase example how social networking fits into your marketing mix. It is one tool in a series that allows people who are interested in your topic to learn more while not offending those who aren't.

Let's be clear, social networking by itself won't sell many memberships. Oh, sure, when someone else in a social network writes, blogs or tweets about your club, the power of a referral could bring prospects to your door, but that is a third party referral, not your own social networking!

So, at the end of the day, both the guys in my seminar were right. The second guy can't directly attribute membership sales to social networking. But, if the first guy is using a system that starts with social networking and slowly and methodically leads prospects to his club's doors, he will be able to attribute membership sales to those efforts. I'd rather be the first guy!

(Casey Conrad can be reached by email at casey@caseyconrad.com or visit www.caseyconrad.com)

Reasons Why Independent Health Clubs Fail

By: Jim Thomas

Starting, developing or owning a health club is a dream of many, but many times, the market place for an independent health club, fitness center or gym is very unforgiving. If you do some statistical research, you will find that less than five out of ten small businesses survive beyond their first five years. Any potential health club or fitness entrepreneur planning to invest his time, energy and savings (not to mention blood, sweat and tears) into a new fitness venture does not want to be a part of this statistic.

Another statistic that's out there says that nearly 90% of small businesses will fail because of management mistakes.

We speak to many troubled independent health club, fitness center and gym owners and have found some common denominators when it comes to management mistakes. Here are some thoughts:

1. No market for your health club, fitness center or gym: Many years ago, I remember a speech where it was said, "What this country doesn't need is more health clubs; what it needs is more health clubs run right." You may have this great idea for a health club that will revolutionize the fitness business, but have you stopped to think if there are potential members willing to pay for it? You've heard it before, but build it and they will come doesn't work.

Ask yourself this question before

you take the next step into any new fitness venture, "Why should a potential new member join your facility instead of the big box facility around the corner or other facilities that have been in the fitness business for many years?" Is it because you offer much needed personalized member service or customized weight loss programs? What is the reason? What is your unique selling position (USP)? Make sure your new fitness venture offers something that potential new members would value.

2. Undercapitalization, resulting in cash flow problems: It is fairly common for new health club owners to take on too much debt and underestimate the capital required before they reach breakeven, causing many promising fitness operations to close their doors. You need to be conservative with your financial projections. We suggest preparing two different financial projections; one from a salesperson perspective (which is how a new club owner will likely be thinking) and another from a banker's point of view. Your answer will likely be somewhere in the middle. Be sure your new health club can survive with a conservative estimation of sales and not be dependent on the best case scenario.

3. Lack of Marketing Expertise: All those potential new members won't join your health club if they don't know you

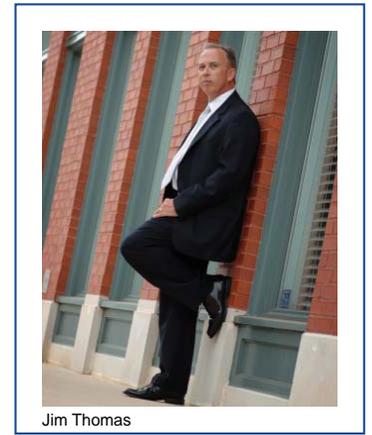
are around. You need to market your health club, and please do not make the mistake of treating marketing as an unnecessary expense. Otherwise, you may find yourself marketing it *for sale*.

Find proven and effective ways to market your health club through such sources as direct mail, flyers, in-house campaigns, corporate and social media. Get your website set up and market your health club through blogs, forums, networking groups and search engine optimization.

The results will not likely be instant, and the one time you can guarantee results is when you do nothing. Hire an industry consultant if you do not have the expertise.

4. Poor Management: Poor health club management ranks right at the top of the... *what not to do list* of the health club owner. If you lack current and relevant health club management experience in such things as finance, budgeting, selling memberships or hiring and managing staff, get help. It's much easier if you start out doing the right things instead of trying to fix them later, after you have burned through much of your cash.

5. Out of touch with your health club guests and members: Many independent health club owners are able to have a personal relationship with their club guests and members. This is one advantage that big box fitness providers do not always have. You need to focus on good quality



Jim Thomas

member service and aim for high member satisfaction levels.

Use member feedback as free business advice for your health club. Ask your members and guests for feedback and suggestions, evaluate them and incorporate into the operation of your health club. This will help you stay aware of such things as member tastes, preferences and their membership price sensitivity. It is also a great source of information on what your competitors are up to.

Now, go make your health club a success!

(Jim Thomas is the President of Fitness Management, USA. He may be reached at 800-929-2898)

Programming Tip of the Month: *Programs... Promotions... Professionalism*

By: Sandy Coffman

Hopefully, you are running specific programs for profit, participation and retention expressly to service your new members from your January influx, existing members, returning members and those members with trial months from the holidays. The way you present your programs can be compared to an impressive presentation of a gourmet meal. Professional presentations create excitement and enthusiasm.

The most creative programs won't be successful unless you know how to promote them and get people to participate in them. The power of professional promotions creates the initial interest that will drive the success of your marketing plan and will determine the degree of participation in any program that you offer.

Promotions experts tell us that

most businesses do not tell the story of their products to their customers in their promotions. Your promotional expertise --what you do, what you say, and how you deliver the message-- may make or break a great campaign, a major program, a special event, a tournament, an open house, a pro shop sale or whatever is happening or about to happen in your facility. Chapter 4 in my book, *Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas*, gives you detailed examples of promotions, and the CD in the back of the book allows you to download them for immediate use.

A program that has created the initial interest and has established a desirable image through its enormous visibility will become memorable. Some programs are offered only at specific times of the year, or even annually. So, each year, when the promotion is presented, the members remember it, join again and

encourage others to join with them. The WOW! program, for example, may be offered in 6-week sessions three or four times a year, but the introductory WOW! class may be offered only one time per year. Any promotion should begin no less than three weeks before the event to allow enough time for the promotions to work.

Remember, consistency makes the promotion memorable. Do it right the first time. Plan ahead, and be sure to keep the message simple.

When the whole promotion is put together, take a picture and document all the procedures and components. The next time you run the program, make sure you use the same name, location, color scheme, logo and artwork. Make it easy for your members to recognize the program at a glance. If a program is worth doing once, it's worth doing again.

Of course, the programs must

be run successfully and professionally to make the promotions credible, but the promotions themselves set the stage. If the visibility of the promotion is huge, then the participation in the program is huge. The total approach to promotion is what will make the program a successful venture. Whether internal or external, visible or verbal, promotion can be everywhere you are and in everything you do. Professional promotions will enable a fitness facility to effectively reach customers, better serve members and ultimately find that they are programming for profit!

(Sandy Coffman is the Dean of Club Programming and the author of the book Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas. To order Sandy's programming book, go to www.humankinetics.com. You can contact Sandy at slcoffman@aol.com or www.sandycoffman.com)

World Gym and Body Training Systems Launch World Group-X

ATLANTA, GA - World Gym International and Body Training Systems (BTS) are proud to announce the launch of the World Gym branded Group Exercise system. The new *World Group X* combines the expertise of BTS programming with the excitement of World Gym branding to create powerful programs that attract and retain members, ultimately enhancing overall return on investment for World Gym Franchisees.

The cutting edge *World Group X* creative marries the heritage of Joe Gold and Muscle Beach with the celebrity culture of Hollywood. With BTS being the engine that drives *World Group X*, it ensures that every World Gym member and guest will receive the highest quality Group Exercise experience possible.

"This project was a true partnership between World Gym International, their Brand Development agency, Lambesis, and BTS", said BTS CEO, Rich Boggs.

"The new program brands and logos really reflect the excitement of World Gym's recent rebranding while building on the professional, proven fitness programming of BTS."

"World Gym chose BTS as our preferred vendor of Group Exercise program because, after much investigation, they are the best group to deliver a product that will differentiate and elevate World Gym from our competitors," explains World Gym Managing Director, Guy Cammilleri. "They understood and support our mission to continue to build upon our iconic brand. We are very excited about the future."

World Gym International and BTS will be offering World Gym Franchisees seven programs under the *World Group X* system branded as Pumping Iron, Power Kick, Spotlight Cycle, Inner Strength, Superstar Step, Cardio Dance and Total Body. Each franchisee will be



supported with Instructor Training, Group Exercise Management Coaching and Sales & Marketing Coaching to ensure maximum Group Exercise participation and profitability.



World Group-X Banner Collage

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Very Sincerely,

Norm Cates, Jr.

bodytraining systems



"I have never seen anything else in the industry have such a high impact on guest traffic, member retention, member satisfaction and profits. With BTS we've increased monthly group participation from 800 visits to 6,000 visits, added over 2,600 new members increased retention from 50% to 73% and increased profits by over 400%!"



John Bonica
Co-Owner, Global Fitness Centers

BTS Will Double Your Profit. Guaranteed!

"We have learned the impact that marketing BTS programs can have on driving traffic into our clubs. We have advertised FREE classes to non-members in various media which has increased traffic by over 25%. On top of that, 90% of prospects who visit WOW! and experience a BTS program, join that day!"



Stephen S. Roma
Owner, WOW! Work Out World

"We began working with BTS in 2006 and within two years we had dramatic impact on our business. We went from only servicing 9% of our members in Group to 37%. Our retention rate for Group members has skyrocketed to 93%! And amazingly, by executing one of BTS' management principles of integration, we have developed a cohesive team of instructors and personal trainers. This has resulted in our PT revenue increasing by over 55%!"



Mike Silva
Owner, The Edge

"BTS is the single best investment I have ever made, not only in Group Fitness, but also for my club as a whole. It services our members, sells memberships, markets our club and motivates our members and staff, including me! BTS has enabled me to increase my membership price from \$30 to \$49 per month, and we no longer compete on price."



Jason West
Owner, Gold's Gym Elite

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[†]Made for: iPod touch (2nd and 3rd generation) iPhone 4, iPhone 3GS, iPhone 3G. Compatible with Android OS 2.0 or newer.

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