

Norm Cates' **CLUB INSIDER**TM

The Pulse of the Health and Fitness Club Industry

Cherry Creek Athletic Club

The Evolution and Success of One of Denver's Premier Athletic Clubs



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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Cherry Creek Athletic Club

The Evolution and Success of One of Denver's Premier Athletic Clubs

By: Justin Cates

Change... Improvement... Evolution... It can go by any of these names. And, possibly even more so than in the general business world, within the health and fitness club industry, those who earn success do so by constantly changing, improving and evolving their craft. A classic tale of this approach, which we have documented in CLUB INSIDER numerous times, is that of **Red Lerille**, *Owner* of the world-renowned **Red's**, located in Lafayette, Louisiana. When it comes to improvement, his mantra is simple but absolute: *Each and every month, change and improve at least one thing*. Even small changes, in aggregate over time, can create an entirely new identity for a business.

This month's cover story subject, the **Cherry Creek Athletic Club** (CCAC), located in *Denver, Colorado*, is another renowned facility that has evolved and created success. The CCAC has been the recipient of numerous awards locally, and nationally, it is one of the few independent, single-club facilities honored by *Club Industry* with its yearly *Top 100 Clubs* distinction. Others on that list include *East Bank Club, Dedham Health and Athletic Complex, The Claremont Club and Rochester Athletic Club*. So, the CCAC is in great company (I might also add that each of these clubs has also been a CLUB INSIDER Cover Story Subject at one time or another).

Acquired by the Millice Group in 1994, the CCAC used to be known as

the Sporting Club of Cherry Creek. At that time, during the late decline of racquet sports, the Sporting Club featured a myriad of athletic activities and amenities, as well as a strong social component, but it was still predominately a racquetball and squash club. Through the utilization of constant change and improvement projects over the next 20+ years, CCAC evolved into one of Denver's premier athletic clubs, offering an equally expansive list of amenities and offerings. CCAC did not rest on its laurels, though, recently embarking on and completing another extensive facility-wide renovation and 18,000 square-foot expansion, bringing the club to approximately 125,000 square feet.

Throughout the history of business, the footnotes of the story that



has been told is comprised of those who did not evolve, and thus, are no longer with us today. Ultimately, the present and the future are governed by the victors, but a business can never rely on its previous success and expect others not to come for the crown. With CCAC's history of always pushing forward, its future is very exciting.

But, don't take my word for it, I welcome you to read on as we interview (See *Cherry Creek A.C.* Page 14)

Catching Up With VFP

By: Norm Cates

Part I

CLUB INSIDER is very happy to provide **Part I** of this special "Catching-Up Report" on **Visual Fitness Planner** (VFP), IHRSA's Associate Member of the Year for 2016.

It was my pleasure to interview Mario Bravomalo, Founder of VFP, and Daron "Rocketman" Allen, President and CEO, as we learned a lot about the many things they have going on with this special company. To say that VFP is truly a "one-of-a-kind" company that's doing things that nobody else in the marketplace can do

for your club, or even come close to doing, would be the absolute truth. So, if you're a club owner/operator and you're not familiar with VFP, you owe it to yourself to become familiar with them.

And, I promise that, after you read this, you WILL have all the evidence that you need to make the move to join them. If you are a VFP customer already, then I'd suggest that you read this entire report anyway because you may learn some things that can help you get more out of your VFP relationship. You just never know what will show up in one of these reports.

(See *Catching Up With VFP* Page 8)



Mario Bravomalo, Founder of VFP



Daron Allen, President and CEO of VFP

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Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader checking in for our 278th monthly edition!

•Is America a great country or what? We're all blessed with brave and strong Americans who serve in our military and who are always ready and standing by to defend our country. God bless them all.

•CONGRATULATIONS to the Team and all New England Patriot's fans on your team's more than amazing come from behind win in the Super Bowl.

•HAPPY 89th BIRTHDAY, MR. RAY WILSON! Many of us will be thinking of you on your 89th birthday, February 19, 2017!

•JANET DOYLE, the wife of our good friend and industry veteran, JOHN DOYLE, passed away on January 18, 2017. John was one of our IHRSA Co-founders and a member of our first IHRSA Board of Directors 36 years ago in 1981. John and Jan Doyle built and owned The Belmont Athletic Club in Long Beach, California, and working as a great husband and wife team, they made Belmont a truly special place... not just for their members, but for their employees, as well. CLUB INSIDER was honored to feature The Belmont Athletic Club as our May 2008 Cover Story. A few years ago, John and Jan sold the Belmont

Athletic Club to their employees.

Janet went into the hospital on January 4th and after two weeks she passed away from complications from viral pneumonia and Parkinson's disease. A Mass for Jan was held on January 31st at St. Joseph's Catholic Church in Long Beach. After the Mass, a celebration of Jan's life was held at the Doyle home in Los Alamitos, California. The family has requested that in lieu of flowers, that we please consider donating to Summit for Stem Cell, a volunteer organization that funds and supports Parkinson's research at The Scripps Research Institute. Donations can be made to:

Summit for Stem Cell
P.O. Box 1420
San Marcos, CA 92079

They can also be reached at (858) 759-1610 or www.summitstemcell.org.

•IHRSA's 36 Annual Convention and Trade Show in Los Angeles, March 8th thru 11th, is going to be another club business learning extravaganza with over 100 different speakers offering presentations on all sorts of topics and disciplines. And, TOM HUNT and his IHRSA Team have assembled a serious WHOPPER of a Trade Show with 367 exhibitors signed up to date. If you want to exhibit your company's products, you may be too late to get space for this year because they may be sold out by the time



John and Jan Doyle



Norm Cates

you read this. BUT, you can call Tom Hunt at (800) 228 - 4772 to check. Moving on... if you're a club or studio operator, and you haven't already made your plans to attend IHRSA Los Angeles... it's not too late. Go to www.ihsra.org/convention.

Let me close this Note by again saying: Be sure to drop by and do business with our great CLUB INSIDER Advertiser Team who are exhibiting at IHRSA2017, because they're great folks who will treat you right! Not to mention to say THANKS and express APPRECIATION to them for their advertising support of CLUB INSIDER! And, don't forget this... Don't forget that you need to allocate and schedule a significant amount of time at the Trade Show for BOTH days because trying to walk this entire show and paying the proper

attention to everything you will see there will take a lot of the time on both Trade Show days. Here are the CLUB INSIDER Advertisers Exhibiting at IHRSA 2017:

Company	IHRSA Exhibit #
Club Industry	#2904
CLUB INSIDER	#2306
Gym Wipes	#2333
Iron Grip Barbell Company	#1754
Visual Fitness Planner	#2145
iGoFigure Software	#1162
Muscle Up Marketing	#1058
Sports & Fitness Insurance	#2207

•Speaking of IHRSA 2017, RICK CARO, the club industry's Best Friend, will (See Norm's Notes Page 10)

About Club Insider

Established in 1993

24 Years and Counting!

CLUB INSIDER is published by Cates Media, LLC. in Marietta, Georgia. Those wishing to reproduce any portion of this publication may do so, provided it is not for resale in other publications. Reprints for commercial use are available for a fee by request.

PUBLISHER and EDITOR - Norm Cates, Jr.
ASSISTANT PUBLISHER - Justin Cates

PRINTING and MAILING SERVICES - Walton Press

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Edition #278

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“Insider Speaks”

Pump Up Your Profits By Extending the Life of Your Out-of-Warranty Exercise Equipment

By: Jon Webster

This is the time of year when fitness club managers turn their attention to building up membership with hopes of healthy profits. Marketing takes center stage as many search for ways to attract and retain club members by spicing up existing services and searching for new income streams. They know from experience that the first few months of the year are when conditions are best for adding members, and thereby, increasing revenue.

Wise managers understand that expanding membership is only half the battle. Reducing costs is the other side of the equation. But, how? Cutting amenities can be at odds with membership goals. Operating expenses are somewhat fixed; the rent and utilities must be paid, and the payroll must be met. Then, there are equipment costs. More members using older equipment can lead to breakdowns, and everyone knows there's nothing a fitness club member hates more than an "Out Of Order" sign on their favorite machine.

Back in 1990, I was one of those members waiting for a treadmill. In fact, that was my initial inspiration for founding National Gym Supply (NGS). Since then, I've been focused on finding new ways to help fitness center owners, managers and technicians keep exercise equipment in top shape, and thus, keeping their members happy!

In fact, some say it's become something of an obsession with me. Since 1994, we have been in the business of providing parts and products and developing innovative services to help owners, managers and technicians keep cardio and strength equipment running longer. It's a formula that seems to be working: NGS boasts 30,000 active customers including all the top club chains. The way it works is simple: Our customers tell us what support they need, and we find a way to give it to them. Here's how we do it:

Reliable stock of OEM and aftermarket replacement parts - We know that finding replacement parts at reasonable prices becomes more difficult as equipment gets older, so NGS specializes in stocking parts for aging and out-of-warranty models from most major brands. With over 20,000 SKUs for cardio and strength parts, customers can find and order what they need fast at NGS' website, www.gympart.com. The site features powerful search functions and real time inventory information. A state-

of-the-art fulfillment system gives us the power to offer same-day shipping for most orders placed before 3:00PM PST and at budget-friendly prices.

Repair and exchange service for broken electronics, monitors and motors - Replacing electronic parts, monitors and motors for older equipment is expensive, and the cost to replace them increases when the equipment passes the manufacturer's warranty period. To help, we offer ways to get broken parts repaired quickly. We've doubled the size of the electronics repair department in our Southern California-based facility and created an easy-to-use online app for customers to send in broken parts and receive working replacements fast. We also offer an exchange option if customers need their repaired parts even faster.

"Cash In Your Cores" - NGS recently premiered a popular "Cash In Your Cores" service through which customers can get cash or store credit for non-working parts they no longer need. The app is fun and easy. Fitness centers can get paid to clean house, and NGS increases their stock of electronics available for exchange. We love it! Customers love it! It's been a very successful program so far.

Expert Technical Support Staff - As equipment gets older, manufacturer support wanes. Another way NGS helps extend the life of older equipment is by employing former field technicians for its customer service staff. Just a phone call away, this team can troubleshoot problems with older equipment and offers repair tips to make it last longer. Often, our representatives can provide maintenance tips and technical support that is no longer available from the equipment manufacturers.

Free, online manuals and repair help - NGS' customers can get help 24 hours a day from the online resources provided at www.gympart.com, including a full library of free manuals and repair guides, schematics and how-to instructions. We've brought this powerful online content from the website right into customers' mobile devices. Technicians in the field can create personalized shortcuts to find parts they need, order parts on the fly, check order status and history.

One-stop-shopping with annual print catalog and user-friendly website - Our website, www.gympart.com, in

combination with NGS' 200-page annual print catalog can help buyers shop for everything they need for their fitness centers. The catalog is designed to identify the best-selling parts for each model and manufacturer, with helpful merchandising of related parts and products. Plus, we carry hundreds of helpful training tools, strength equipment attachments, Olympic plates and bars for the weight room, equipment mats, cleaners, polishes and other fitness center accessories, making www.gympart.com a one-stop shop. Users with an account can keep track of their past purchases and plan for the future with expanded online services.

Start extending the life of your out-of-warranty exercise equipment now:

- Set up an online account with National Gym Supply at www.gympart.com.
- Order your free 200+ page Parts and Services Catalog by going to www.gympart.com/07_catalog_order.aspx.



Jon Webster, Founder of National Gym Supply

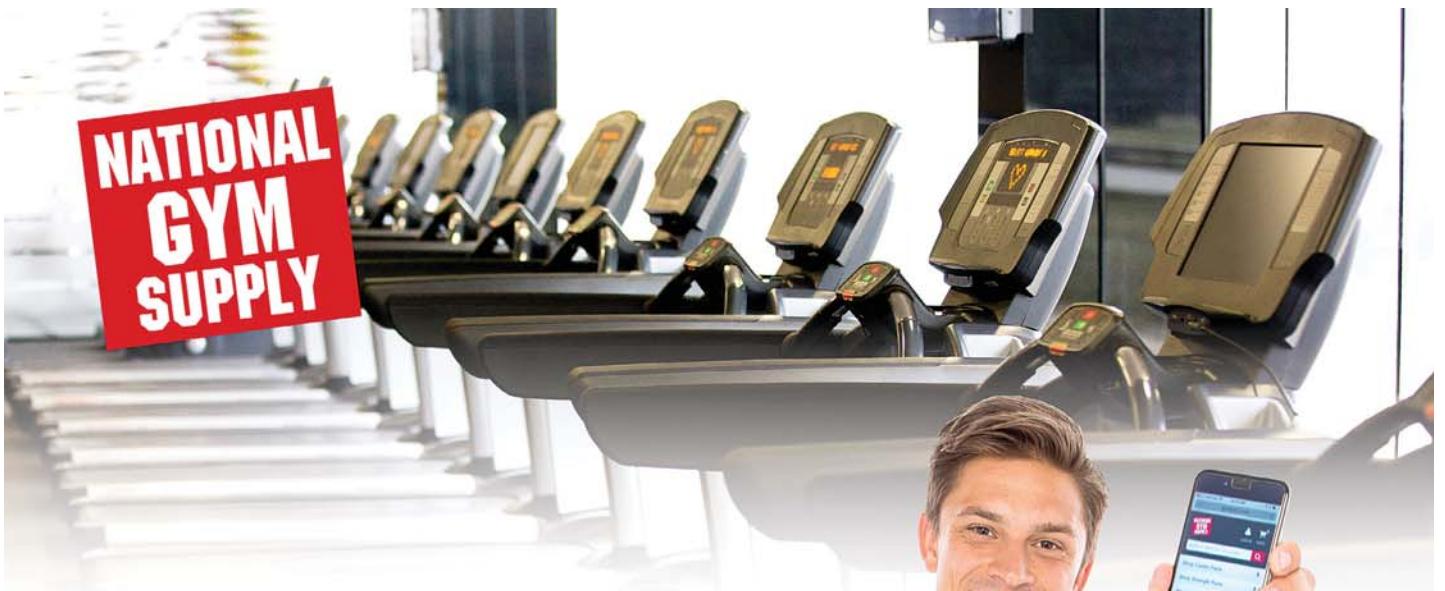
- Call our team of experts at (800) 496 - 7278 or (310) 410 - 4200 (International).

(Jon Webster is the Founder and Owner of National Gym Supply. NGS has been an advertiser in CLUB INSIDER every month for the last 23 years. Jon Webster can be reached at jwebster@gympart.com)

Extend the Life of Your Out-of-Warranty Equipment

National Gym Supply's Top Three Ways to Extend the Life of Your Out-of-Warranty Fitness Equipment:

- **Keep It Clean:** Clean equipment looks new. Members are less likely to complain about older equipment if it is clean and fresh looking. Replacing cracked keypads, worn-out hand grips and labeling are just a few inexpensive ways to give a machine a new lease on life.
- **Keep it Quiet:** Just as a new car is quiet during operation, the same is true with fitness equipment. Quiet equipment gives the appearance of newness. Maintaining your equipment with the goal of keeping it quiet should be a priority. Listen for bearing noise on rollers, motors and flywheels and replace promptly.
- **Keep it Maintained:** Pay special attention to cardio wear points. Check friction between the treadmill belt and deck with electronics tools that measure amp draw. Dust on electronics is a leading cause of electronics failures. Remove dust bunnies from the circuit board using a soft brush (not a vacuum cleaner). Replace frayed belts, worn-out seats, broken end caps and shabby-looking consoles.



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...Catching Up With VFP

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An Interview With Mario Bravomalo and Daron Allen

CLUB INSIDER (C.I.) - Mario and Daron, let's start this catch up session with this. Let's go back in time some 12 years ago. Daron, it was May of 2005 when we did a cover story on Visual Fitness Planner (VFP). Please tell our readers about the fledgling status of VFP in those times and bring us up to last year when the company was honored with IHRSA's Associate Member of the Year at IHRSA 35

in Orlando.

Daron Allen (DA) - In 2005, we had 50 to 100 clubs, and we have had several key developments since then. Most of our key developments have been associated with bringing on significant customers, whether it was Good Life Fitness with David Patchell-Evans, Lifestyle Family Fitness, Gold's Gym or 24 Hour Fitness, just to name a few. There's no question that the IHRSA Associate Member of the Year last year was an amazing blessing for us. Norm, I think the other thing that has been amazing is the longevity of our VFP Team members. We have so many people on our Team, creating amazing connections with

our customers and the industry and who have been with us for a very long time. It allows us to be efficient because we have so many great people on our Team with so much amazing industry know-how and experience; that's a huge thing for us.

C.I. - Well Daron, I think that's what we see at the IHRSA Trade Show every year. While we are on the subject, please mention the names of some of your winning Team members so our readers know who they are.

DA - Absolutely! Warren Webb; Sam Lanasa; Russ Brucks, who has been with us since the beginning; Greg Richard; Amy Simpson; Brian Clark; Kara Kerkhof and Phil McElroy. Most of these folks have been with us for ten or more years.

C.I. - Your VFP Website, www.vfp.us, says you guys have installed VFP in over 1,600 clubs in 14 countries. That's amazing!

DA - Mario, what would you think that some of the other really key developments were?

Mario Bravomalo (MB) - I think the granting of the five patents, the development of the health risks and health age systems and taking the product from a desktop to an internet-based system as well as the establishment of a centralized database certainly were key developments for us. Over the years, we also became one of the greatest resources to the health and fitness club industry in terms of selling memberships and personal training. Developing custom platforms for over 1,000 clubs allowed us to become intimate with every one of their sales systems. We learned more about selling memberships and personal training in fitness than anyone in the world. We've seen it done all over the world, across 14 different countries, so when somebody talks about best practices, I feel like there is no company in the world better able to share best practices than VFP when it comes to sales.

C.I. - Please tell us about **VFPnext**.

MB - David Patchel-Evans, Founder and Owner of GoodLife Fitness in Canada came up to our booth at our very first trade show and said, 'If you guys ever figure out how to get everything that a club operator needs on one platform... I'll buy it.'

That statement has haunted me forever; we call it 'multi-system madness.' Health clubs often have five to as many as 12, maybe more, different software technologies within their business. This means their employees, many times a front desk person, has to be able to log in and know how to operate three or four or five different systems. The personal trainers have to be able to do that. Management has to know how to log-in and operate sometimes up to 12 different systems! And then, the data is fragmented across multiple systems, so there's no way to interconnect the data so that it becomes a powerful tool for you to run your business.

It was the vision of **VFPnext** to be able to get rid of the 'multi-system madness' and combine it with your billing and management system to give you one technology solution platform to run your entire business. It doesn't matter if it's from lead generation to sales to customer retention or to analyzing your business, **VFPnext** could take you from start to finish within your club... in **one system**... giving your people just one system to learn and making training and efficiencies throughout your business. That was the big picture vision.

Over the last two years we've invested a lot of capital to build out the dream system. In my opinion, we have the best platform in technology today. Now, we can give world-class technology solutions and platforms to club owners where, before, they were forced to utilize things that didn't really connect and fit what they were doing.

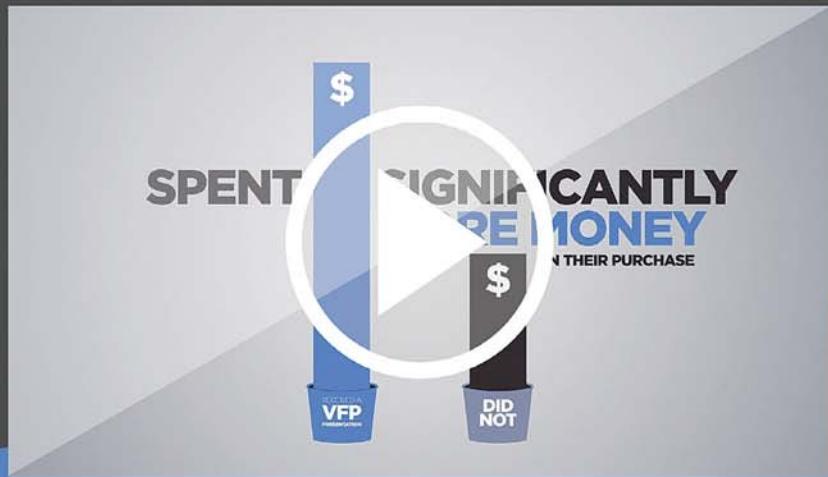
DA - Norm, one thing I think is really key is when Mario refers to really significant investment in our technology, we have gone through an absolute reinvention over the last two years. We have reinvented our best practice sales systems, and we've invested heavily in the technology side. This reinvention, along with our great people, now gives us world class technology that's scalable and meets the demands of the largest, most demanding operators in the world.

C.I. - Mario and Daron, let's wrap up this portion of this interview with some information about your **VFP IHRSA Panel**, to be held at IHRSA on **Wednesday, March 8th, 1PM - 2:30PM**. I'm definitely going to attend, and I urge all of our readers to attend, as well. Tell us about your IHRSA Panel.

DA - We've got a great panel planned to be there that includes: **Bill McBride** of *Active Sports Clubs*, **David Patchel-Evans**, *GoodLife Fitness*, and we're also going to have **Joel Tallman**, who's now with *MUV Fitness*, as well as **Kate Golden** from *Jim Worthington's Newtown Athletic Club*.

C.I. - That's terrific! I'll look forward to being there, too! Okay, guys, do you have anything you'd like to add to wrap this Part I up?

DA - Norm, there's one other thing I think is really interesting and worth mentioning. Not only is **VFPnext** really giving clubs the opportunity to stop that 'multi-system madness,' it has a couple of really unique things. One is a robust Sales CRM system. The other is that we now have something called *Sales Analytics*, which gives clubs the ability to perform secret or mystery shopping. We're able to do a digital Mystery or Secret Shop, and it gives a score on the quality of the sales process, really giving visibility into that process. We've always had a passion for delivering an increased professionalism in sales in the industry. We feel our industry has (See *Catching Up With VFP* Page 10)



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Daron Allen, CEO

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iHRSA 2017 Booth # 2145

Join us at our iHRSA 2017 Seminar '75 Minutes with Top Club Operators' for strategies on increasing member spending! (Wednesday, March 8th 1:30 - 2:45 pm)

...Norm's Notes

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again produce and host his **annual IHRSA Financial Panel**, his **21st Financial Panel**. This event alone makes attending the IHRSA Convention and Trade Show worthwhile, so I urge you to read on! This is your opportunity to sit in on the world's most informative and significant session in which Rick presents expert panelists from the financial world who share their knowledge and thoughts on our industry. **Rick's Financial Panel will be at 10AM sharp on March 10, 2017.**

•IHRSA has announced that three award recipients will be honored during IHRSA 2017:

- The *Woman Leader Award in honor of Julie Main* will be presented on **Wednesday, March 8th** to **Ellen Latham, MS**.
- The *Associate Member of the Year Award* will be presented on **Thursday, March 9th** to **TRX**.
- The *Outstanding Community Service Award* will be presented on **Friday, March 10th** to **FITNESS SF** of Corte Madera, CA.

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Julie Main - IHRSA celebrates the legacy of Julie Main by presenting the Woman Leader Scholarship Award to a woman who exemplifies what Julie stood for: courage, perseverance, excellence and professionalism.

"To be recognized among my peers with an award that celebrates the life and legacy of one of the giants in our industry is truly humbling," said Ellen Latham.

Associate Member of the Year - The Associate Member of the Year Award is presented annually to recognize an IHRSA Member for their significant contributions to the advancement of the health club industry, as well as their support of IHRSA, its members and its mission through program and event participation, advertising and sponsorship.

Outstanding Community Service - The Outstanding Community Service Award is presented to an IHRSA member that has made a longstanding commitment to making a difference in, and beyond, their community. FITNESS SF is the recipient of this year's Outstanding Community Service Award.

"We are honored to be recognized as the 2017 recipient of the IHRSA Outstanding Community Service Award," said Zsolt Jackovics, President of FITNESS SF. "We are trying to redefine the meaning of corporate philanthropy by forming true partnerships with the charitable organizations in our community that provide critical support for those

in need."

•**PAUL BOSLEY**, a good friend, as well as CLUB INSIDER Advertiser and Contributing Author, will be speaking at IHRSA Los Angeles, and his presentation is entitled: *Growing the Value of Your Business*. Check out **Paul's Ad** on Page #11 this month, and be sure to attend **Paul's IHRSA Seminar on March 11th, 2017**.

•With the **2017 IHRSA Convention and Trade Show** right around the corner, and by the time you get this, only a few weeks away, there's a couple of other items I want to share with you. #1. It's not too late to book your flight, hotel room and register to attend! **Just DO IT!** Don't miss it, because if you're making your living in this great industry, you really need to attend this event, the most important and productive of all events that happen during the year! #2. **CLUB INSIDER** will be on the lookout for new Cover Story opportunities, new Contributing Authors and new Advertisers. Drop by our Booth #2306 and chat with my son, **JUSTIN**, and I about all three of these opportunities.

•**Speaking of new advertisers**, I'm very pleased to announce that **JEFF STOKES**, an industry veteran with vast experience, including time with **LifeTime Fitness** and **Anytime Fitness**, and a long-time friend of mine, is involved in a new project: **HYPOXI**. **HYPOXI** is a new opportunity for the big box operators to install a system that will generate
(See Norm's Notes Page 11)

...Catching Up With VFP

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always needed that. And, this digital secret shop system gives clubs the ability to really elevate the professionalism of their sales process.

MB - Norm, one other thing I'd like to bring up is that our industry has had five or six or more CRM contact management systems in them. What we've done is we've created not just a contact management system, which is a very limited way of looking at your customers and your prospects, but we've created a complete engagement system. Now, one of the solutions that we do provide is what we think is the most powerful CRM in the industry, and we've attached nine other solutions to it to make it a complete engagement system with the CRM being just one portion of it. That creates such power for the operator to be able to take the member all the way through the membership lifecycle and to view them as just a prospect. This keeps their record and the history of their whole experience from the time they were an internet lead, all the way through our attempts to retain them for as long as possible. So, having a complete engagement system, along with a very powerful CRM really separates

VFPnext from any system that is out there.

C.I. - Well guys, we've run out of time and space for **Part I** of this *Catch-Up Report*. So, let me mention that, next month, in **Part II**, we'll cover the suggested question from your Amy Simpson which was, 'Tell us about VFP's recent research projects and the results.' To close, let me mention that **www.vfp.us** has a section of *VFP Testimonials* our readers really should see. Also, be sure to check out **VFP's Ad** on Page #11. And, for sure, drop by the **VFP IHRSA Exhibit at Booth #2145**. And, **STAY TUNED!** Thanks and Appreciation to Mario Bravomalo and Daron Allen for their time interviewing and for the great work they do for our industry at Visual Fitness Planner.

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 24th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

...Norm's Notes

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revenue in some of the perhaps currently unproductive space in your club. Check out Jeff's HYPOXI Press Release and New Ad on Page #23.

• CLIVE CALDWELL, veteran Canadian club owner/operator, and former CLUB INSIDER's July, 2002 Cover Story Subject, weighed in on the value and importance of the IHRSA Convention and Trade Show in Fitness Business Canada Magazine's January/February, 2017 edition. Clive led off with, "I've attended IHRSA 25 times. Why you should go this year." He then wrote:

"I have been in the fitness industry for 44 years now. During those 44 years, I have probably attended 25 IHRSA Conventions. The IHRSA Trade Show is one of the most important events in our industry, and it is one of the most spectacular and expansive shows anywhere. It's THE event where many manufacturers introduce their latest and great equipment and services. There are also over 100 education seminars, taught by some of the most-respected leaders in the North American and worldwide fitness industry. Each year also offers some of the most unique and thought-provoking keynote speakers. And of course, IHRSA is an amazing opportunity to network with other professionals who have dedicated their lives to promoting health and fitness and helping others discover good health. The next IHRSA convention will be in Los Angeles from March 8-11, and I strongly encourage you to make the effort to get to the show, to learn from and connect with experts and to grow. On top of all of this, David Hardy, President of Fitness Industry Council of Canada, will be hosting an evening for all of the Canadian attendees. This is not an event to be missed. I hope to see you there!"

-Clive Caldwell is President and CEO of Cambridge Group of Clubs in Canada.

• Prolific CLUB INSIDER Contributing Author and club business expert, CASEY CONRAD, will speak at the 2017 Tennis Owners & Managers Conference (T.O.M. Conference) to be held March 27th - 29th in Orlando. Casey will be speaking on **How To Re-Think Sales & Marketing** to help owners and managers adjust their marketing strategy to better reach their members and players and grow their base. Casey has been in the health and fitness industry for 25 years. She's the author of *Selling Fitness, the Complete Guide to Selling Health Club Memberships; Selling Personal Training; Internet Marketing for Health & Fitness Clubs*, and she has produced over 25 other sales and marketing products for the club business. Casey is a featured speaker and columnist worldwide and provides health club operators around the

world with sales, management and marketing training. Be sure to go to www.healthclubsalestraining.com to learn more.

• **Congratulations to PETER BROWN** and his Team at **Athletic Business Magazine**, as they're **Celebrating 40 years of Publishing!** This is a great achievement, and Pete and everybody involved should be mighty proud. Pete's *Athletic Business Magazine* has also been highly successful in producing their annual **Trade Show**, probably the most significant trade show in the world specifically targeted to **vertical market operators** such as **YMCAs, JCCs, Hospital Health Clubs, Parks & Recs, Corporate Fitness Centers, etc.**

• The Club Industry Show is set for the Chicago Hilton, October 4-6th, 2017. CLUB INSIDER has booked our exhibit space, and we will be at Booth #508. During that show, we will be celebrating CLUB INSIDER's 25th Anniversary. STAY TUNED!

• This month, we've published the first of a **special article series on risk management**. These articles are being written and contributed to CLUB INSIDER by **PAUL BEDARD, Esquire, Attorney at Law and CLUB INSIDER Contributing Author**. Thanks in advance, Paul for the time and effort you're putting into this article series on risk management.

• I also want to draw your attention to **National Gym Supply Owner, JON WEBSTER's "Insider Speaks" article on Page #6** entitled: **Pump Up Your Profits by Extending the Life of Your Out-of-Warranty Exercise Equipment**. And, be sure to see his NGS Ad on Page #7. Jon provides some great thoughts on cost control in your club... cost control that will result in more profits for you. Check it out on Page #6!

• Also, this month, I've produced an article starting on **Page #3** entitled: **Catching Up With VFP**. In this piece, I share comments from an interview with **VFP Founder, MARIO BRAVOMALO, and CEO, DARON "Rocketman" ALLEN**, as they reflect back on Visual Fitness Planner's amazing progress and growth since they started in 1999. In particular, CLUB INSIDER again wants to congratulate the **VFP Team on their Associate Member of the Year Award**, which was presented to them by IHRSA last March in Orlando.

• More IHRSA news... The IHRSA Foundation has announced that 2017 will see the launch of five **ACCESS Health pilot programs in IHRSA clubs, from California to New York**. The ACCESS Health Initiative is the IHRSA Foundation's 5-year strategic effort to remove barriers to physical activity for people with chronic conditions through participant-focused

multi-dimensional wellness programs. One such program, funded by the **IHRSA Foundation and the American Council on Exercise (ACE)**, is a pilot to serve cancer patients in San Diego area health clubs. To support the above initiatives, the IHRSA Foundation also launched its inaugural website: ihrsafoundation.org.

"We are delighted to have this new platform to showcase the great work being done through the IHRSA Foundation's ACCESS Health Initiative to improve people's lives through physical activity," said Joe Moore, IHRSA's President and CEO. On ihrsafoundation.org, anyone may easily make a donation to support the

IHRSA Foundation's charitable initiatives. A goal has been set to raise \$20,000 as part of the initial campaign. In addition, the newly released IHRSA Exclusive Member Content app and upcoming IHRSA 2017 app will link to ihrsafoundation.org. The launch of ihrsafoundation.org comes as the global fitness industry prepares to descend on Los Angeles, March 8 - 11, for IHRSA 2017, the association's 36th annual International Convention & Trade Show. More than 12,000 industry leaders and fitness professionals from more than 70 countries are expected to attend.

(See Norm's Notes Page 12)

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...Norm's Notes

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•**PHIT.** What, you may ask, is PHIT? Glad you asked! PHIT is the acronym for the Personal Health Investment Today Act. JOE MOORE, IHRSA's President and CEO, wrote about PHIT in his monthly column in the February edition of CBI Magazine. If you do not receive CBI Magazine, you may have never even heard of PHIT. If that's the case, then read on because there will come a time in our industry where PHIT will be passed by our U.S. legislators and such legislation could be a terrific boost for you and your

business. So far, for over 10 years now, IHRSA's HELEN DURKIN and her Team have been promoting PHIT. But, so far, they have not succeeded in getting it passed. Folks, as Joe said to close his article: "Now's the time!"

If you've not read Joe Moore's CBI column on Page #120 of IHRSA's February Edition of CBI Magazine, and you don't have the magazine, you may read the digital version by going to bit.ly/clubinsider31 or you may go to the IHRSA Blog Post at bit.ly/clubinsider32. I also want to thank MEREDITH POPPLER, IHRSA's Vice President, Industry Growth, for providing

information on IHRSA's ILC Meeting (Industry Leadership Council) at IHRSA Los Angeles, which will be Thursday, March 9 at 11:45AM. Opportunities and tactics for PHIT will be discussed in the ILC meeting. The full special agenda, available exclusively to ILC members, is at www.ihsra.org/industry-leadership.

•**JUSTIN and I want to say Thank You** for reading CLUB INSIDER! And, we look forward to seeing you in Los Angeles at IHRSA at our Booth #2306, or during the show!

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(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 24th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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World Gym Starts 2017 With Deals For Over 30 New Gyms

LOS ANGELES, CA - World Gym International, the iconic global brand for bodybuilding and seriously fun fitness, had another huge year of growth in 2016, signing deals for more than 30 new gyms. World Gym's continued expansion includes a mix of new gyms and conversions from existing gyms.

"2016 was an incredible year for the World Gym family," said Marcus Cammilleri, Director of World Gym. "With new agreements for gyms in eight countries, on six continents, we are proud to be the fastest growing full-service global gym brand for several years now."

World Gym's franchising program has been successful in large part due to the marketing, branding and sales support provided by World Gym International's corporate team and the peer network of over 210 gym owners from around the globe. Both first-time entrepreneurs and experienced industry veterans alike have succeeded with World Gym. In 2016, World Gym struck deals to open franchises in:

Australia: Brendale, Queensland; Maitland, New South Wales; Marconi in Bossley Park, New South Wales; North Lakes, Queensland; Osborne Park, Western Australia; Surfers Paradise, Queensland; Townsville, Queensland; Burpengary, Queensland.

Canada: Peter Robertson Blvd in Brampton, Ontario; Hansen Road in Brampton, Ontario; Downtown Hamilton, Ontario

United States: Healdsburg, California; Ukiah, California; Nashville, Tennessee;

Friendswood, Texas; San Antonio, Texas

Mexico: Arboledas, Tlalnepantla; Coacalco de Berriozábal; Luna Parc, Cuautitlan Izcalli

Taiwan: Taipei Yonghe Minquan; Hsinchu Zhongzheng; Ping Tung Ziyou; Taichung Xitun; Taipei Banqiao Zhongshan; Taipei Sanchong; Yilan You-Ai in Yilan City

United Kingdom: Bedford, England

Brazil: Curitiba, Paraná

Egypt: Dokki, Giza; Dreamland, Cairo; Heliopolis, Cairo

Many of the above gyms opened in 2016, and the rest are under construction with opening dates targeted in the first two quarters of 2017. In addition to the list above, World Gym will soon be expanding into Mainland China, including China, Hong Kong, Macau, under the leadership of John Caraccio and Michael Sanciprian of World Gym Taiwan.

It was a landmark year for World Gym, which included celebrating the 40th anniversary of World Gym Global at a memorable convention in Las Vegas, adding its first gyms in new countries like the United Kingdom and Egypt and a successful global social media search for the 2017 fitness ambassadors, Joshua Petreky and Geneviève Dubé Carpenter, who will debut a new series of fitness videos for members in early 2017.

For more information on World Gym International, please visit www.worldgym.com.

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2030 FAST TRACK

...Cherry Creek A.C.

continued from page 3

Janet Fletcher, General Manager, and Clayton Millice, Vice President of Millice Group Ltd., learning first-hand the story of Cherry Creek Athletic Club.

An Interview With Janet Fletcher, General Manager of Cherry Creek Athletic Club

CLUB INSIDER (C.I.) - To begin, please tell our readers a little about your background: Where were you born and where did you grow up? Where did you go to school and what did you study? And, did you play any sports?

Janet Fletcher (JF) - I am a New York native from a very large family and was blessed to have inherited my father's athletic abilities and work ethic. Growing up, I credit sports competition for developing many characteristics that have led to success in the professional arena. Athletically, I was part of some amazing teams that afforded me the opportunity to compete in the Junior Olympics at age 13 and earn a scholarship to attend the University of Vermont on a team that was inducted into the National Basketball Hall of Fame for setting the Division I national record for most consecutive regular season wins at 52. This record has since been broken by UCONN. Post college, I took up natural bodybuilding and used the discipline from sports to win nine heavyweight titles. My husband of 20+ years is my biggest cheerleader, and we have traveled this incredible life journey together.

C.I. - When and how did you get involved in the health and fitness club industry?

JF - Since I was a child, I was always fascinated by weight training and bodybuilding. At that point, I did not know that I could combine my fitness passion with a career in that field. While in college, I started personal training, obtained a



Janet Fletcher

certification and was quickly promoted to the Fitness Director position at Landmark Racquet and Health Club in Illinois. I immediately fell in love with the fitness business and eventually went on to earn my MBA. After 20+ years in this industry, I still wake up and look forward to going to work.

C.I. - When and how did you become involved with Cherry Creek Athletic Club (CCAC)?

JF - I was working in the country club industry in Ohio and was recruited for the position at CCAC. When I was 20 years old, I sealed some goals in an envelope, just like I had done with my sports goals. One of the goals was that, by the time I turned 40, as its GM, I would be leading a large health club that was committed to creating an incredible experience for its members. CCAC was my dream job. It has

ownership that is as passionate as I am about maintaining high standards of service in an environment with exceptional offerings, amenities and cleanliness. The ownership group and I are driven to continually improve and to become one of the most reputable clubs in the United States.

C.I. - Please describe CCAC's physical



Functional Training Room at Cherry Creek Athletic Club

plant, key amenities and service offerings.

JF - Our approximately 125,000 square-foot facility includes three pools, Hot Yoga and four additional studios that offer approximately 150 classes per week, serving over 13,000 participants per month. We also have Denver's most well-equipped Pilates Studio that includes gyrotonics and CoreAlign. Our spa is a *Denver's A List* Best Spa finalist facility. CCAC offers a group personal training center, racquetball/Squash courts, an area devoted to Olympic Training platforms, full service locker rooms, Kids' Club, Physical Therapy and café.

C.I. - CCAC recently completed a \$7+ million, approximately 18,000 square-foot expansion. Let's discuss that. What needs arose that led to the expansion?

JF - Though we were already a large club at just over 100,000 square feet, we were in desperate need of open space to accommodate the needs for functional training, the growth in group personal training and other exercise areas. Our previous first floor track was part of our major corridor to the exercise areas, and we felt a strong need to have a track devoted to member's walking or running without being intruded upon by people walking to and from an exercise area. Now, we have beautiful views of the mountains and natural light that brings even more motivation to work out on those gorgeous Colorado days.

C.I. - Please take us through the key components of the renovation and expansion.

JF - Renovation - The renovation began



Functional Training Room at Cherry Creek Athletic Club

with the transition of two racquetball courts into a Hot Yoga studio; renovating the lobby to add a 16-person, high-tech conference room; a large community area for our members that includes a café and new offices for our engagement team. We also transitioned an approximately 2,000 square-foot area to a small group personal training center, another approximately 1,800 square-foot area to a functional floor for open member use, expanded our basketball court and added an area devoted to lifting platforms.

Expansion - We added a second story track that overlooks the basketball court, a 2-story expansion with the first floor devoted to weight training equipment and the second-floor housing 100+ pieces of cardio equipment. We also added an assessment office as well as a consultation office and locker room for the personal trainers. The entire expansion has windows that overlook the Rocky Mountains.

C.I. - What advice would you give any club owner considering a major renovation project?

JF - Take the time to travel to other clubs that have recently completed renovations to open your mind to different features that may work in your facility. I spent over a year contacting and visiting clubs while also evaluating equipment companies to plan the best purchases possible. Our ownership group had envisioned this expansion for several years, and with the revitalization of the surrounding areas, the timing was right. They love gyms and visit clubs whenever they are in a new area. Their commitment to leading the market in terms of services, amenities and programming is evident with their consistent re-investment in the facility.

C.I. - Given the size of the facility and the immense scope of offerings, what would you consider CCAC's key market

(See *Cherry Creek A.C.* Page 16)

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...Cherry Creek A.C.

continued from page 14

differentiators? Please discuss some of the elements of each that you feel creates this differentiation.

JF - First and foremost, our exceptional member service and friendliness is evident as soon as one enters the club. We truly embody the feeling of a community, a home away from home for many of our members. We have over 400 members that have been part of our community for 20+ years. It may be our facility that attracts members, but they stay because of the experience we create on a daily basis. We strive to greet each of our over 1,500 members by name each day.

Next, the Denver market is oversaturated with boutiques, studios and health clubs, but no one is able to match our approximately 150 group exercise classes per week, the year-round heated outdoor pool and Jacuzzi and our Elevation Studio for group personal training, which enables our fitness professionals to work with 10+ members without inhibiting the experience of other members trying to get to equipment.

We offer the best value in Denver. From the relaxation and therapy of the Sanctuary day Spa, Hot Yoga, child care, Pilates, aquatic complex, world class exercise facilities, to the amenities of the full service locker rooms, we are a one-stop destination to overall health and wellness. Other things to mention include:

Pilates Studio: With six reformers, chairs, wall units and three gyrotonics, we have one of the most impressive studios in the country, and in an age where clubs are shrinking their Pilates programs, ours is growing immensely.

Sanctuary Day Spa: Rated as one of Denver's top spas in consecutive years, we create a truly relaxing and private experience from our team of estheticians, massage therapists and nail technicians.

We offer private nail appointments.

Group Exercise Studios: Our studios range in size from 1,500 to 2,400 square feet, plenty of room so that reservations are not required.

On-site Business Office: To offer our members the very best service, we have an on-site business office open to members 9AM - 5PM weekdays.

C.I. - Let's talk about CCAC's membership. Do you charge an initiation fee? If so, is it used as a discount incentive?

JF - We are one of the few clubs that stick to collecting club initiation fees, which vary from **\$250** for an *annual* agreement to **\$450** for *month-to-month* and also depending on whether the membership is single, couple, family, etc. There is a value associated with membership at CCAC, and constantly discounting would devalue our brand and that value.

C.I. - What are your price points for membership (singles, couples, family, etc.)?

JF - **\$132** for singles and **\$199** couples. We also have a few other membership categories.

C.I. - How many membership accounts do you have, and how many members does this equate to?

JF - We have over 4,000 accounts that service over 7,000 members.

C.I. - Please tell us about the competitive environment within a 15-minute drive of CCAC.

JF - There is a yoga studio, Pilates studio, boutique and gym on every corner. We differentiate ourselves by offering the best value, cleanliness and staff friendliness. Individuals can join a boutique at a higher price point and receive a fraction of what is included in a CCAC membership. To be honest, our price point is a steal for the experience, amenities and programming.

C.I. - CCAC is one of the few independent, single location facilities on *Club Industry's*



Indoor Track Overlooking Gymnasium at Cherry Creek Athletic Club

Top 100 Clubs list. Some of the others include East Bank Club, Dedham Health and Athletic Complex, The Claremont Club and Rochester Athletic Club, so you are in fantastic company. Please tell us about that honor. Please also tell us about some of the other honors and awards CCAC has received.

JF - To be recognized on *Club Industry's Top 100* list was a goal of mine when I arrived at CCAC. It represents the best of the best, and I am a competitive person that has always been driven to lead the pack. Though this is a tremendous honor to be recognized with the few premier private single property locations, I am even more proud of our *Denver's A List Awards*. Those awards are based upon clients and customers voting for their favorite businesses. It truly demonstrates that our members appreciate the service we provide and the experiences that we foster. Some of those *A List Awards* and others include:

- *Denver's A List Best Gym* (4 times);
- *Denver's A List Best Spa Finalist* (3 times);
- *Denver's A List Best Pilates Studio* (3 times);
- *City Beat News 5 Star Spectrum 2017 Award Winner* for our Sanctuary Day Spa;
- *Club Industry Top 100* (2 times);
- *ColoradoBiz Top Club* (3 times);
- *ION TV's "Best of the Best"* Winner.

statistics, best practices and industry news. For example, 2016 and 2017 have been focused on technology for both our members and staff. And, of course, the research, trade shows and online portals have been invaluable.

An Interview With Clayton Millice, Vice President of Millice Group Ltd.

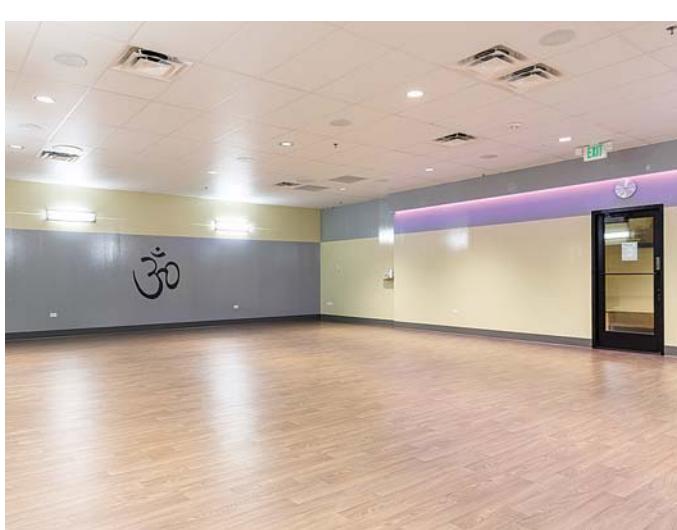
CLUB INSIDER (C.I.) - To begin, please tell our readers a little about your background: Where were you born and where did you grow up? Where did you go to school and what did you study? And, did you play any sports?

Clayton Millice (CM) - I was born in Denver, Colorado in the 'Bonnie Brae' neighborhood. I went to Kent Denver High School and then on to Bucknell University for two years. This was followed by a study abroad program in Buenos Aires, Argentina, and then, I finished my education at the University of Denver with a BA in International Business and Real Estate. I was a 3-sport athlete in high school, and I played Division I Lacrosse for Bucknell University (2 years) and the University of Denver (2 years). I am currently working on a Masters in Real Estate and

(See *Cherry Creek A.C. Page 18*)

C.I. - Is CCAC a member of IHRSA? If so, please tell us about some of the benefits that have been received from IHRSA membership.

JF - We have been an IHRSA Member for years. As a single property location, the IHRSA industry reports have been a very valuable tool to keep abreast on industry



One of Several Group Exercise Rooms at Cherry Creek Athletic Club



Clayton Millice



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AMERICAN TO THE CORE.

...Cherry Creek A.C.

continued from page 16

Construction Management as well. I have a 17-month old daughter named Lawson and wife named Ali who are the loves of my life.

C.I. - When and how did you get involved in the health and fitness club industry?
CM - I worked summer jobs at Cherry Creek Athletic Club as a young teen to make a few bucks while in school. This included the front desk, lifeguarding, the business office, the athletic department, maintenance and engineering, construction and working with the membership/sales department throughout college. I pretty much learned the business from the inside-out from an early age.

C.I. - As a child when Millice Group Ltd. acquired Cherry Creek Athletic Club in 1994 (called The Sporting Club of Cherry Creek at that time), please describe some of the things you recall growing up around the club.

CM - As a child when my family belonged to the club (pre-CCAC), I was not heavily involved in the culture or environment at the Sporting Club of Cherry Creek. However, I do vaguely remember being dropped off at the Kids' Club and recall that the club was, more than anything, a racquetball and squash facility. There must have been over 20 courts there. There were also sand volleyball courts on the premises, aerobics, basketball, an indoor pool, personal training, weightlifting areas and a massive restaurant/bar for the members to enjoy in the lobby. It was definitely a place to be seen, to party and was predominately a social venue more than a full-service health club.

C.I. - As best as you can recall, can you take us through the evolution of CCAC from when it was acquired until today?
CM - Not in specific order: the outdoor

activities area was completely overhauled to accommodate a world class aquatics area. An Olympic-sized lap pool was added, as well as a leisure pool and a zero-entry family pool for small children. The indoor pool was kept and maintained. The sand volleyball courts were taken out. On the north side of the club, all but two of the racquetball/squash courts were retrofitted for cycling, a Pilates Defined Studio, mind body/yoga studios, group exercise studios, a Kids' Club expansion and the addition of family changing locker rooms. The object was to improve utilization per square foot for more group programming and classes.

Later, the Sanctuary Day Spa was added. The restaurant/bar was transformed into a healthy café as well. V.I.P. Gold Club Locker Rooms were added with full-service laundry and larger lockers. And, there was a lot of reallocating of usable space during this period.

Additionally, membership/sales standards and personal training standards were improved, programming was evolving and CCAC was becoming more of a full-service health club. Most importantly, our customer service standards became paramount, which started to positively affect retention, referrals and attrition. Showing the members that Millice Group was willing to re-invest in the facility, in programming and in fitness trends was a major step for the club during that time. As a result, the club has achieved growth from approximately 1,400 membership contracts in 1994 to approximately 4,200 membership contracts in 2017, which now equates to approximately 7,000 members.

C.I. - CCAC recently completed a \$7+ million, approximately 18,000 square-foot expansion. Let's discuss that. What needs arose that led to the expansion?

CM - To accommodate for the growth that the city of Denver, the township of Glendale, and CCAC was experiencing, it became a need to expand the club. Additional space was important if we were going to



ink! Coffee Café at Cherry Creek Athletic Club

continue to operate as Denver's premier athletic club in a highly-saturated market, which has the most health clubs per capita in the *four corners* region. Also, we needed more room to be able to stay relevant in a constantly evolving fitness programming landscape. We wanted the members to feel like they could come at any time and day and not have to wait on anything.

C.I. - How was the expansion financed?

CM - By the parent company, Millice Group Ltd.

C.I. - Please take us through the key components of the expansion.

CM - •A brand new Hot Yoga studio (included in membership);
 •New lobby experience with water features;
 •ink! Coffee as our new food and beverage café;
 •A larger and more comfortable membership office;
 •New multi-use area for any mobile event that we want to set up for a member and their families, parties, etc;
 •CCAC Elevation Studio for high performance group training featuring Tribe Team Training;
 •Brand new approximately 18,000 square-foot expansion including an elevated second floor track, elevator access, new cardio and weight training areas with large glass windows to allow for mountain views and a functional fitness floor.

Post renovation, the club is now approximately 125,000 square feet.

C.I. - What advice would you give any club owner considering a major renovation project?

CM - Identify the need, evaluate the need, quantify and qualify the need, while at the same time maintaining expectations. Make sure that internal member communications are very strong, welcoming member feedback and always staying positive. Once the objective is identified, don't be concerned with short-term complaints or the threat of cancellations. Ironically enough, we actually saw an improvement in retention, attrition and referrals as a result of the 'what was behind the curtain mentality' with our members.

C.I. - Given the size of the facility and the immense scope of offerings, what would you consider CCAC's key market differentiators? Please discuss some of the elements of each that you feel creates this differentiation.

CM - Parking is HUGE; our world class aquatics complex set right in the city; approximately 150 group exercise classes offered per week included in membership; licensed physical therapy; the largest Pilates Defined Studio in the metro area; in-house Sanctuary Day Spa; Kids' Club Drop off with highly specialized staff; Hot Yoga now included in membership; and top of the industry certified fitness specialists, nutritionists and personal trainers. Our standards are in line with the best clubs in the industry.

C.I. - In your role as VP of Marketing for CCAC, let's discuss the club's modus operandi for marketing. Please describe your marketing mix.

CM - The first step is to identify your strengths and try not to be 'everything to everyone, or you may become nothing to anyone,' and thus, become irrelevant. Branding is everything, and our brand is top of the line and not a discounted product. Our marketing mix is a healthy blend of:

•Internal communications, external advertising
 (See *Cherry Creek A.C.* Page 20)



Kids' Club at Cherry Creek Athletic Club



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...Cherry Creek A.C.

continued from page 18

tising, print for branding purposes only, SEO, digital marketing, email marketing, videos, photos, and testimonials, website marketing, and capitalizing on reviews, awards and publicity (*Denver A-List, Club Industry Top 100, ColoradoBiz Magazine, CBI Magazine, Top of the Town, etc.*).

• We are very active in the local community, including the Denver Metro Chamber, Cherry Creek Chamber and Glendale Chamber.

• We sponsor many local events throughout the year.

• We are heavily involved in our trade area having retail and corporate partnerships throughout the area. This includes open houses, nutrition seminars, lectures, inner-company weight loss challenges, etc.

• We are also a big believer in market studies to gain information about our members and their decision making, which includes detractors, promoters, market demographics, external economic factors, etc.

C.I. - Do you have a specific percentage of revenue dedicated to the marketing budget?

CM - It depends on seasonal club objectives with promotions, programming and popular services.

C.I. - Where do social media initiatives now fall into your formula?

CM - Social media has become a massive part of our business. We share member testimonials, fit tips, nutrition advice, updates, events, weight loss challenges, demos of what's new and upcoming, etc., all on major social media platforms.

C.I. - The New Year is in full-swing. Please tell us about some of your incentives/promotions for the start of 2017.

CM - We have a 'New Year, New You' goal setting promotion that is in full swing right now. We have also instituted a loyalty program for our longer-term members. Additionally, we are rewarding new members when they take part in programs and services within the club when they first join. Based on seasonal activity, we also offer programs geared toward the "Colorado lifestyle," such as: skiing, hiking, biking, triathlons, swimming, golf, boxing, self-defense and mixed martial arts to name a few. Most of our quarterly

marketing plans are designed to connect new members and existing members to the programs that can help them achieve their long-term goals. Our model is not the short-term, monthly membership model, but we do offer them. We want to create long-lasting relationships with our members and not leave them hanging.

C.I. - Please tell us about community outreach efforts and causes supported by the club.

CM - We are involved with Third Way Center and Colorado Uplift (both for at risk youth), the Glendale Chamber, the Cherry Creek Chamber, the Denver Metro Chamber, the Impact Denver Civic Leadership Foundation, the Glendale Raptors Rugby Team only to name a few. All in all, we have over 100 partnerships across Denver.

C.I. - What is on the horizon for CCAC in the next 3 - 5 years?

CM - We want to be at the center of bringing innovative fitness and wellness programming to the city and give back to the community while being a leader in the Denver market and the four corners region marketplace. Given our success, the company is aggressively looking into

acquiring other clubs.

• • •

Thank you very much to **Janet Fletcher** and **Clayton Millice** for their time interviewing and assistance in producing this cover story on Cherry Creek Athletic Club. *All Photo Credit to Trevor Brown.*

(Justin Cates is the Assistant Publisher of CLUB INSIDER and grew up in the health and fitness 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 that doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 32 years, since his own day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)

The Year Ahead:

Ten Predictions for the Health and Fitness Industry in 2017

By: Stephen Tharrett and Mark Williamson

Part II

On the eve of each new year, industry experts and prognosticators hunker over their computers, studying industry benchmarks and trends to extrapolate nuggets of wisdom in order to forecast, or at least predict, what will happen in the New Year. For these individuals, the goal is to be the voice of the near future, to provide a degree of clarity on what might be expected in the upcoming year, or as T.S. Eliot so eloquently said, *"For last year's words belong to last year's language, and next year's words await another voice."*

Our goal with this article is to lend an informed voice for the new health and fitness industry language of 2017. We understand that our prognostications are as likely to be right as wrong, and with any luck, they will bring forward insights to help industry professionals map out their expectations for 2017, including those that, at the moment, seem unexpected. So, it is with humility, and a touch of modern intellect, that we offer up our forecast on what the fitness industry might, or might not, expect in 2017.

An Informed and Gambling Voice for 2017

6. Monetization and Engagement will Evolve from Being Buzzwords to Part of the Industry Genome - Since 1947, the industry has been all about sales. This cultural gene pervades the industry even today, but in 2016, we began to see more sophisticated and open-minded operators question this fanatical obsession with membership sales as the DNA of the business. As IHRSA's data shows, and as we suspect many operators have experienced, the number of new competitors now serving the same prospect base continues to grow, leaving fewer new candidates for membership. Over the course of 2016, we saw more industry articles, webinars and presentations dedicated to retention, engagement and monetization than in previous years. In 2017, we foresee more and more operators shifting to a business model that emphasizes engaging members in and out of the club, of building trusting relationships with members, of fostering member loyalty and finding ways to monetize engagement and loyalty. This approach to business is eloquently framed by the following quote from Robert Kiyosaki, entrepreneur and author, *"Change your focus from making money to serving more people. Serving more people*

makes the money come in." We believe that the operators who have started focusing on engagement and monetization will see their businesses grow, while those who continue to embrace the sales-first genome will fight to survive.

7. Social Fitness is Here to Stay - What do we mean by social fitness? We know from numerous studies, including research by the Gallup organization, that Millennials (90 million plus) prefer to pursue experiences with their friends. Whether it's dining out, going on vacation, participating in a fitness class, signing up for small group training or participating in a Spartan Race, Millennials prefer to do it together. The *2016 International Fitness Industry Trend Report - What's All the Rage* shows that group activities, such as event-style classes, equipment-based classes, HIIT classes, Barre classes and HIIT small group training, were among the fastest growing activities over the past few years, as well as those with some of the highest adoption rates in 2016. Outside the club arena, participation in adventure races involving a social support dynamic, such as the BattleFrog Races, Tough Mudders, and Reebok Spartan Races have grown, while participation in more traditional, and less social races such as 5Ks, 10Ks and marathons has flattened or declined. It is apparent that activities that speak to the collaborative and collective social mindset of the Millennial Generation are shaping the way members pursue fitness, inside and outside the club. We believe that, in 2017, this phenomenon will only grow in influence, and consequently, well-informed operators will leverage the social fitness trend in their value proposition.

8. Traditional Industry Players will Try to Duplicate the Success of Boutiques within their Four Walls - As discussed earlier in this article, boutique fitness studios have demonstrated incredible growth over the past few years. Data from IHRSA's *2016 Health Club Consumer Report* indicates that consumers spent more money to access boutique fitness studios in 2015 than they did traditional commercial fitness clubs. In 2016, articles appeared in several industry publications (e.g., *CBI* and *Health Club Management*) speaking to an emerging trend of traditional operators either incorporating boutique programs and/or experiences into their club or opening separate fitness studios. We believe this trend will surge in 2017. From what we've observed in 2016, a word of caution: Leveraging the power of boutiques requires more than



Stephen Tharrett



Mark Williamson

adding a program or building a boutique within your club. It requires developing a new brand and operating under a different management DNA. Consequently, while we believe many will pursue this trend in 2017, we aren't sure the success rate will be as considerable.

9. The Franchise Tsunami Continues but with Some Fallout - Over the past few years, the fitness industry's growth, both traditional clubs and boutiques, has been spurred mostly by franchise business models (e.g., Anytime Fitness, Core Power Yoga, Crunch, Gold's Gym, Planet Fitness, Pure Barre, Orangetheory and Snap Fitness). In 2016, several franchisors achieved milestones for growth and market penetration. What most don't realize is this growth in franchises is not so much the result of fitness entrepreneurs entering the market; instead, it is the entry of investor groups and non-fitness serial entrepreneurs and business professionals who have reaped their success in other industries. We see this trend accelerating in 2017 as more non-fitness professionals enter the industry through the franchise pipeline. We also postulate there will be a higher rate of turnover and failure among fitness franchisees due to the oversupply of facilities and competition between franchisors within a given market.

10. Virtual Experiences Evolve as Important Tools of the Trade - This predication may be the biggest stretch of all, but here is why we believe in it. According to the *2016 International Fitness Industry Trend Report - What's All the Rage*, two of the top ten fastest growing trends in the programming sphere have been virtual group exercise classes and virtual self-directed fitness programs. We know that the growth in virtual group exercise classes has been ignited partially by budget clubs, and

in some instances, by mid-market clubs. The surge in virtual self-directed fitness is likely the consequence of the Millennial Effect, since Millennials have fueled much of the growth in the delivery of online and mobile experiences. In 2017, we suppose that these two forms of virtual fitness will continue to find their way into more clubs but probably not boutique fitness studios. We also see the emergence of virtual reality (VR) as a fitness delivery approach. In the past year, the tech industry has made VR more cost effective and more engaging. Many mainstream businesses are turning to VR as a means to engage customers in non-traditional and fun experiences. We postulate VR will raise its head in 2017.

Final Thoughts

Mark Twain said, *"Prophecy is a good line of business, but it is full of risks."* That risk is brought forward in the following quote that appeared in *Control Magazine*. *"It is said there are two types of forecasts... lucky or wrong."* Why share this as part of our final thoughts? We want to be forthright in saying that our forecasts, predictions, prognostications or whatever you want to call them are risky business, and the chances are equally likely to be lucky or wrong. We've tried to minimize the risk of being wrong by framing our speculations around data: broad industry data and our own internal data. As a result, we are confident in saying that our predictions for 2017 hold merit as a bellwether for what the fitness industry can expect 2017.

(Steve Tharrett and Mark Williamson are veteran club business executives and Co-Founders of ClubIntel, a consulting firm serving the industry worldwide. Steve can be reached at stevet@clubintel.com and Mark can be reached at markw@club-intel.com)

Management Styles:

Or, Why Sometimes Working Together is So Difficult

By: Dr. Gerry Faust

Part I

In my CLUB INSIDER article published in the September 2016 Edition, I discussed the *Four Roles of Management*, which are critical to an organization's success in both the short and long term:

Produce Results;
Administer;
Entrepreneur;
Integrate.

Now, it's time to discuss the related concept of management personalities, or if you will... management or work *styles*. This is one of those wonderful places where management and personality theory come together. There are many models of personality theory, most of which are derivatives of Jungian psychology to some degree. Based on Jung's research, and others, we have a plethora of personality assessment tools available. These include: the Meyers Briggs, DISC, Prescriptive

Index and one used by many Roundtable 1 members in the past, the Prep Profile... just to mention a few. And, of course, there are various other pop psychology models, all with their own descriptive terminology and related assessments. They all have a similar function: to help us understand our colleagues or job applicants with the hope that this understanding will help us work together well or find people who fit a particular job position or culture.

The model I am going to discuss today is related to personality, and in many ways, it has similar applications as the other models discussed above. However, it has two additional benefits. First, it is more focused on applications in the organizational environment and on work and management styles. That is, personality as it is reflected in the ways people work and manage and what they are best at within the organizational context. Second, because it uses the same PAEI language, it allows for easy integration with our understanding of the Critical Roles of Management and a model of an organization's culture. Having one terminology for all of these contexts

has some very useful applications, as you will see later. Like all such models, the PAEI model is based on identifying people by where they stand on certain dimensions of behavior or ways of thinking. For the PAEI model, here are some of the critical dimensions that differentiate the four styles.

There are differences between styles that share a position on one of the dimensions above. For example, although both I and A are more process focused, "I" styles like people processes, "A" styles like policies and procedures, "E" styles are fast decision makers because they don't sweat the details and "P" styles are also fast because they are so action oriented; they just want to get on with things without too much talk. "A" styles try to reduce operational/business risk, and "I" styles want to reduce interpersonal/people focused risks.

But, rather than point out all these differences, let's take a deeper look at each of the four management styles.



Dr. Gerry Faust

They can be counted on to get the job done. They are often impatient and would rather get on with it than talk about it. To them, a good meeting is one on one... standing up. Long discussions are often seen as a waste of time.

• • •

In Part II, Dr. Gerry Faust will complete his description of *Producers*, as well as the additional management styles and offer a framework for Teamwork utilizing the strengths of each.

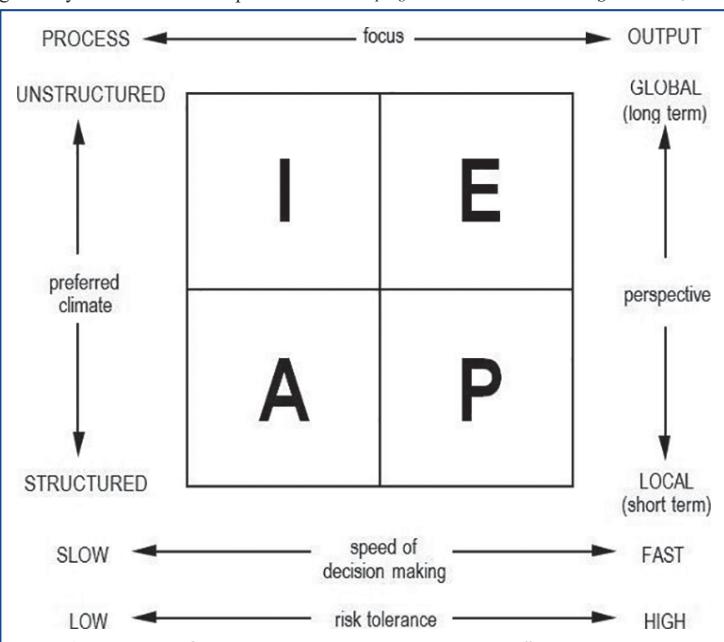
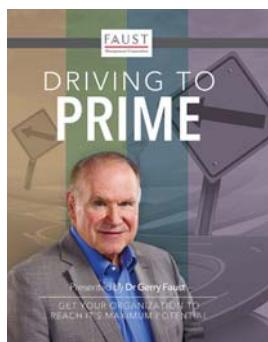
(Dr. Gerry Faust has been helping club owners and managers create quality results for over 30 years. He is the author of *Responsible Managers Get Results* and a new 4-DVD series entitled *Driving to Prime*. To learn more about Gerry, his services and his programs, visit www.Faustmanagement.com)

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Fitness & Lifestyle Group Launches United States Growth With HYPOXI

SCOTTSDALE, AZ - Fitness & Lifestyle Group, Australia's largest fitness organization continues its global growth with HYPOXI USA, an all-natural weight loss and training program now franchising in the United States. Fitness & Lifestyle Group is proud to have the backing of Australian-based Quadrant Private Equity Group to bring this concept to the U.S.

In addition to HYPOXI USA, Fitness & Lifestyle Group owns and operates **GoodLife Health Clubs**, **Jetts 24-Hour Fitness**, **Fitness First Australia** and **HYPOXI Australia**. *"These brands represent impressive and successful health club facilities around the globe. With HYPOXI having a 20-year proven record of international success plus the backing of Quadrant, it was time to bring the concept to the U.S."* states Jeff Stokes, Vice President of HYPOXI USA. In the past year, Mr. Stokes opened two flagship studios in Arizona and the success has been undeniable. "We look forward to a strong and aggressive national expansion, and we are excited to bring our unique fitness and weight loss model to new clients and owners across the country."

In addition to a traditional standalone studio, HYPOXI offers health

club owners an in-club studio option that is modeled after the successful, 75-plus studio network of Australian franchises and corporate stores. After testing and fine-tuning HYPOXI in-club studios within Goodlife Health Clubs, this unique fitness concept is now available in the U.S. "This is not common in the fitness industry, and we are extremely confident in offering both of these models as successful business opportunities," says Jeff.

HYPOXI was founded on science and is a proven training method. It is a simple, yet highly profitable, business model that combines low-impact exercise, patented technology and nutrition coaching to burn stubborn fat and reduce cellulite in targeted areas. A globally recognized brand, HYPOXI studios operate on a per-treatment basis with low operational costs and strong revenue opportunities.

"Launching in-club franchise

opportunities in the U.S. is an exciting point in time for our company," said Greg Oliver, CEO, Goodlife Health and HYPOXI Australia, NZ and USA. "The development plan of HYPOXI is testament to the strength of the business model and the brand, which gives us great confidence in a successful U.S. rollout."

For additional information, please visit HypxiBody.com.

Brunswick Names Jaimie Irick as Fitness Division President

LAKE FOREST, IL - Brunswick Corporation (NYSE: BC) announced the appointment of Jaime A. Irick, 42, as President of the Fitness Division, reporting to Brunswick Chairman and Chief Executive Officer, Mark D. Schwabero. Irick will succeed Christopher E. Clawson, President of Life Fitness, who is leaving the company. The appointment is effective immediately.

Most recently Chief Commercial Officer for Current, Powered by GE, Irick joins Brunswick following 14 years at GE, where he worked across several business units and served in a variety

of roles of increasing responsibility, including corporate strategy and sales. He had a strong track record of delivering exceptional financial performance at GE as well as transforming traditional business models to compete in new and evolving markets. A veteran, Irick graduated from the United States Military Academy at West Point and is a qualified Airborne Ranger. He earned his MBA from Harvard Business School.

"Representing roughly 20% of Brunswick's sales with leading products and brands in the global commercial fitness market, our fitness segment has grown in

importance both within the company and the fitness industry," Schwabero explained. "From this base, we are committed to profitably growing fitness annual sales to \$1.5 billion by 2020 and continuing to evolve both our growth strategy and fitness portfolio and brands to achieve this goal."

"Our progress to date has been in large measure the result of the talents and energies of our fitness organization under the direction of Chris Clawson," Schwabero said. "For Chris' many contributions to the organization during his tenure, we offer him our thanks, gratitude and best wishes."

Club Marketing Tips For Incorporating Video

By: Jim Thomas

The health and fitness industry is huge and continues to grow. One of the biggest challenges facing individual gym owners in such a growing and competitive industry is attracting a steady stream of new members. One of the best ways to do that is *incorporating video into your marketing strategy*. Consider the following statistics on user interaction with video:

- 90% of users say product videos are helpful in the decision process.
- 75% of online video viewers have interacted with an online video ad this month.
- 36% of online consumers trust video ads.
- 33% of all online activity is spent watching video.
- Video ads increase purchase intent by 97% and brand association by 139%.

In this article, we'll discuss four ways you can use video to effectively market your fitness business.

1. Demonstrate various pieces of fitness

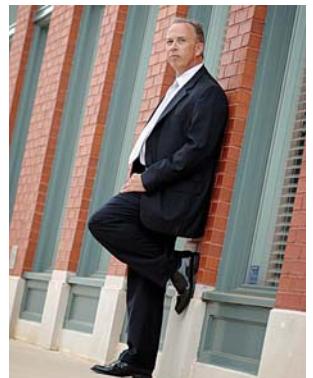
equipment using “real” people - A staple of fitness industry TV commercials and online videos is footage of people using a facility and a voice-over extolling the features and benefits of that particular establishment. But, these videos typically feature people (probably actors) who are already in pretty good shape. If you really want to attract new members, you'd be better served showing people who are more like the typical new member in terms of their physical makeup and condition. When out-of-shape people see other out-of-shape people using fitness equipment, it gives them a sense that they can use it too, and they'll be more inclined to try it.

2. Conduct a video tour of your facility, including interviews with staff - Most marketing videos target B2B (Business To Business) or B2C (Business To Consumer) prospects. By creating a video tour of your facility, including interviews with members of the staff, you're creating a H2H (Human To Human) relationship before the prospective member ever sets foot in your gym. When that new customer enters your facility for the first time, they'll feel less

intimidated and more at home, and the H2H relationship grows.

3. Encourage members to post live Facebook videos - As you continue to foster a friendship with your members, you can enlist their help in attracting even more new members. One effective way to do this is to encourage them to post live Facebook videos of themselves using the equipment and interacting with the staff and other patrons. Of course, many people are self-conscious about their physical appearance, so you might have to provide an incentive for them to post a video. Offering a monthly prize or other bonus for the Facebook video with the most likes or shares is one idea. For others, just ask some of your members what it would take for them to post such a live video. There might be a goldmine in one of their answers.

4. Publish a Vlog on YouTube - A vlog (aka. video blog) is simply a blog that contains primarily video content. Video publishing sites like YouTube enable people to express themselves in a whole new way. Virtually anyone can create



Jim Thomas

and publish their own show where they sit down in front of their web camera and record themselves talking about anything from politics to pop culture. Then, they upload the video to their YouTube channel and share it with the world. Of course, the difference between a vlog and a television talk show is that the vlog can be viewed by anybody, anywhere, anytime. Vlogs

(See Jim Thomas Page 25)

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...Jim Thomas

continued from page 24

also cost much less to produce. You can get started vlogging by posting your equipment demonstration and facility tour videos. Then, on a regularly scheduled basis, create and post other videos that are relevant to your existing and prospective members. These could include interviews with fitness and dietary experts and stretching and other exercise videos that people can use at home on those occasions when they can't make it to the gym. For more ideas, consult your staff and current members. You'll be amazed at the number of great ideas you'll get. If you're thinking that publishing a vlog would be more trouble than it's worth, consider this: More than a billion people visit YouTube every month, and more than seven billion videos are viewed every day.

In a world where other fitness businesses are using the same old ideas and tactics to attract new clients, you can differentiate your facility by incorporating video and H2H marketing.

(Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting, turnaround and brokerage firm specializing in the fitness and health club industry. With more than 25 years of experience owning, operating and managing clubs of all sizes, Thomas lectures and delivers seminars, webinars and workshops across the globe on the practical skills required to successfully overcome obscurity, improve sales, build teamwork and market fitness programs and products. Visit his website at www.fmconsulting.net or www.jimthomasondemand.com.)

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**Make
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Be - Do - Have

By: Bill McBride

What does it mean to change the paradigm in which we typically look at our life?

Throughout life, many of us at some point in time have decided what it is we want in life and set out on a path to get it. It's an easy logic drill to figure out: If I want this, I need to do that, and I will have it. But, we have seen on occasion after occasion the failure of this

approach, individuals succumbing to "now" without regard to the prize they hold dear. This seems to occur on a long-term basis all too often. So, how do we "redirect" the paradigm of what seems like a logical approach?

Well, let's first look at emotion versus logic. We make the majority of our life decisions based on emotion and then use logic to justify the decision. When making buying decisions, we use logic to justify the purchase or to justify the

non-purchase. The mind has a wonderful capacity to make us "right" regardless of our choices. And, while we can get people to admit certain logical points, we often hear, "it doesn't feel right," and that becomes the basis for a decision *not to take action*. The point is we can't "LOGIC" someone into behavioral change. One has to emotionally connect to the change via the results of the change. This usually doesn't occur without an understanding of "WHY" the change is emotionally satisfying in an impactful way, so we have to identify the impactful, emotional win.

Within my interpretation of the Be - Do - Have paradigm, introduced to me by an early mentor, behavioral change must start from an emotional perspective (even if it feels like a dreamer's perspective). It is a much more powerful place to begin. It's kind of like starting with "Who am I?" or "Who do I want to BE?" within whatever topic being considered.

Let's take an example: A person wanting to be happy. A typical approach to happiness is: I want to "HAVE" happiness, so I have to "DO" things to get it. Sometimes, this may mean obtaining income, wealth, material things, a coveted relationship... and yet, many who chase happiness and do things in pursuit of this goal never achieve lasting happiness, even with significant goal achievement.

What the reverse paradigm does is allow for a powerful shift using the mind as an ally not an opponent. If I AM happy (BE), then I will behave (DO) as happy people behave, which is spreading happiness, joy and love. And, in the end, I will enjoy (HAVE) what happy people have... a fulfilled life.

We behave how we see ourselves. So, deciding how you are going to see yourself has a tremendous amount of power. "I am happy!" regardless of what I have.

Willpower assumes will over the mind. It simply doesn't work; you cannot out-will your mind. You have to BE the person first. Then, you will DO. And, as



Bill McBride

a result of who you are and what life you have chosen or created, you will HAVE.

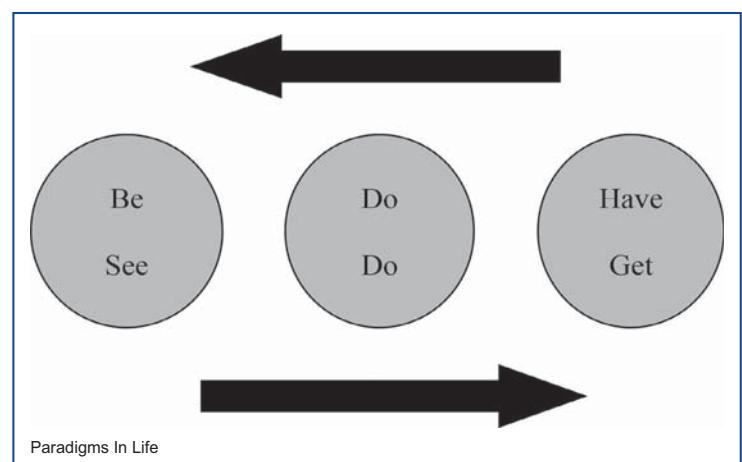
"BE - DO - HAVE" works in coaching clients, staff and managing our own life goals. BE what you want first (See Yourself As). Then, you will DO what is necessary. Then, your mind will deliver based on who you are (BE), and you will HAVE the result(s)!

While simplistic on so many levels, this can be hard to get on a first pass or for our members or clients to grasp right away. That's why everyone usually can benefit from coaching. Our goal is see ourselves "As" first. Our goal is to support our members in seeing themselves as "Fit and Healthy" first... then work on manifesting outcomes.

For more information on this topic, contact Bill McBride at BillMcBride@BMC3.com or visit www.BMC3.com.

**Be-Do-Have Paradigm Conceptually Described in an article by Neale Donald Walsch, Hampton Roads Publishing Company*

(Bill McBride is President and CEO of BMC3: Consulting, Coaching & Club Management and Co-Founder, President and Chief Executive Officer of Active Wellness.)



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- Private Health Club Owner Client of Two Sites in the Midwest, U.S.

"I highly recommend Bill McBride/BMC3 on all challenges club operators face with their business. He relates well with the on-site team, ownership and is collaborative in delivering best practices. His expertise, authenticity, integrity and follow-through are beyond reproach. I trust him greatly."

- Private Health Club Owner Large Commercial Club in the Pacific Northwest, U.S.

Risk Management:

How to Minimize Your Legal Exposure to Slip and Fall Claims

By: Paul R. Bedard, Esquire

It's no secret that these are competitive times for the health and fitness club industry. Given the effort required to generate increased revenues, it can be challenging to find time to develop a sound risk management strategy. However, whether training your people to effectively respond to a medical emergency, designing your employment practices to minimize the likelihood of an employment dispute or methodically inspecting and maintaining your premises to mitigate your exposure to premises liability claims, you must be proactive from a risk management standpoint.

This article is the first in a series that will explain in reasonable detail the most common legal risks within the health and fitness club industry and how you can minimize your exposure to these risks. However, these articles are not intended as legal advice. Widely varying laws and precedents specific to each jurisdiction prohibit one-size-fits-all recommendations. Please consider these comments as merely an educational guide to assist you when you consult your own attorney for specific direction.

This is the time of year when many clubs see an increased number of slip and fall claims, often as a result of personal injuries suffered on snow, ice or wet entrance flooring. However, these claims can also include but are not limited to trips over floor surfaces or equipment within your club, falls on interior stairs or accidents in and around typically wet areas, such as locker rooms, showers and pool decks.

A slip and fall claim is a negligence claim. More specifically, a slip and fall claim is a premises liability claim. The four elements the plaintiff must prove in a slip and fall case are *duty*, *breach*, *causation* and *damages*. By having an understanding of these legal elements, you can proactively minimize your exposure to these claims while protecting the wellbeing of your members and guests.

Premises liability represents one of the greatest areas of legal exposure for health and fitness club owners and operators. As a baseline measure of protection for your club, it is imperative that you have a comprehensive yet not overly broad liability waiver. At a minimum, your waiver should expressly bar claims due to employee negligence, identify potentially dangerous activities and inherent risks within your facility, detail the assumption of risk on the part of the member or guest and be in clear and conspicuous language.

However, some courts have

ruled that overreaching liability waivers barring claims for any and all injuries are unenforceable and against public policy. A proper liability waiver may provide protection from claims arising out of sudden or unforeseen accidents. However, it will not protect against claims stemming from intentional acts or gross negligence. Jurisdictions vary widely on enforceability. Nonetheless, a liability waiver is an essential tool that should play a fundamental role within your risk management strategy.

Duty

Legally speaking, members and guests are considered invitees. An invitee is someone who comes upon your premises, with an express or implied invitation, for your benefit or for a mutual benefit. Invitees are owed a *duty* of reasonable care, protecting them from injuries caused by reasonably foreseeable dangers. This means that you have a *duty* to warn about dangers you know or *should know* about. You also have a duty to warn invitees of dangers that the invitee is unlikely to have an ability to see or avoid.

Other parties may share your *duty* to invitees. In order to identify the party or parties liable for a *breach in duty*, it is important to determine who had *control* of the area in question at the time of the slip and fall. For instance, who was responsible for maintaining the driveway or sidewalk at issue? The owner of the property? The property's lessee? Was this contracted to a third party? For example, if your snow removal company was responsible for clearing the icy sidewalk that resulted in someone's injury, they may be all or partially liable for damages. A shared *duty* typically equates to shared liability.

As it relates to snow removal, maintain a written contract with your snow removal company. Define the triggering conditions for their service. Expressly establish how often they will plow, salt or sand. Detail the areas covered. Require that the snow removal company defend and indemnify your club for any claims or losses resulting from their work or lack thereof. Stipulate within the contract that the contractor maintain sufficient liability insurance with your club named as an additional insured. Obtain copies of the contractor's insurance policy each year before allowing work to be done in order to confirm that coverage is current and sufficient. And, annually review your own liability insurance to verify that your coverage has kept pace with your business needs.

However, some courts have

Breach

Once it can be determined who owed a *duty* to the plaintiff, the plaintiff must prove that the defendant had *notice* of a *dangerous or defective* condition. In other words, the plaintiff must demonstrate that the defendant had *knowledge* of a *dangerous or defective* condition. Importantly, a lack of *knowledge* does not necessarily constitute a lack of *notice* from a legal standpoint. *Constructive notice* can be established if a *reasonable person* would have had *knowledge* of the danger at issue. For example, if a member slips on water within your club seconds after a spill is created, it would likely be determined that you had no *notice* of the condition at issue. Conversely, if the same spill sits unaddressed for an extended period of time before a slip occurs, it would likely be found that you *knew* or *reasonably should have known* that the spill was present.

To ensure that *dangerous or defective conditions* do not go unnoticed, train your employees to regularly inspect all areas of the premises, both interior and exterior. Regularly retrain your employees and document your ongoing training practices. Maintain a facility inspection schedule and empower your employees to take immediate action. Safely secure any *dangerous or defective conditions* using appropriate warning signage. Document and archive your inspection schedule and the handling of facility issues. This documentation will prove useful should you have to defend yourself against a claim.

A *dangerous or defective condition* can include but is not limited to ice, snow, poor lighting, wet or otherwise unsafe flooring, defective stairs, uneven ground, unsafely arranged equipment or hidden hazards. A *dangerous or defective condition* is generally defined as just that, *dangerous or defective*, versus a minor or insignificant defect. In other words, the condition must present an unreasonable hazard. For instance, frozen-solid stairs and sidewalks present unreasonable hazards whereas ice at the outside edge of an otherwise dry and passable walkway likely does not.

Causation

Causation is the next element that must be proven within a premises liability claim. The *dangerous or defective condition* must have actually *caused* the injury being claimed. A strong case cannot be made without proving *causation*. Promptly document any incident where there may be a potential claim, regardless



Paul R. Bedard, Esquire

of whether injuries are initially reported. Immediately offer medical assistance when appropriate. Take photos, obtain witness documentation and generate an incident report as soon as practically possible. This documentation will prove helpful if it can be shown that the area in question was not in the condition as alleged or if the plaintiff's injuries can be shown to be inconsistent with the mechanics of the alleged fall or incident.

Evidence that can demonstrate *negligence on the part of the plaintiff* may also minimize a plaintiff's claim. For example, a witness statement indicating that the plaintiff sprinted across an obviously slippery area, surveillance footage demonstrating that the plaintiff was inattentive to an open hazard that an otherwise reasonable person would have noticed or evidence that the plaintiff was utilizing your premises in a manner that was not reasonably foreseeable will prove valuable in defense of a claim. Depending upon the jurisdiction, *negligence on the part of the plaintiff* may reduce or completely bar the plaintiff's recovery.

Damages

Finally, the plaintiff must suffer *damages*, typically a physical injury, for their claim to have value. Utilize available resources to keep the plaintiff honest. Is the plaintiff continuing to use your club? Can you document this ongoing usage through check-in records? Do you have surveillance footage to document the plaintiff's ongoing physical ability? This information will help to clarify the true extent of the plaintiff's *damages*. In many cases, particularly in the absence of verifiable medical treatment records, this evidence may help to show that the plaintiff suffered no apparent *damages*.

(See Paul Bedard Page 30)

Dear Augie and Lynne,

You continue to be an *inspiration to all of us!*

Your strength, determination and fearless approach toward finding the cure for ALS is beyond description.

You will win the fight against ALS! And, in turn, you will literally change the world because the determination of you two amazing people inspired our entire industry to act, the result of which will be felt worldwide and forever.

Keep up the *good fight*, Augie and Lynne!

Sincerely,

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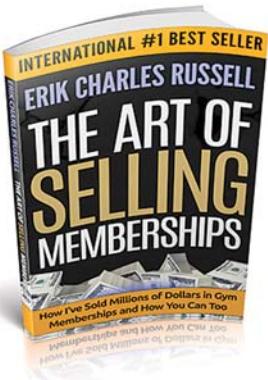
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...Paul R. Bedard, Esquire

continued from page 27

employment practices and how to minimize your exposure to employment disputes.

In Conclusion

The health and fitness club industry is fast-paced, fun and largely informal compared to most industries. Yet, club owners and operators face many legal risks similar to those found in other industries. Premises liability claims represent a significant portion of this legal exposure. However, by implementing a comprehensive yet targeted risk management strategy, you can minimize your legal risk in this regard.

The next article within this risk management series will address

(Paul Bedard has nearly twenty years of experience in the health and fitness industry. As a practicing attorney, Paul's health and fitness industry operations experience provides him with a unique perspective when advising on or litigating matters involving health club contracts, policies, disputes or injuries. Paul strives to be active in his local community and has served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. He also volunteers his time and fundraises for various local charities. Paul can be reached at pbbedard@smdllaw.com)

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Thanks and Appreciation

At CLUB INSIDER, we are excited to begin our **24th Year** of this home-based health and fitness club trade newspaper! The thought that this newspaper was *founded to serve an industry I truly love*, and so that I could become a *Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing 24-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth and Cathy Miller** of Atlanta's Hudspeth Report for the tremendous assistance they provided us during *our first eight years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our **278** monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **CLUB INSIDER** **Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, **National Gym Supply**, with over 23 years advertising with us! We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *hundreds and hundreds* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for **CLUB INSIDER** when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 24 years now, has truly been a fantastic partner for his Dad in **CLUB INSIDER**. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

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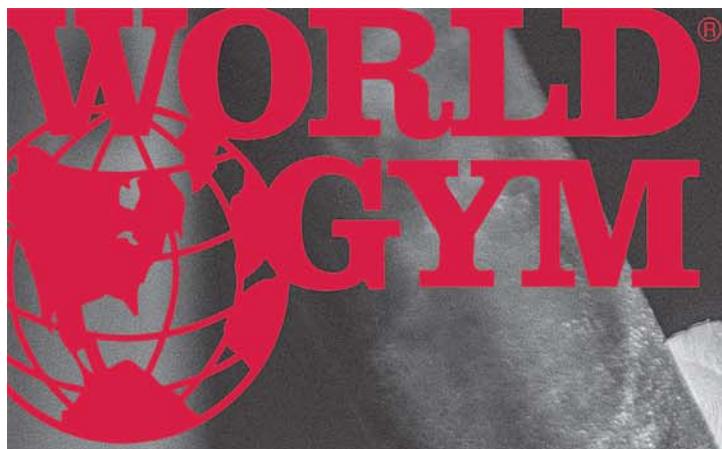
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