

Norm Cates'

CLUB INSIDER

CELEBRATING 27 YEARS OF TRUST

World Gym Taiwan *All-In, Winning and Winning BIG!*

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Michael Sanciprian, Owner & CEO of World Gym Taiwan

FEBRUARY 2020

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CLUB INSIDER

CELEBRATING 27 YEARS OF TRUST

World Gym Taiwan *All-In, Winning and Winning BIG!*

By: Justin Cates

Since my college years, I have enjoyed playing the game of Poker. As an amateur, I've played in numerous medium-stakes tournaments over the years (maybe a few cash games, too). The game is exciting and fun, but it can also be extremely nerve-racking, especially if you go "All-In" (betting everything for the chance to survive then maybe winning big). Playing Poker, you will learn things about yourself, and if you really study, you will learn things about others and how to read all types of people.

Going All-In in Poker, however, is very different than going All-In *in life*. In Poker, yes, there is plenty of skill involved, but there is also blind luck that can tip the scale. In life, once again, skill is required to place yourself or a business in the right positions for success, but I don't believe that 'blind luck' is the right term to describe fortune that befalls one who has put themselves in those positions for success. In other words, in life, one makes their own luck through pure determination, drive and the will to win.

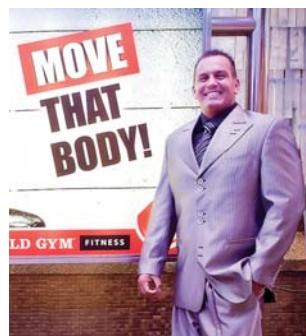
No doubt you have heard of *World Gym*, but maybe not all who read this will have heard of *World Gym Taiwan*. Whether or not you have or haven't, this story is for you. **Michael Sanciprian** is Owner and CEO of *World Gym Taiwan*, along with business partner, **John Caraccio**. And, in this story, you will learn how Michael and John went *All-In, Won, and then, Won BIG!*

Growing up in Sacramento, California, and despite a challenging childhood that came with being raised by a single mom, along with two other siblings in a tough area, Michael excelled in sports and stayed out of trouble, of which there was plenty to be found. Sports were his outlet, and this led him to the gym, as well as his first job in the industry at **Jack LaLanne's**. Later, moving up the corporate ladder at *California Family Fitness* and then branching out on his own in consultancy as well as an independent club chain, Michael decided to go All-In and bet on his skill and will to win in the "Wild East" of Taiwan.

Linking up with now business partner, John Caraccio, their partnership has built the predominant health and fitness club

chain in Taiwan, and it is changing lives. "They are moving the needle." But, it wasn't always that way. Early on in the partnership, the world economy crashed, making things even more difficult for an already struggling company. In 2009, Michael and John found themselves at a TGI Fridays near closing time. Their waiter told them they were closing, and they said they would only be another minute. The goal of the evening was to figure out whether or not they were going to cash in their chips or bet everything one last time. In that last minute before needing to leave the restaurant, they looked at each other and knew what needed to be done.

Needless to say, they decided to truly go All-In. From **Sun Tzu to Caesar**, Michael and John "burned the boats," leaving them with only one option: **Win or Perish** (in a business sense, of course). The company survived, and since then, it has thrived. Now, known for his company's astronomical numbers, Michael's philosophy is a force in and of itself, and I invite you to read on to experience exactly what that means.



Michael Sanciprian

An Interview With Michael Sanciprian,
Owner & CEO of *World Gym Taiwan*

Club Insider (C.I.) - When and where were you born and where did you grow up?

Michael Sanciprian (MS) - Predominantly, I grew up in Sacramento, California and the
(See *World Gym Taiwan* Page 10)

Cincinnati Sports Club Celebrates 30th Anniversary

CINCINNATI, OH - It's been five years since **Club Insider's Cover Story** sharing the story celebrating the 25th anniversary of the amazing Cincinnati Sports Club (CSC), a one location locally and privately owned club in southwest Ohio. Now, CSC is celebrating 30 years!

Since its opening in 1990, CSC has become one of the premiere facilities in the region. The club specializes in combining the best of a health club, social

club and medical wellness facility to fulfill the whole person.

Thirty years later, the club is making a difference in the lives of others through their unique combination of health, medical wellness and social programming. "Through the years, the club has grown into the indoor 110,000 square-foot facility it has become, concentrating on building a unique member experience," states **Mary Frank**.
(See *Cincinnati Sports Club* Page 6)



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- The Industry's Focus on Wellbeing - **By:** Michele Wong
- Special Population Marketing - **By:** Michael Gelfgot
- Starting a New Business - **By:** Paul Bosley
- New Jersey Supreme Court Hears Alternative Argument Regarding Health Club Governance - **By:** Paul R. Bedard, Esquire
- Design Mistakes That Can Cost You Big - **By:** Bruce Carter
- Marketing and Selling to Special Populations - **By:** Casey Conrad
- New Zeamo Rewards Program Helps Companies Incentivize Employee Fitness to Encourage Healthy Habits
- REX Growth Sees Justin Tamsett Join the U.S. Team

- IHRSA Announces 2020 Industry Award Recipients
- The Vitamin Shoppe Opens New Distribution Channel in Partnership With LA Fitness
- Columbia Association Tennis Receives USTA Award for Outstanding League Tennis
- Orangetheory Fitness and American Heart Association Join Forces in the Push for Heart Health
- Cycle For Survival Celebrates 10 Years of West Coast Events With World Cancer Day Fundraising Campaign
- Matrix Fitness and Smart Fit Announce Partnership
- Johnson Health Tech Receives International Service Excellence Award
- UFC GYM Celebrates 10-Year Anniversary
- And, of Course, **Norm's Notes**

Norm's Notes

■Hello Everybody, this is your Club Insider Publisher and Tribal Leader Since 1993 checking in with our 314th monthly edition! My partner and son, JUSTIN CATES, and I want to Thank ALL of you for reading Club Insider! Thank you!

■Is America a GREAT country, or what? One of the reasons America is great is because of men like CHARLES "CHUCK" NEWMAN, who unselfishly served America in our armed forces. Today, I want to extend my most sincere condolences to my wife, ILENA, and to her sister, CHRISTINA NEWMAN, and her Family, on the passing of Christina's beloved husband of 54 years, CHARLES "CHUCK" NEWMAN. Sadly, Chuck died on February 6, 2020 at the age of 80, after a long and very tough battle with Parkinson's Disease. Chuck was a retired U.S. Air Force Chief Master Sergeant who served America well for 29 years. Chuck met his wife, Christina, while he was serving on a U.S. Air Force Base in Germany. May CHARLES "CHUCK" NEWMAN Rest In Peace.

■I'm EXCITED today! "Why are you excited about, Norm?" you may be thinking. Well, I'm excited because an AX-throwing facility has set up shop in my hometown of Marietta, Georgia! I'm not kidding. I hold here in my fingers an Atlanta Journal Constitution newspaper article

with a headline that reads: "AX-throwing facility has set up shop in Marietta." You read that right! The name of the new AX-throwing shop is: American Axes. I'll keep you posted on how that turns out! WOW! Is AMERICA a GREAT country, or WHAT! Haha! I hope you have a good sense of humor so you can laugh with me about this development!

■IHRSA has announced the four nominees for the IHRSA Board of Directors. They are: LORI WANG, CEO of Catic Wellness Co., Ltd, Shenzhen, China; LUKE CARLSON, CEO of Discover Strength, Bloomington, Minnesota; AARON MOORE, Director of Operations for VIDA Fitness, Washington, D.C.; and JOSE TEIXEIRA, Head of Customer Experience for SC Fitness, Lisbon, Portugal. All four will stand for election during IHRSA's annual meeting in March at the 39th Annual IHRSA International Convention & Trade Show in San Diego.

■SCOTT STRATTEN, President of UnMarketing, Inc., will be one of the Keynote Speakers at IHRSA 2020 in San Diego. This should be an interesting one for sure because Stratten's consulting firm, UnMarketing, Inc., a most Unlikely consulting firm, is not your typical thought-leader. Stratten's major premise is: You need to UnLearn what you think you know in order to discover what you don't yet know. Technogym is sponsoring

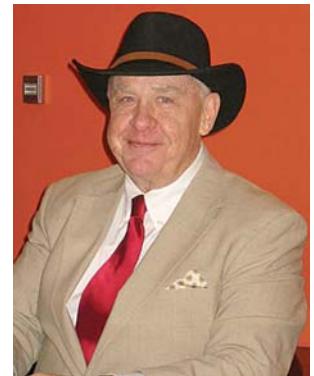
his IHRSA keynote presentation entitled: The New Customer Experience. I hope to SEE YOU THERE!

■I want to welcome our new Club Insider Contributing Author, MICHELE WONG, as she joins our Team with her first article this month on Page #20. Michele will be speaking at IHRSA'S FAST TRACK SESSIONS on Friday, March 20th starting at 7AM, and her topic is entitled: Total Wellness Offerings in Your Club. I also want to mention other Club Insider Contributing Authors who will be speaking at IHRSA San Diego:

- IHRSA CEO and PRESIDENT, JOE MOORE;
- RICK CARO, IHRSA Co-Founder with me and five others, and President of Management Vision, Inc., who will be moderating IHRSA's 28th Annual Financial Panel;
- BILL McBRIDE, our friend and former IHRSA Board Member.

I also want to urge you to attend the entire IHRSA Trade Show. IHRSA'S TOM HUNT tells me that, seven weeks out, they have over 330 exhibitors signed up and are adding more every day. Be sure to visit the following Club Insider Advertisers at the IHRSA Trade Show:

- Crunch Franchising - #3609
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- iGOFigure - #640
- IHRSA - #3329
- Iron Grip Barbell Company - #1125
- Muscle Up Marketing - #3520
- Zeamo, Inc. - #3848

■Congratulations to the one and only RED LERILLE, Owner of Red's in Lafayette, Louisiana as they've just celebrated their 57th Anniversary of their phenomenal club! Red was Mr. America in 1960 and opened his club in a former 4,000 square-foot boot store on January 13, 1963. Today, Red is 83 years old, and his world class club has few comparables in America, or anywhere

(See Norm's Notes Page 7)

About Club Insider

CELEBRATING 27 YEARS OF TRUST

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WHAT ARE YOUR 2020 NEW YEAR'S RESOLUTIONS ?

A

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Exercise IS Medicine!

By: Mike Alpert

Many of you, like me, have known and respected **Amy Bantham** through her years of work at IHRSA. And, you may know that she has been an advocate of *Exercise is Medicine* and is now pursuing her Ph.D. at The Harvard T.H. Chan School of Public Health. Recently, I read an article she posted on LinkedIn: *Health News Roundup - December 2019*. I think it confirms what we have all known and what I have been writing about for many years. The following is a summary of her article:

"Lower cancer risk, lower falling risk; less bone loss and less inflammation. Fighting aging and obesity; getting the recommended amount of physical activity is tied to lower risk of cancer," the study says.

Exercise Lowering the Risk of Seven Types of Cancer

A new study sheds light on one potential health benefit of exercise: a *lower risk of certain cancers*. The study, published in the *Journal of Clinical Oncology*, analyzed data from more than 750,000 adults in the United States, Europe and Australia, and found that recommended amounts of physical activity correlated with lower risks of seven types of cancer, of the 15 types that researchers looked at.

These cancer types were: **colon, breast, kidney, myeloma, liver, non-**

Hodgkin lymphoma and endometrial. A number of previous studies have come to similar conclusions about physical activity and cancer. In the latest analysis, the researchers dug deeper into the relationships between the amount of physical activity and how much lower the cancer risk became.

Recommended levels of physical activity showed what could be a **range of potential benefits, from a 6 - 10% lower risk of breast cancer to an 18 - 27% lower risk of liver cancer.**

The article went on to say that exercise reduces falling risk for older adults by more than a third, compared to their sedentary peers. And, getting a variety of different types of exercise may have the greatest effect, regardless of whether individuals start out with a low- or high-risk for falls.

Additionally, a new analysis is predicting that, by 2030, 48.9% of adults in the United States will be obese and 24.2% will be severely obese. According to *Chief*

Author, Zachary Ward, a PhD candidate at the Harvard T.H. Chan School of Public Health in Boston, "obesity is getting worse in every state and especially disconcerting is severe obesity, which used to be pretty rare and now will be the most common category for a lot of states and subgroups in the country."

The Ward study, published in *The New England Journal of Medicine*, used more than 20 years of data from 6.3 million adults to project into 2030.

This is powerful news and should encourage more and more people to get more physically active. The question is how will it affect your club's business? Obviously, not everyone will read a publication about the benefits of exercise on health, so you, as a club operator, must get the word out through a serious and committed marketing campaign. You must continuously remind prospective members and your current members about the powerful (and medically confirmed) benefits that exercise has on health. And, you should consider using



Mike Alpert

multiple marketing avenues including posts on your mobile app, website, social media, email campaigns and direct mail/flyers/posters. I would also highly recommend that you develop programs designed for people who fit into these groups.

(Mike Alpert is CEO and President of The Claremont Club in Claremont, California, and he can be reached at malpert@claremontclub.com. Check out www.claremontclub.com.)

(Amy Bantham has been an advocate of *Exercise is Medicine* and is now pursuing her Ph.D. at The Harvard T.H. Chan School of Public Health.)



...Cincinnati Sports Club

continued from page 3

Sr. Manager who has been with the club for the past 27 years.

"Every year, we continue to grow to meet the ever-changing needs of our members, all part of our master plan, *Club Vision 2025 v2.0*. When I reflect on our timeline of improvements, you can see our commitment to the membership and the community. Every surface of the club has been improved, enhanced or modified. And, we are not done yet. We are expecting to open our new adult only outdoor pool and poolside café/bar this May, and we will start our plans for an on-site dog sitting facility," continues Frank.

The new Adult Only Outdoor Pool Resort will be for members ages 21

and older and will feature a new outdoor pool, hot/cool tub and Poolside Bar/Café. This will be the 7th and 8th aquatic facility at CSC. The expanding 16-acre

campus already features a main outdoor pool, two indoor saltwater pools, indoor hot tub, outdoor zero entry baby pool and splash pad.

These are just a few of the additions the club has made in the past five years:

Indoor Warm Water Pool - Targeted climate control aquatic facility accommodating warm water exercise classes, lap swimming, swim lessons, open swim time for all ages. The 20-yard pool features a chair lift and double-railed stair entry to help all members enter and exit the pool more easily. In addition, the sloping depth

of 3'6" to 4'6" is ideal for all types of water activity (Opened March 2016).

Dry Changing Rooms - Completed at the same time as the Indoor Warm Water Pool to provide members quick and easy access to change when water/toiletry services are not needed.

114 Additional Parking Spaces - Convenience matters to the member experience from the time they enter the campus. The additional parking spaces provide easy access to the 16-acre campus (Opened May 2017).

Outdoor Fitness Trail Installation - Moderate fitness trail along one of the club's access drives connecting members safely from the club entrance to the community

trails (Opened May 2018).

Main Lobby Refurbishing - Upgrading the interior of the club lobby with new flooring and carpeting and updating the wall coverings and doors with modern materials to provide members a more relaxing space to unwind before or after the workout or to be their work space (Completed in late 2018).

Established new partnership with TriHealth hospital systems and Beacon Orthopaedics and Sports Medicine - January 2020

Construction of Adult Only Outdoor Pool and Poolside Bar/Café - Opening May 2020



...Norm's Notes

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in the world, for that matter. But, while I'm at it, I want to mention three others I think who are in Red's league, and they are **JOE CIRULLI's Gainesville Health and Fitness** in Gainesville, Florida; **PAT LAUS' Atlantic Club** in Manasquan, New Jersey; and **JIM WORTHINGTON'S Newtown Athletic Club** in Newtown, Pennsylvania. So, I want to Congratulate Red and his wife, **EMMA**, and their youngsters, **MARK, KACKIE, TINE'** and **STANLEY**, on the 57th Anniversary of Red's!

Recently, Red was honored in his home town of **Lafayette** with **The Lifetime Achievement Award** presented by the **Louisiana CLI and LIMB SALVAGE CLUB**, which is an organization of **vascular disease specialists** dedicated to critical limb ischemia and limb salvage whose primary mission is to save people from amputation (*Credit CBI Magazine for the news of Red's most recent honor.*

I called Red today to congratulate him and his team. By the way, for 57 years now, Red has made **AT LEAST ONE IMPROVEMENT IN HIS CLUB EVERY SINGLE MONTH!** My math says that's 684 improvements he has made to his club since Day #1. The latest improvement at Reds is that he's building a brand-new building for his four Indoor Tennis Courts, and he is converting the current four indoor tennis courts into more workout space! Red also told me that, in addition to **IHRSA's Lifetime Achievement Award**, he was most proud of the Civic Cup honor in his city. An award in existence since 1933, the **Lafayette Civic Cup Achievement Award** was given to him in 2013, the year of his 50th Anniversary of Red's. The Civic Cup has been awarded to an outstanding individual who has given their time and resources to improve the Lafayette community through philanthropy. **Way to go, Red!**

To close this **Norm's Note**, let me say this about Red and his club. **In my opinion, Red Lerille is one of the most unique and incredible people that EVER lived on this earth.** Not only did he win the following honors: **MR. AUDOBON PARK, MR. NEW ORLEANS, MR. NAVY**, but as I mentioned previously in 1960, **MR. AMERICA**. In 1963, Red started his club. Since that beginning 57 years ago, Red has grown their club to **over 250,000 square feet on 20+ acres**, including several outdoor pools and two indoor pools, 20 outdoor tennis courts and four indoor, and workout areas with hundreds of workout machines, not to mention huge free weight areas and a 10,000 square foot **MIT (Maximum Intensity Training) facility**. To top it all off, **Red is also an experienced airplane pilot**, and I've had the pleasure of going up with Red two times in two of his incredibly remodeled Bi-Planes. Since I'm a former U.S. Air Force jet instructor pilot,

and then a commercial airline pilot, I really enjoyed flying with Red. In case you don't know, a Bi-Plane has two wings mounted on the top and bottom of the plane's fuselage, a/k/a known as the cabin, etc. **Congratulations and Happy Anniversary Red and Team!**

■ **Congratulations** also to **GORDON JOHNSON**, a 35-year club business veteran, and to his son, **SKIP**, as they've sold their three Gold's Gyms in the **Douglasville, Georgia, suburb of Atlanta**. Gordon and Skip have been a great asset to their community over the past 35 years. **CONGRATULATIONS GORDON and SKIP!**

■ **Congratulations to Cincinnati Sports Club (CSC) celebrating their 30th Anniversary!** CSC was Club Insider's January 2015 Cover Story, and since then, they have continued to improve their facility for the members! Read all about it on **Page #3**.

■ I asked the lovely **PAMELA KUFAHL**, Director of Content for Club Industry, to give us an update on the upcoming **Club Industry Show**. Pamela provided the following:

"The Club Industry Show is moving to **St. Louis, Missouri, in 2020**, and you need to come along with it to participate in the best education and networking event in the fitness industry. New this year are **Master Class sessions** that offer a deeper dive into specific topics with interactive opportunities with your peers. For the second year, **Club Industry will host its Healthcare & Fitness Integration Summit**, which brings together club operators with physicians, nurse practitioners, nurses, physical therapists, dietitians and others in the healthcare community to learn how the two groups can work together to improve the health of their communities and generate new revenue sources for clubs and physicians. **The show is October 14 - 16, 2020 at the beautiful and historic St. Louis Union Station Hotel**. The airport is 15 minutes away, and the train station (several trains each day from Chicago) is right across the street. Register today for early bird pricing by going to www.clubindustryshow.com."

■ **CASEY CONRAD**, my long-time friend and Club Insider Contributing Author since Day 1, will be at **IHRSA Booth #943 in San Diego**. In addition to having a great career of over **30 years as the head of Communications Consultants**, as well as being one of the best teaching minds in our industry today, Casey has moved into another realm in her career. On **November 1, 2020**, Casey was named to be the **Northeast Regional Director for BEMER, USA**, a European medical device company based out of Liechtenstein with U.S. offices in Carlsbad, California.

As a **Regional Director and Independent Distributor**, Casey helps guide sales and marketing efforts, provides advanced trainings and promotes the company's mission. **TASSO KIRAKES**, *Owner of Bodez By Tasso in Ormond Beach, Florida*, who has used Casey's consulting services for over 20 years, was the first of Conrad's clients to bring **BEMER** to his facility. TASSO commented:

"We brought in BEMER over three years ago now. It made an immediate impact in our club. Members purchased packages, and we did an outreach program to the

community, which brought in almost 20 users who were not members of our club. Now, I have an entire Wellness Center inside the club with a variety of natural modalities. I believe *it gives us a competitive advantage* with other fitness-only facilities."

Casey's territory for BEMER includes the following states: Virginia, Maryland, Delaware, Pennsylvania, New Jersey, Connecticut, Rhode Island, New York, Maine, Vermont, New Hampshire and Maine. If you are in one of those states and want information about BEMER, or if you

(See **Norm's Notes** Page 8)



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...Norm's Notes

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want to find out about Casey's awesome library of sales training materials, go to www.CaseyConrad.com. Keep in mind, however, that **Casey's Communications Consultants still serves the entire USA**. She has clients all across our beautiful country! Finally, Casey says "Come see me at my IHRSA Booth #943!" And Folks, don't miss Casey's most recent article on Page #26, entitled: **Marketing & Selling to Special Populations**.

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

■ Club Insider is a Paid Subscription based Publication with a money back guarantee on all new subscriptions. Are you a Paid Subscriber? If the words **PROMOTIONAL COPY** appear above your name and address on the cover of this month's edition, *you are not a Paid Subscriber*, and you are not enjoying the **full benefits** of a Paid Subscription to Club Insider, which includes **one year of new editions** (print and online) and online access to all previous 27 years

of Club Insider's 314 archived monthly editions. So, *don't delay!* **Subscribe today for just \$89 for one year, \$149 for two years or \$10 a month** by going to www.clubinsideronline.com/subscribe.

■ **God bless our troops, airmen and sailors worldwide and keep them safe.** Thank you, Congratulations and Welcome Home to all of our troops who've served in Iraq, Afghanistan, and around the world. **God bless America's Policemen and women and Firemen and women and keep them safe.** God bless you, your family and your club(s). God

Bless America! **Laus Deo!**

(Norm Cates, Jr. is a 44-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of Club Insider, now in its 27th 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. In 2017, Cates was honored with Club Industry's Lifetime Achievement Award. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com.)

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"We would recommend Bill McBride/BMC3 to any organization that is looking at improving sales, customer service and team engagement."

- Large Non-Profit Community Center Client, Northeast, U.S.

"His approach was thorough and the implementation plan resulted in a dramatic increase in performance including, membership, personal training, member experience (NPS of 58.4%), retention, operations and net income. The team responded well to Bill's collaborative leadership approach and delivered. The result was a ten-fold increase in net income. Under his leadership, we surpassed our budget and were extremely pleased with the results he and our club teams accomplished. I highly recommend Bill as a consultant and operator."

- 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.



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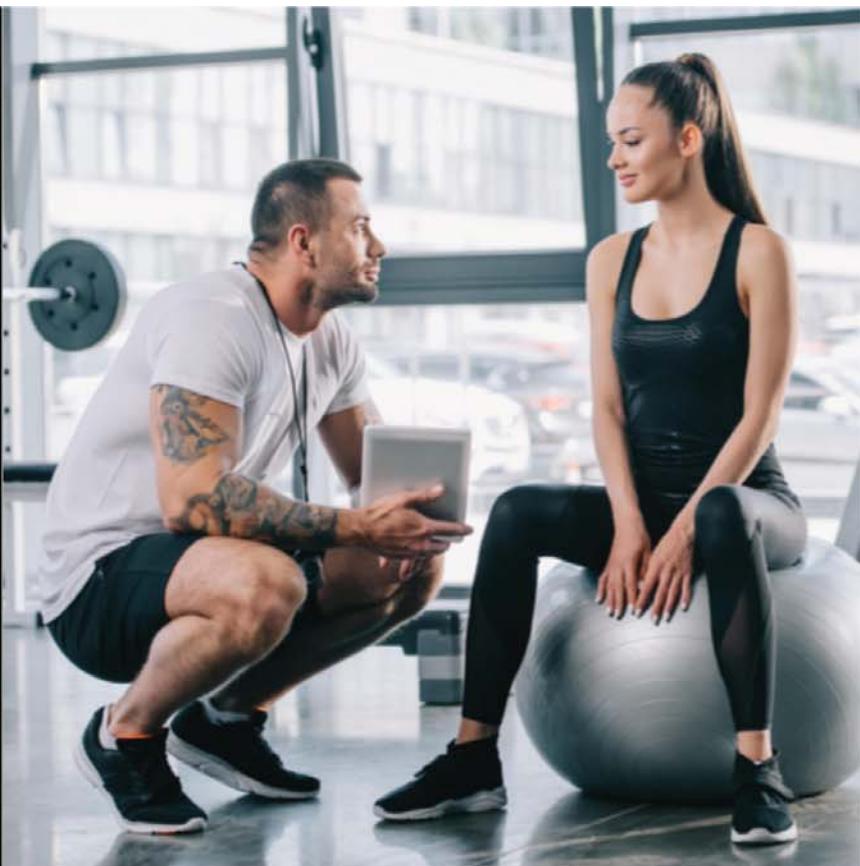
VFP standardizes the sales presentations to scale for large club organizations.

4. Managing guest passes and waivers ...

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VFP provides integrated technology solutions that are designed to solve the basic problems of health club ownership and management, whether your organization needs a full technology stack or individual solutions to integrate with your current solutions.

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...World Gym Taiwan

continued from page 3

majority of my high school years were spent there. I had the story of the single mom raising three kids, working three jobs with no dad. So, it's one of those stories.

C.I. - Did you play any sports, and if so, what lessons did you learn from them and how did they affect you later in life?

MS - I was very athletic. I played football, baseball and basketball. I was all-state in football and baseball. And, of course, sports and the gym kind of went together. I grew up in a tough environment, so everybody was hustling. Everybody was trying to be the next superstar. Everybody was looking for shortcuts in life. Friends were getting shot, people were going to jail, going to juvie, etc. But, sports was my outlet that kept me focused and gave me a reason to not run the streets. Sports teaches you leadership, it teaches you how to win and lose, it teaches you how to overcome challenges in life, and it teaches you how to play through tough times. That's business in general, so sports was always a big part of my life. It probably also saved my life as well, just as the gym business did.

Looking back, sports kind of gave you a pass on a lot of things. People were running the streets, selling drugs and doing everything they were doing. But, I was very athletic, so people kind of look up to that, saying that Mike would be a little bit different. Mike has it now. Mike is good at sports. I was always at practice, so that also kind of kept me away from all that. Don't get me wrong, when you grew up the way that I did, sometimes you had to do things that were necessary just to survive. But, sports kept me really focused, and people in the neighborhood kind of left me alone, saying, 'You know what, he has a career, he has a life. We respect that.' And, that's when, at a very young age, I realized that I was a *LEADER*!

Life is hard work. I've always believed in one thing: you've got to be the best at what you do, so become the master of your craft. At that time, sports was that craft. And,

it gave me the ability to have hope and have a future. A lot of the kids in the neighborhood didn't have any hope. They didn't have any dreams, and they didn't know how to survive. But, sports and a beautiful strong mom gave me that.

C.I. - When, where and how did you become involved in the health and fitness club business?

MS - My journey started 30 years ago. As I mentioned, I was very athletic, but think of a mom raising three kids and working three jobs. We didn't have a dollar to our name. There was a gym down the street called **Jack LaLanne's**, and I couldn't join there because we had no money, right? So, I walked in there at 14 and said, 'Well, I have no money. I officially can't work, but I want to work out.' **Joe Baratta** was a partner of Jack LaLanne's, and he asked, 'Do you know how to clean swimming pools?' I didn't know how to clean swimming pools, but of course, I said, 'Sure.'

This is a true story. He handed me a brush, a mask and a snorkel, and I jumped in the pool. I'm scrubbing the pool with the mask and snorkel on, and I hear this whooshing sound. When I look up, there's this white stuff being poured into the water. So, as I'm in the pool, scrubbing it, he's pouring the chlorine on top of it! I finished it, and he says, 'Well, I'm going to give you a job cleaning the pool and the equipment three or four times a week, and you will get a free membership.' I was ecstatic.

When I went home that first night, my back was all red because of the chlorine. My mom asked, 'What happened to your back?' And, of course, I lied and didn't tell her, 'Hey, I was cleaning the swimming pool, and this gentleman was pouring chlorine on top of me.' She wouldn't have liked that too much (laughing). But, that was the first thing that got me in the business. It really gave me a strong center and focus, and it really changed my life. I went from cleaning equipment to working the front desk as I got older. Then, I switched over to sales, and that's kind of where everything started taking off. I was number one in sales. From sales, I became an assistant manager, then general manager and on to VP. A lot of my growth was at *California Family Fitness*.

Then, I left and went out on my own.

I started a consulting company that was called *The One Man Show*. I called it that because most of the consulting companies back then would have a team, right? They'd have a team, come in for six weeks, blow things up, do all these numbers and then leave you high and dry. As a 'one man show,' I would consult with clubs, and I would look for opportunities of small pieces of ownership. I would be working for them, and some would pay me no money. I'd fund everything, but I got a piece of the action. That's kind of how I did it. I might bring in a manager or a GM, people who worked for me in the past. I would place them, and they would stay there. I wouldn't just go in and blow up a club.

Then, I started some clubs in LA. It was actually on 9/11. My first day in LA was on 9/11. So, imagine starting a new club during that. It was called *LA Workout*, and I did that from 2001 to 2007 when I exited and came over to Taiwan in 2007.

World Gym Taiwan

C.I. - Please tell us about your partner, **John Caraccio**. When and where did you two meet, and how did your partnership form?

MS - John had three clubs in Taiwan before I got here. With John and me, we were introduced by a mutual third person who was working for me in Nevada. He went to work for John for a while. When I spoke with him later, he said, 'Hey listen, I'm out in Taiwan.' I said, 'Taiwan? What are you doing out there?' Like most people would, right (laughing)?

When you think of Taiwan, you might think of manufacturing, but you don't think it's 23 million people and a huge middle class. He said, 'You and John should meet sometime.' I was fascinated, so I said, 'Sure.' That was near the end of 2005. So, we met and just kind of talked about what he was doing, his vision, his challenges, and I was very intrigued.

In 2006, I was in the process of selling my portion of a company that I owned. So, during that time, I went to Taiwan by myself. I went there, kicked the tires and just tried to act like an average local person. I walked the streets, went to the shopping centers, took the subways and trains, and I started to hit the fitness centers there. I thought that things were very backward, and it didn't seem correct. Then, I went back out there one more time.

Near the end of 2006, I had met with John again, went to the clubs he had, looked at the challenges and made a decision. I had a vision for the market, and I said to myself, 'You know what, I may be crazy, but I want to see if I am really as good as I think I am.' I always love to test myself as a man. I love doing stuff that people think about doing but don't have the guts to do. So, that was my

mindset. I ended up selling what I had in the Los Angeles area, and I went out to Taiwan in October of 2007. That was the start of our partnership.

C.I. - What was one of your biggest personal challenges faced in Taiwan?

MS - Learning Chinese was a big challenge I won't lie; that was very tough, but I had no choice. And, I did it.

C.I. - When and how did World Gym become your franchise of choice? What benefits did they offer that enabled you to succeed?

MS - John had negotiated that ahead of time with **Mike Uretz**, and he got the first franchise with World Gym in 2001. He opened the first company-owned store in 2004. In terms of benefits, World Gym had a good story with **Arnold** and **Lou**, the history behind the brand, as well as club growth. It was a storyline that was compelling. And, at that time, they were willing to say, 'Hey, listen, here is Taiwan, you can have the country.' Mike is a great guy and really believed in what we wanted to do.

The **Cammilleri** family has been very supportive of us. **Guy**, **Marcus** and **Leo**, the three brothers, are great guys, and they have always supported us in our growth and how we run our business. Also, the key for us has always been the Brand Name, and they have done a great job in keeping that strong.

Expansion in the East

C.I. - How many clubs do you now operate in Taiwan?

MS - We just opened one yesterday, so we are at 91 clubs. We are averaging about one to two new clubs per month, so we will probably hit 100 clubs by summer.

C.I. - Please tell us about your expansion into mainland China.

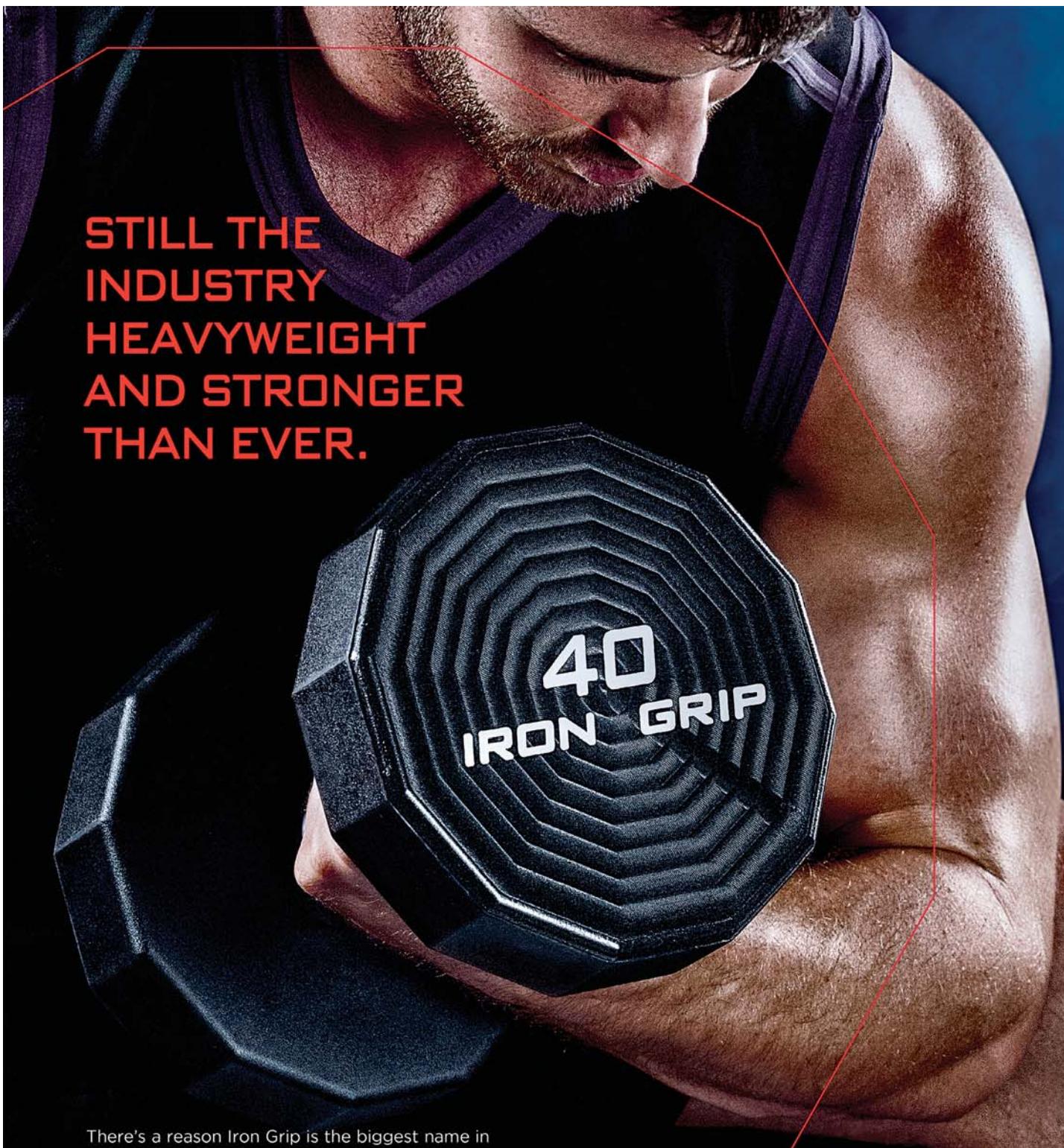
MS - We own the rights to China, Hong Kong and Macau, but we don't officially have a store open, yet. The reason for that is because the banking system doesn't support EFT drafts. In general, it's 100% prepaid, the ancient way. But, I'm always looking at potential targets, looking at potential chains out there to buy because opening one club at a time in China is too much of a challenge. We are looking to buy chains of 20 - 30 gyms, something along those lines. So, China is part of the picture, but it's part of the future. What we're really waiting for is an EFT banking drafting system that is obviously supported by the government because there isn't one yet.

C.I. - Please describe your typical facility (preferred real estate, square footage, amenities, services, etc.). What are the differences for urban vs. suburban locations?

(See *World Gym Taiwan* Page 12)



World Gym - Keelung, Taiwan



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...World Gym Taiwan

continued from page 10

Is there much difference between one marketplace and another?

MS - We have a few different styles of gyms:

World Gym - A typical World Gym would be about 45,000 square feet with full-service amenities, so we're talking 100 pieces of cardio, a functional training zone, group exercise, cycling studio, steam room, sauna, pool, towel service, parking, four or five different lines of fitness equipment, etc.

World Gym Sport is usually around 55,000 square feet. It's essentially all the full-service amenities, but there is a sports component to it. It might be basketball, racquetball or a swimming pool, but there is a sports component.

World Gym Express is about 18,000 to 22,000 square feet and basically has no group exercise, cycling, steam room, sauna, pool or towel service. It's no frills. It's basically fitness and cardio equipment, the same quality of equipment and a strong focus on personal training. It just takes away the frills and has a lower price point.

World Gym Elite is catered more to the upper tier, so we only have a few of those. They are in premier, high-end locations. For example, we have one in the *101 Building*, which used to be the tallest building in the world. It's based on the same amenities as a World Gym Sport, but the location makes it a different offering.

Over the last, say, 10 - 12 years, we've been teaching Taiwan about fitness. If you went back and Googled: 'Taiwan Fitness' 15 years ago, there would be some group exercise, some spas, as well as yoga and Tai Chi. But, now, we have changed the culture of fitness here. For us, that's the coolest thing in the world. We have changed people's lives and changed our team's lives. We have changed Taiwan's approach to a fitness lifestyle. That's what we're seeing, and that's what our clubs have been evolving into.



Front Desk - World Gym - ChuBei, Taiwan

For example, in our free weight area, there used to be 10 to 15 pieces. Now, free weights are running 50 to 80 pieces, including dumbbells, and squat racks and power racks. It's an evolution of fitness, because 15 years ago, they didn't want muscle. Girls didn't want muscle. Muscle wasn't sexy. Now, you go onto our Instagram or Facebook Page, and you can see they are much more muscle focused. So, we physically changed the way of life and transformed life in Taiwan over the last 15 years. It's wild.

C.I. - I have heard World Gym Taiwan does incredible Personal Training revenue numbers, is that true?

MS - Yes, it's true. Here is a quick layout of our PT revenue system. If we are opening a new club, in the first 30 days, our average PT revenue will be from USD \$750,000 to \$900,000 in the first 30 days in a single club. On average, a single club will do USD \$275,000 to \$300,000 per month per club. We run 40 to 50 personal trainers per club, one fitness manager, two weekend fitness managers and two PT training supervisors.

C.I. - Because of population density, your markets are home to some of the most expensive real estate in the world. Please describe some of the challenges with that and how you combat those challenges.

MS - You're right, real estate can be very expensive. But, at the end of the day, it's one of our specialties. My average rent is under a dollar per square foot, so we are very disciplined. We are very good with rent. Now, how does that work? First, we have an extensive real estate team in house, and all they do is dig, look, search and find real estate. I don't care what it is. I don't care if it's a basement. I don't care if it's a space on the 10th floor. I don't care what it is as long as it checks our boxes for traffic patterns, foot traffic, ability to put up signage, good ingress and egress for the members, etc. Real estate doesn't have to be extremely expensive as long as you're disciplined.

Additionally, retail has taken a big turn in the last three to four years, too. It has

been a big crash. That's throughout the world but especially throughout Asia, because rent was so expensive. With retail crashing, there is no way many people out there could take down 30, 40, 50, 60,000 square feet, right? There are only so many people who can do that, and the landlords know it. That's all part of the negotiation. In the early days, landlords could be very selective. We had to explain the story, explain World Gym, explain how we would have traffic and explain why people would come to us... Now, with the market swinging like it has, people bring deals to us.

As long as you're open minded, like looking at a basement or a building that's 15 or 20 years old, and you have a vision, you can find deals out there. We are very good at that. But, if you are looking to go into that brand new building, which sits on a brand new street corner every time, you'll end up falling into the trap that many others have fallen into before. For example, *California Fitness* was *24 Hour Fitness* in Taiwan, and we purchased them in 2011. We bought all six clubs. They were in some huge rent areas, crazy rent that made it impossible for them to make money, you know? We looked at that, and we relocated some of them, gave a little space back on some and re-negotiated on others.

So, in Asia, the key is that you just have to be extremely disciplined and have a vision that isn't just a beautiful, shiny box in a new building. You can make a beautiful, shiny box out of that old basement or that old location that's been around for 20 years. It just requires an extreme amount of discipline. You can't just jump into Asia or Taiwan and say, 'Oh, we're going to pick the perfect location, the best location on every corner.' It just won't happen.

Some people ask me, 'Why is your corporate office in Taichung and not in Taipei?' Our corporate office is in the middle of the country... Well, office space is 80% cheaper! So, we are not in Taipei. I don't care about being in Taipei; my rent is 80% cheaper! Also, I pretty much live on the High-Speed Train, so being in the middle of the country helps with that. My life evolves around the High-Speed Train, and that's my life every day. We have 220 people at our corporate office across five floors, but I'm not an office guy. That's where John comes in. He is one of the office guys, and I have my five- to ten-minute meetings with our regionals, VPs, corporate office, purchasing, legal, marketing, etc. I'm not a big, 'Hey, let's go have a meeting for two hours' kind of guy. I believe in five- to ten-minute meetings, and then, I'm off to the clubs.

So, when I look at real estate, there is absolutely zero ego in it. All I look at is if it can provide an opportunity for the company and it checks our boxes. You are correct, real estate can eat you alive if you have to

have that brand new, beautiful building. But, if you can use a location that not everyone in the world wants, you can get a very affordable rent.

C.I. - Compared to the United States, Asian markets are also known for being very conservative when it comes to banking. Please tell us about that challenge and how you financed such rapid expansion.

MS - So, here is the part that kind of makes people lose their minds: *We have no debt on the company*. We have no loans. We did everything with the mentality of one club at a time, one profit at a time, and then, the next club comes. So, every single club had to be profitable. Plus, who makes bank loans to a foreigner, right? You've got to realize that, when I came out here in 2007, the company was losing money and in a lot of debt. Then, we had one of the biggest downturns in history. So, there was no money. Every single club had to be profitable or we didn't open the next one. Because of that mentality, we have no bank loans; we have no debt.

Back then, we had to convince the landlords to trust us. But, think about that. John majored in Chinese. His Chinese is perfect, and that helped a lot. He studied in Beijing and Shanghai. I didn't. Obviously, I speak Chinese now; I learned it. I had no choice, right? But, we had to convince the landlords. We had to sell the landlords. The landlords had to believe in what we were saying. The World Gym story was good for that. The history and all that stuff with **Arnold**, **Lou** and **Joe Gold** was a good story to tell. Then, the landlords basically had to trust these two foreigners leasing the space from them.

Trust me, there were many dark nights, sleepless weeks and months, but my mental mindset was all in, with no safety net, so every club had to be profitable. So, to answer your question, unfortunately, I don't have any high-end financial details for you because we have no debt.

The Membership and Marketing

C.I. - Please describe the typical member in your markets. How do they differ compared to the United States?

MS - It's kind of changed over time. That's kind of cool, and I'm very thankful for being part of it. The ideal market is somewhat similar to the U.S. with 22- to 55-year-olds. But, in the past four years, in some sections of the market, it has been growing dramatically among 55- to 70-year-olds. They had always gone to the park, or they did Tai Chi, yoga or some type of meditation, or they did some stretching. Now, what we're seeing is that they're coming from the park into our gyms. So, we're seeing that transformation.

(See *World Gym Taiwan* Page 14)



FITNESS CENTERS

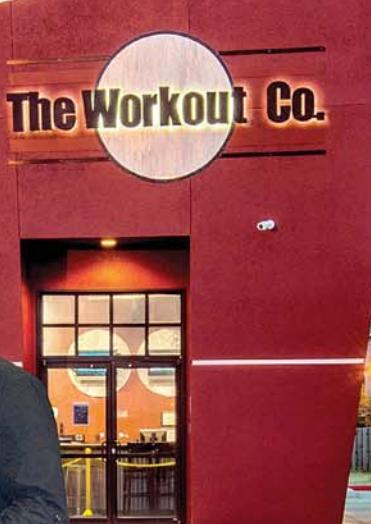
WORLD GYM™

advice, etc.

This non-dues revenue model has generated nearly \$200,000! These members are also sending their friends in to join plus they continue on with the revenue generating Listen To Your Body program, which has built my receivables back up by the hundreds of thousands.

They aren't just leads. Because of 2030 FastTrack, the moment a person contacts us they are literally ready to buy from our club.

MARY BETH & JOHN CLARK



“I Literally Get A Text Or Call Every Day From Somebody Wanting To Join!”

As if the devastation to our club from hurricane Katrina wasn't enough, what really almost took us out was how much competition was moving in between the big box club, a couple of smaller club chains, (one that opened at my back door) and then a new wellness center. We were trying to survive, but this left us with no leads, no revenue and certainly no profit.

At the same point in time our economy had taken a devastating hit and people were losing their jobs by the hundreds and I was even facing laying off some of my own team. I had to find something that would overcome the low-price club options, bring people through my door and save my club.

I started looking for that missing piece that would diversify us from the traditional fitness club and provide an additional revenue stream. I wanted something that would truly help people, allow me to do what I

love and still make money doing it.

You may not have had a hurricane Katrina, you may not have had a big box club take over your town or another gym open on your doorstep, but I bet the idea of having someone reach out to you every single day wanting to join appeals to you.

I started searching for options that would diversify my business from the traditional fitness club and truly help people get results. Because in the fitness business, people can exercise forever and never change. I wanted something that truly would help people see real results and at the same time, make money doing something I thoroughly love. When I learned about 2030 FastTrack I felt it was the missing piece I was looking for that was really going to save my company and set us apart from everyone. I thought to myself, If anything could save us this would. It truly was the missing piece and I was right!

Becoming a part of 2030 FastTrack did in fact save our company. It saved us financially. Remember, we were coming out of a few tough years and the revenue I was getting from my membership base had dropped.

2030 FastTrack didn't just cover its own expenses, it helped me to pay for the bills from my club as well.

2030 FastTrack has people coming to us every day ready to join. They aren't just leads. Because of 2030 FastTrack, the moment a person contacts us they are literally ready to buy from our club.

I'm not even marketing yet, it really is all coming from referrals.

Not only are people seeing amazing results from the 2030 FastTrack, this non-dues revenue model has generated nearly \$200,000! These members are also sending their friends in to join plus they continue on with the revenue generating Listen To Your Body program, which has built my receivables back up by the hundreds of thousands.

Thirty-six years ago I got into the fitness business to change people's lives...To help people to be healthy and happy. But, I did not have the formula to do it until 2030 FastTrack. Adding 2030 FastTrack has created a different model of a gym for me that has people walking through the door ready to join.

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...World Gym Taiwan

continued from page 12

We also saw a transformation with women moving from group exercise to free weights and training. And, they are becoming personal trainers. With men, we see guys now going from, 'I want to be lean,' to 'I want muscle.' Before, guys were saying, 'I just want to be in shape.' So, we see the transformation happening right in front of our eyes. That's kind of the member's matrix.

Now, is there a certain demographic or income bracket? No, because we kind of cater to everybody, you know? So, age just tends to keep growing a little bit by little bit. And, that age 22 bracket is becoming more interested at age 20, so we do see the needle moving on that as well.

Talking about men and women, usage is almost equal across the board (49% women/51% men).

In terms of spending, income across Taiwan is somewhat level. The difference in markets is more of culture. Maybe in one market, everyone speaks Mandarin, right? In Taiwan, they have a local dialect called Taiwanese. So, in the south, it tends to be more localized that there's more Taiwanese spoken. So, there, we have to make sure our managers and people on our team speak Taiwanese.

C.I. - Given more of a communal culture in your markets, what things do you do differently that may not be seen in American facilities?

MS - Things do happen in groups. So, for instance, in your pre-sale and your marketing, you have to understand that, when one person comes to you, it's not just that one person, there's 3-4-5-6-8-10 people attached to that person. So, if you get a bad name or you do something wrong, that card flips against you as well, right? That's the biggest difference. In the U.S., if you make a mistake with one member, they might go on Yelp, blast you and it's over. Here, they're going to go tell 8, 10, 12 people, and it could be one big cluster. Or, it could be the reverse side. If you do something right, it can be a great thing. If you do things

the right way, you're fair, you're honest, you're truthful, and you develop a service and a product that has value to them, they'll come in groups. And, that's why we do some monster numbers.

In terms of programming, group exercise is still very popular. Across the country, we have about 80 people per class. Those are pretty good numbers, you know, versus some of the U.S. numbers being a completely different story right now. I'm a cutting-edge type of guy, so I like to keep everything fresh and work very hard to do so.

C.I. - How do you market to your target member?

MS - With marketing, we do everything from traditional to new mediums. We do all social media platforms, of course. In Taiwan, Facebook is the number one driver. Instagram is growing rapidly every day, and of course, there is Twitter. We also still use direct mail and newspaper. We still do a lot of old school ways too, like lead boxes, take ones, guest passes, flyers and so on. People say it doesn't work... Well, it just doesn't work for them because they don't have a plan; they don't have a system. It's the truth. I hear it all the time, 'Well, Michael, I hear about these incredible numbers that you do; how do you do it?' Then, when I talk about the basic fundamentals, they all think I'm crazy. But, that's the reason why they are where there are.

We have developed street teams for names, numbers and engagement! We have a couple of different types of street teams. One is called the DI street team. The DI stands for 'Drag In.' So, we have a team of young girls and young guys who basically attack the streets across the country every day. Their job is to get information from you any way they can. Their goal is basically doing surveys every day and developing those into leads to get you into the club. Another team is just focused to get you from the street to our club for a tour *today*, from giveaways, free passes and so on. The key to this is to have a set training system and goal setting system for the DI team. Street marketing still works, but you have to have multiple angles and

attack them.

Another marketing tool is called *Line*. It's kind of like *WhatsApp* but a little different. It's used in Taiwan for text messaging, calling and social platforms, and it's all free. Among 23 million people in Taiwan, I would say 20 million use *Line*. It's insane: young, old, mom, grandma, it doesn't matter. Everyone who uses it has a *Line* ID, so the goal is to get those *Line* ID numbers instead of a telephone number so we can connect with them. It's better than a telephone number because it's connected to their social media. Then, we can talk to them in multiple different channels!

Next is the pre-sale. **Pre-sales are the magic of the business. It's the magic pill to every successful club.** If you have a bad pre-sale, you won't have an optimal club for the rest of your life. It doesn't mean you won't make money, but you're not going to hit a home run. If you have a bad pre-sale, you've got to work twice as hard. So, that's why we have a very, very strong focus on our pre-sales, and it's a big part of our marketing strategy. The pre-sale is the number one marketing tool for your club, and our pre-sales are like a science project. Everything is timed out: walking in the door, sitting down, getting the guest's fitness profile, taking the tour, getting a cup of water... Everything is mapped out. I'm a systems guy. You must have a system. Anything we do in our company has a system tied to it.

I'm also a big PR guy, so I believe in public relations. We do a lot with the communities and all the different cities we work with. With the city governments, it's not about selling World Gym but more about fitness in general. We do anywhere from three to five press conferences every single month. The key is always having a storyline. What's the next storyline? Instagram has blown up. Instagram stories are everywhere now. Why? Everybody has a story to tell. But, what happens in the fitness business is that we forget to tell the story. Most of the operators fall into the tunnel vision with a singular focus; however, you need to have a wide focus spectrum on marketing.

We have put on marathons and Spartan races, not to just make money off tickets, but to create brand awareness and get a deeper touch with different types of potential members. We have also sent our *A-Shin* (cute gorilla) promotional team to elementary schools and junior high to teach fitness awareness and start creating habits for our future members as well as helping out the community. All those have beautiful storylines, so no matter what kinds of marketing you do, everything has a story.

Marketing is storytelling across the board with everything that you do. If I bring in a new piece of equipment, that's marketing. I mean it. At a press conference, I'm going to

talk about what these new pieces do and why they are special. Then, it's tied to social media. It's tied to pictures. It's tied to testimonials. It's tied to Facebook and websites. So, I don't look at marketing metrics traditionally, like, 'Okay, we run this one ad on Facebook, we get X amount of leads, and we sign up X amount of people.' Marketing, for us, is telling a story every day.

C.I. - Do you see the digital age changing the marketing aspect of the fitness industry? If so, how do you adjust to that?

MS - Yes, 100%, the internet, cellphones, social media, all kinds of different forums and platforms have changed the traditional methods of marketing, no doubt. I have invested enormous amounts of time and capital into the most cutting-edge marketing systems, which enables the company to pinpoint the trending hot keywords out there for fitness and precisely direct the traffic into our official website, as well as funnels. I have a system which grabs all kinds of postings and mentions of World Gym Taiwan and forwards all the links to my cellphone 24/7 non-stop, all day, all night, all year around. So, if you are not obsessed in searching what's out there in this new digital age in your industry, your competitors will be! And, you will slowly die.

C.I. - What membership options/price points do you offer? Are there specials for groups?

MS - We do not offer any sort of group pricing. The reason is that, if they are going to join in groups, they are going to wait in groups. To explain that, maybe I say to you, 'Hey, Justin, if you can get me ten people, then I'll get you a better price.' Then, maybe you get only seven or eight people, so you're going to be waiting and waiting and never sign up.

We have an animalistic culture with a high priority on focus and detail. At the end of the day, we've got to win. That's what we do in this company. Our slogan is, 'Never give up and always win.' So, if you have somebody in front of you, they need to get started *today*. We've got to win. If you don't have the mentality to always win, you're never going to win.

In terms of pricing, prices do vary across different parts of the country and across our different club models I described earlier. Our average blend of pricing across the board, if I take everything into account, is about **\$34 a month**. It's affordable. Now, obviously, we have different levels of clubs, but there are very affordable options. We want to create the Starbucks effect in fitness. That's our model. I want to be so convenient that, anywhere you're at, anywhere you walk, you're going to see a World Gym with consistent quality and superior systems to offer great experience. And, that's what we're doing.

(See *World Gym Taiwan* Page 16)



Cardio Floor - World Gym - FuHua, Taiwan



FITNESS CENTERS

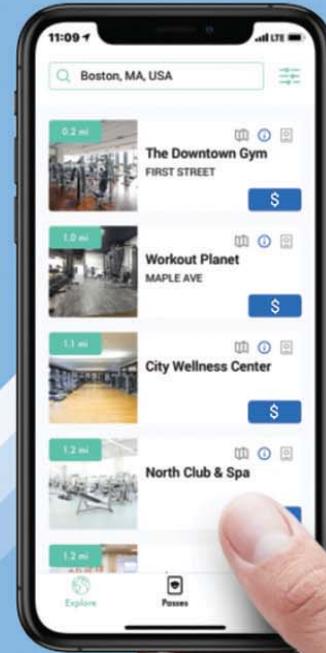
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zeamo.com/gym-owner

New Zeamo Rewards Program Helps Companies Incentivize Employee Fitness to Encourage Healthy Habits

NEW YORK, N.Y. - Zeamo, the digital fitness solution for employee wellness, has launched Zeamo Rewards, giving companies a free, easy way to reward employees for staying fit and building healthy habits to improve physical and mental wellbeing among the workforce.

With Zeamo Rewards, employees earn points for every gym check-in and co-worker subscriber referral through the Zeamo Unlimited gym program. Those points can be redeemed for fun, experiential rewards like discounts toward resorts and hotels, tickets to concerts, sporting events, movies, theme parks and other activities, along with fitness apparel and more.

"Offering tangible rewards to employees for making physical and mental health a priority is a powerful motivator, and one that can make companies stand out from the crowd in a tight talent market," said **Paul O'Reilly-Hyland**, *Founder and CEO of Zeamo*. "With Zeamo Rewards, we're making it extremely easy, and free, for companies to offer a high-value employee wellness benefit backed with exciting perks."

Employee wellness programs have become a must-have benefit for attracting and retaining talent, and for keeping employees healthy, both mentally and physically. Employee fitness has proven to increase productivity, while reducing illness, absenteeism and presenteeism (employees who show up sick, and are therefore less productive). Even more tangible, better employee fitness could reduce U.S. employer health care costs by as much as \$6 billion a year.

That's why nearly 70% of employers offer some kind of wellness

benefits for employees. However, without incentives, only 20% of the workforce actually takes advantage of the benefits. Offering perks alongside a comprehensive program can nearly triple participation, to over 56%.

With Zeamo's free corporate wellness program, companies can offer flexible, rewarding fitness programs that give employees hassle-free, unlimited access to a network of membership health clubs around the country. When employees subscribe to Zeamo, they can walk into any network facility in the nation for access to

everything the facility has to offer, with no additional fees or contracts. And, because the program works nationwide, it's ideal for companies with distributed and/or remote staff or with multiple locations.

"Companies know that wellness programs are desirable benefits, but employees expect more than just a discount for a single local gym," O'Reilly-Hyland said. "Zeamo lets employers offer more flexible options with a complete turnkey platform that makes it easy. It's a no-brainer for both companies and their employees."

Make It Fun In 2020

...World Gym Taiwan

continued from page 14

C.I. - You spoke about there not being EFT in China. Is EFT common in Taiwan?

MS - Yes. We do absolutely zero prepaids. There are no prepaid options. And, we are the only one that does that here. With other competitors, they're still doing prepaids. Maybe they started on monthly EFT, but cash came up tight. Then, they are doing one year, three years, five years and on to lifetime memberships. That's not good. So, we do absolutely zero prepaids on the membership side.

C.I. - How many members do you have system-wide?

MS - I would estimate about 800,000.

A Different View on Competition

C.I. - Who are your main competitors?

MS - We have the Snaps, Anytimes, Curves, UFC Gyms, government fitness centers and some local operators, of course. The market is no secret; everyone is jumping in. I think the difference, though, is that we are always looking forward, not backward. I don't care if you have one club, multiple clubs or just a studio... It's our job to be the best at what we do and to know everything about everyone at all times. I don't look at that as competition, though. I've just got to know what you're going to try to copy from me. There's somebody sitting there thinking, 'Hey, we're going to be World Champ one day.' Well, I can't let you have any hopes or dreams that's ever going to happen. So, our mission is very simple. Our mission is not to hurt anybody but to always win and always stay a step ahead.

Of course, you're going to have competition come in, and they're going to try to copy your systems. Our systems are the best in the world. But, as long as you're moving forward, you're always looking forward and not backward, you're always going to step ahead. So, I look at competition in general as a study guide to keep studying for us. I've got to keep looking at them. I will keep looking

forward and keep studying what's next. I joke that I'm the dummy who always wants to be the first to test something new. When new equipment and technologies come out, I'm the first guy to have them in the clubs. I'm the test dummy. For example, we just signed a deal with *The Abs Company* to exclusively carry their *BootyCoaster* in all of our clubs. That's how we stay ahead of the competition. Even though a company may only have one club, you've got to look at it like its 100 clubs. It's your city. It's your area. It's your club. So, you've got to own that.

People forget about this related to the fitness business: **The fitness business doesn't know anything else besides focus, hard work and grinding, all the basic stuff that people hate to do.** People hate the basic stuff. People like the flash. They love the glory, but they don't like grinding it out.

Competition to me is a measure of what we let others do. I know it's a different way of thinking than most operators. I just can't let them move my market. I can't let them pick off a member from me. I can't let them come to my shop and take anything or copy anything from me. I can't let them do any of those things. So, that's the mentality that I have. It's a very simplified, easy way to lead as a leader, but it's very, very precise, and it's a very clear goal for our team. And, that's the magic of the team, right?

Key Market Differentiators and the World Gym Taiwan Team

C.I. - We've talked about a lot already. Boiling it all down, what do you consider your key market differentiators?

MS - The very first thing is people. *My Team of animals* is why we are what we are, and I thank God every day for that. It doesn't matter how many clubs we have, how many members we have or how much money we make, it's all about the people. People are number one, and my mindset is to always teach.

The company is number two, and the members are number three. I know it sounds crazy, right? But, if our team is happy, the club is going to be happy. If the club is happy,

the members will be happy. If the members are happy, then the company bottom line will always be happy.

You know, at the very beginning, people didn't quite know why they were coming to World Gym. We were just out there marketing, making sure everybody knew our name and making sure that people trusted us. Trust is the key issue. It doesn't mean everybody's going to love us all the time, but they have a deep trust with World Gym Taiwan.

C.I. - How many employees do you have, and what is the average tenure managers have been with you and the company?

MS - Full-time and part-time, there are almost 11,000 total team players. Our average managers have been with the company over 11 years, and average corporate office managers have been with us for 15 years.

C.I. - You have talked about systems and educations being crucial in your company. How do you implement that?

MS - Great question! Most people never asked me that. So, first, we built a 20,000 square-foot stand-alone education center that does all the new hire training, sales and PT training, seminars, certifications and ongoing training at the corporate level for the teams. Then, we have 12 on-the-road trainers who travel to different cities and clubs to do on-site training on a monthly basis. We built an online digital platform that the team players can log into anytime, 24 hours a day, 7 days a week to keep their learning going. That platform includes videos, seminars and articles. We have a test for them to complete at the very end. Then, there is a monthly calendar for the team to know what training or certification is going on which days, and the team can pick the classes they want to attend. So, what I believe in is total immersion.

Achievements and Advice

C.I. - To this day, in your wildest dreams, did you ever think you'd see such success? What do you attribute that success to?

MS - For me, I think about going to another country, speaking no Chinese. Then, I learned the language, and wow, that was tough. I invested my life, money and everything I had, so of course, I had to win and believed 100% that I would be successful. Like I always tell people, to WIN, you must be completely 100% ALL IN to get the best out of yourself. I think I did that to the extreme (laughing)! Now, did I know that we would have almost 100 locations, 10,000+ employees and close to one 1 million members? No. I didn't foresee that. But, I did foresee being successful and able to open clubs and being able to create a great company with great people. Once

again, though, the very first thing, and I know it sounds cheesy, number one is people. **You've got to have people who believe. But, to get people to believe, the leader has to have a vision.** And, I had a very deep, detailed vision of how we were going to do things and what things we were going to do.

When we had four clubs and couldn't cover payroll, and we couldn't necessarily pay our bills, I was still talking about how we were going to be the largest business operator in Taiwan. People thought I was nuts, right? But, I had so much conviction and belief. You have to have the leader with enough conviction to look people in the eyes and say, 'Yes, we are going to be the largest in this country. Yes, we are going to be the best. Yes, we are going to win at all costs.' There's no choice. So, when it comes to that, start with people.

The next thing is systems. You've got to have systems. The reason why most people fail in the fitness business is because they don't have detailed systems. And, I'm talking about systems across the board, from employment to prospecting to sales to operations to PT. Then, of course, there have to be training systems. We believe in education ten-fold, so we built education centers where all we do is educate our teams, seven days a week.

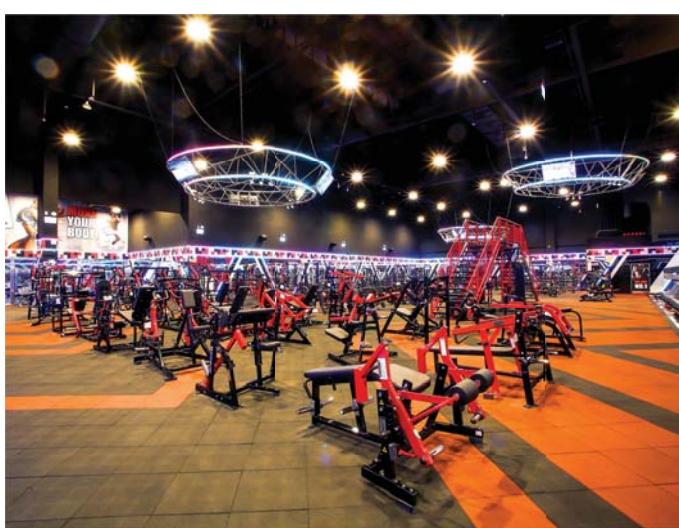
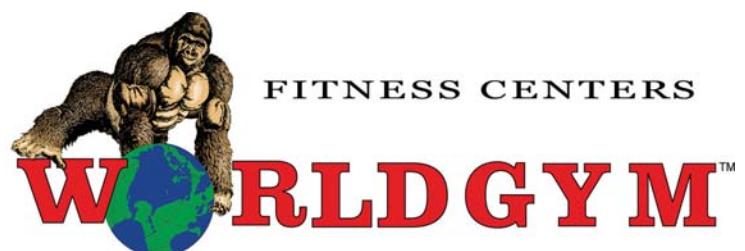
So, for example, if you're a personal trainer and you get hired, I don't care what part of the country in which you reside, you'll come to our education center in Taichung. And, you'll spend fourteen days there. We put you up in a room, and you'll spend fourteen straight days immersing yourself in our culture, our systems, the way we do things, what our expectations are, how we develop them and how we measure those expectations. We have one for PT, we have one for sales, and we have one for operations. Then, we have ongoing training in the clubs in different cities throughout the month, as well. The education never stops. It never stops. We're teaching you where you live. We're teaching you at our education centers. We're teaching you online. We're teaching through our app. We're teaching through our digital platforms. So, I'm a big pondering believer that you have to keep educating.

Why is that important to success? Because people always ask me, 'Michael, what is happiness?' Happiness is very simple in my eyes: **Growth.** Anytime you grow, you're going to be happy. Growth equals happiness. Growth will always help you overcome everything.

Finally, you have to have goals and measure their achievement.

Today, my purpose is no longer money. I don't work for the money. My main purpose is people. That's what gets me up every day. I still work 18 - 20 hours a day,

(See *World Gym Taiwan* Page 17)



Weight Training Floor - World Gym - ChuBei, Taiwan



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S & F

...World Gym Taiwan

continued from page 16

seven days a week, and it's for the people. My purpose is to provide a better life for my team, my employees, my team players and their families, the children, aunts, uncles, grandmas, grandpas that I'm responsible for. So, I believe a big part of our success, what people call success, is that my purpose is bigger than myself. Then, I try to teach that and integrate it into my managers.

You have to find something bigger than yourself. Because if you do that, you help other people grow. If you help other people grow, your clubs are going to grow, your bottom line is going to grow, your life is going to grow, the country is going to grow. I don't just focus on the bottom line; I worry about personal growth with each individual.

So, I think that's a big part of our success and one some people in the fitness business may not identify with. Many set a goal, write it on a board and beat people to death to get it. Or, maybe the complete opposite in that they have no goal and just hope for people to come in and sign up. Don't get me wrong. We have a very strong culture, and we push very hard. But, it's all based around people and purpose. I don't look at my P&L every single month to count the pennies. Of course, we run the business. Of course, we know what we're doing. But, at the end of the

day, I'm not looking at the money. I'm looking at the purpose of why I'm doing it. My job is to enable people to grow, and with that, they will be happy. So, that's my philosophy behind that. Growth and education always equals happiness. And, happiness will always show from the top to the bottom line.

C.I. - In closing, what advice would you give to up-and-coming professionals in the health and fitness club business?

MS - The first thing is something I tell people all the time, 'You must be ALL IN or don't do it. Don't get into this business just because you love fitness.' Too many people say, 'Hey, I love fitness, so I'm going to get into the business.' The key is that you always have to call it a business. *It's a fitness business.* Yes, you have to love what you do. Passion is the key. But, the first thing you have to do is realize that it is a business. You must become a master of what you do.

When I talk to young people who say, 'Hey, I want to get into the fitness business,' I ask, 'Well, why?' They answer, 'Well because I love fitness.' I ask, 'Why do you love fitness?' And, they further reply, 'I used to work out every day.' I tell them, 'Don't get in the fitness business. Go work for somebody and become a trainer. That's fine. But, don't go open a club. Don't be an entrepreneur just because everyone else is doing it.'

Next, I am asked, 'How can I be

successful in the fitness business?' I answer, 'You must be obsessed to WIN, and you've got to be the master of what you love to do.' People have to be well-rounded at the fitness game today. If you don't know it all yet, that's okay, but are you willing to keep learning every day? I'm growing every single day; I'm still learning. But, if you're not willing to learn, then you will not succeed.

Then, of course, talk to someone who has done it. Talk to someone who knows what they're doing. Talk to someone who's had a couple of clubs. Talk to someone who has been grinding. Really get a feel for what it takes. Is this something you really want to do after you hear these stories and understand the workload that it takes? Very importantly, NEVER take advice from people who aren't doing it, who aren't winning. I don't care if it's family friends or relationships, I only take advice from people who are doing the action, not just talking the action.

Finally, there is self-growth. You've got to grow. You've got to grow every single day. *Every. Single. Day.* Look forward, not backward. If you're prepared and practicing, practicing, practicing, when game time comes (opening your club), you will succeed.

The fitness business has saved my life. It's changed my family's life, and I love it to the core. But, I'm also realistic to it. I know how many people who have gotten into fitness business and gone broke. So, an

additional key is being real to that. It's been a 30+ year journey of adventure excitement, fun and growth. And, it just keeps continuing on.

• • •

At World Gym Taiwan, they work very hard, but they also play hard. To close this cover story, be sure to check out this video of the 2019 *Colorful World Employee Appreciation* party: bit.ly/clubinsider82. Thank you to **Michael Sanciprian** for his time interviewing and assistance throughout the cover story process. And, thank you all for reading!

(Justin Cates is a Partner and 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 35 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.)

Branding Ideas You May Have Forgotten That Will Work for Every Gym

By: Jim Thomas

No doubt that we live in a digital world with many opportunities for branding and to create awareness of a gym or studio. But, with that said, there are many opportunities to brand and promote your gym outside of digital. In the end, your goal should be to be known by everyone in your trade area, so you want to utilize every option you can. Here are a few ideas that tend to be forgotten:

1. Business Cards - Think of this as your own personal billboard. Rather than hope that someone you just met will remember your email address and phone number, business cards are your tangible reinforcements. A high-quality business card could be what earns you that callback, which is normally the goal of giving them out. It's important that your cards properly represent you and your gym brand and add that extra bit of credibility. Use both sides of the card.

2. Snail Mail - Snail mail still works. As a matter of fact, because it is less popular, your personal handwritten Thank You Card could be the way you effectively get in contact with someone who might normally be hard to reach. For example, are you sending handwritten thank you cards to your new members? To club guests who don't join? To members who bring in a guest? If you are looking for differentiation, this is a good place to start.

3. Public Speaking Opportunities - Public speaking is like giving your blog post a

vitamin B shot... it's a great way to network and gain credibility with an entirely new audience. The idea here is to put effort into the content you present and make sure you leave a lasting impression while educating and sharing "how to's." Take that "how to" blog you wrote and use that as your guide for a speaking engagement. Even if you don't immediately walk away from the speaking event with a lead, your gym will be attached to the memorable seminar on how to lose weight (for example). By doing this, the next time expertise is needed for that, your name and gym will ideally pop into their mind.

4. Testimonials and Social Proof - Testimonials and social proof will almost always stand the test of time. Every gym in existence is going to give its members and prospects reasons that it is the best. It will brag about its results, its customer service, why its the best facility in the area, etc. Hearing from its actual members is an entirely different story. Testimonials are a candid, inside look at how a gym really operates and handles its membership base. In fact, many people won't make a buying decision to join a gym before reading testimonials.

5. Promoting a Community Event or Local Charity - Another great way to gain credibility and get your name out in the open for others to see is to sponsor a community or charity event. Not only is it great PR for your company, it shows that you care about your community and giving back. We have a gym that recently partnered up with a local charity to sponsor an

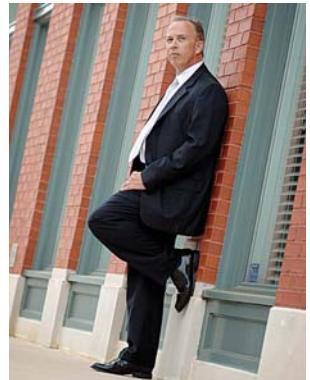
attempt to teach the world's largest group exercise class.

6. Making Outbound Calls - Of course, not everyone likes making outbound calls, so the key here is to hire staffers who can find motivation in the follow-up. The next step is to set them up for success. They'll need a list of potential leads, such as missed sales, former members, corporate leads, etc., a proven script or method of calling and a strategy. They're going to get a lot of NOs, so what is their rebuttal attempt? What is their follow-up and follow-through? This can be a very successful method if properly executed. For many gym owners, this is either a gigantic problem or a gigantic opportunity.

7. Attending Local Trade Shows - Participating in a local trade show is definitely worth the time and effort, especially if you are open to penetrating your immediate area. Even though we live in a largely digital world, people are still attending these events knowing the importance of face-to-face networking and brand recognition. Similar to public speaking, this strategy should be thoroughly planned. The goal is to be remembered at this event, not to simply be a participant promoting your gym.

• • •

Some other forgotten ways to brand your gym are street signs, joint marketing ventures with local businesses, flyers, press releases and networking groups.



Jim Thomas

Now, go brand your gym!

(An Outsourced CEO and expert witness, Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting, turnaround and brokerage firm specializing in the gym and sports industry. 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. In addition, his company will buy gym equipment from gyms liquidating or closing. Visit his websites at www.fmconsulting.net or www.jimthomasondemand.com.)



REX Growth Sees Justin Tamsett Join the U.S. Team

GARRISON, N.Y. - In 2020, Justin Tamsett, one of the industry's thought leaders will be joining the REX Chairs Team in the United States.

"REX Roundtables is the longest running business and personal development program in the fitness industry," said **Eddie Tock**, CEO of REX Roundtables. "Will Phillips, Founder of REX Roundtables started our first one in 1989, and we currently have over 250 REX members that own over 2,000 clubs worldwide. We have REX Roundtables operating in the U.S., Europe, Australia, New Zealand, South America and the Middle East. We're excited to have Justin join our U.S. Team of Chairs."

Mary Laudati has been leading our Roundtables for Sales Managers, Marketing Directors and Personal Training Directors, and she is moving on to a new opportunity outside the industry. Her passion, energy and insights will be greatly

missed. Justin will take over as Chair of these Roundtables as well as a new Club Owners REX Roundtable by mid-2020. He will also continue to run his four Roundtables in Australia."

An industry veteran of 30 years, Justin Tamsett has had the REX license in Australia since 2005 and has conducted over 200 meetings in Australia and New Zealand. He has spoken in 22 countries, and in 2020, he will speak for the 15th consecutive year at IHRSA. He is the Owner of The Fitness Business Podcast, which has become the go to fitness podcast on the planet.

"Justin's international experience and network will add a new layer of expertise to our REX program in the U.S.," said Tock.

JT joins REX Chairs **Brent Darden, Mark Miller, Will Phillips** and **Eddie Tock**, a combined 163 years of experience in the fitness industry.

"I have a personal goal of having more people move and move more often, to lower the health care costs across the globe. I believe that working with owners, marketers, salespeople and PTs, we can achieve this together. REX Roundtables is the perfect forum to learn from each other, share best practices and challenge each other to grow. I am super excited for this opportunity," said Justin. "Joining a roundtable was the first thing I did when I opened my first club back in 1994. When I sold my club, running roundtables became my passion as I had experienced the benefits. Those benefits were both personal and professional. Roundtable members are so supportive that life becomes easier knowing you have a group of people who understand what you are going through in business."

IHRSA Announces 2020 Industry Award Recipients

BOSTON, MA - IHRSA, the International Health, Racquet & Sportsclub Association has announced that four award recipients will be honored during IHRSA 2020, the association's 39th Annual International Convention & Trade Show in San Diego, CA, March 18 - 21, 2020.

■ The *Associate Member of the Year Award* will be presented on Wednesday, March 18, to **SportsArt**.

■ The *Woman Leader Award* in honor of **Julie Main** will be presented on Thursday, March 19, to **Paula Neubert, President and General Manager, Club Greenwood**.

■ The *President's Award* will be presented on Friday, March 20, to **Richard Bilton, Owner and President, Companhia Athletica**.

■ The *Outstanding Community Service Award* will be presented on Friday, March 20, to **Fitness Formula Clubs (FFC) Oak Park**.

Associate Member of the Year

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

SportsArt, a leading provider of green fitness equipment, was selected as this year's honoree due to their outstanding achievements, innovation, continued investment in cutting-edge technology and their support of the health club industry.

Woman Leader Award In Honor of Julie Main

IHRSA celebrates the *legacy of Julie Main* by presenting the *Woman Leader Award* to a woman who exemplifies what Julie Main stood for: courage, perseverance, excellence and professionalism. **Paula Neubert, President and General Manager of Club Greenwood**, is this year's honoree.

"I am truly honored to be recognized with the 2020 IHRSA Woman Leader Award. The award has been given to so many amazing women over the years. Knowing it is inspired by the strong and courageous leadership of Julie Main, is not only a compliment but something I will cherish forever," said Neubert.

The President's Award

Richard Bilton, Owner and President of Companhia Athletica, will be presented with the **President's Award**, which recognizes an individual or group who has contributed significantly to their communities and the industry.

Bilton, who resides in São Paulo, Brazil, attended his first IHRSA International Convention and Trade Show in 1989 and has attended IHRSA's premier annual event nearly every year since. Bilton served on the IHRSA Board of Directors for eight years, first as a special International Advisor for four years, then as an elected Director for a four-year term that was completed in June, 2014.

Bilton was also instrumental in helping IHRSA launch the IHRSA Fitness Brasil Latin American Conference and Trade Show in São Paulo in 2000. This annual event celebrated its 20th anniversary in 2019. It is the region's largest gathering for the commercial fitness industry. Bilton is a director with ACAD Brasil, the Brazilian health and fitness association. Companhia Athletica is a Founding Member of ACAD, which began in 1999.

"It is an honor to receive this award from the most prestigious organization in our sector, especially having been part of the Board and knowing of the competency of the thousands of other members," said Bilton.

Outstanding Community Service

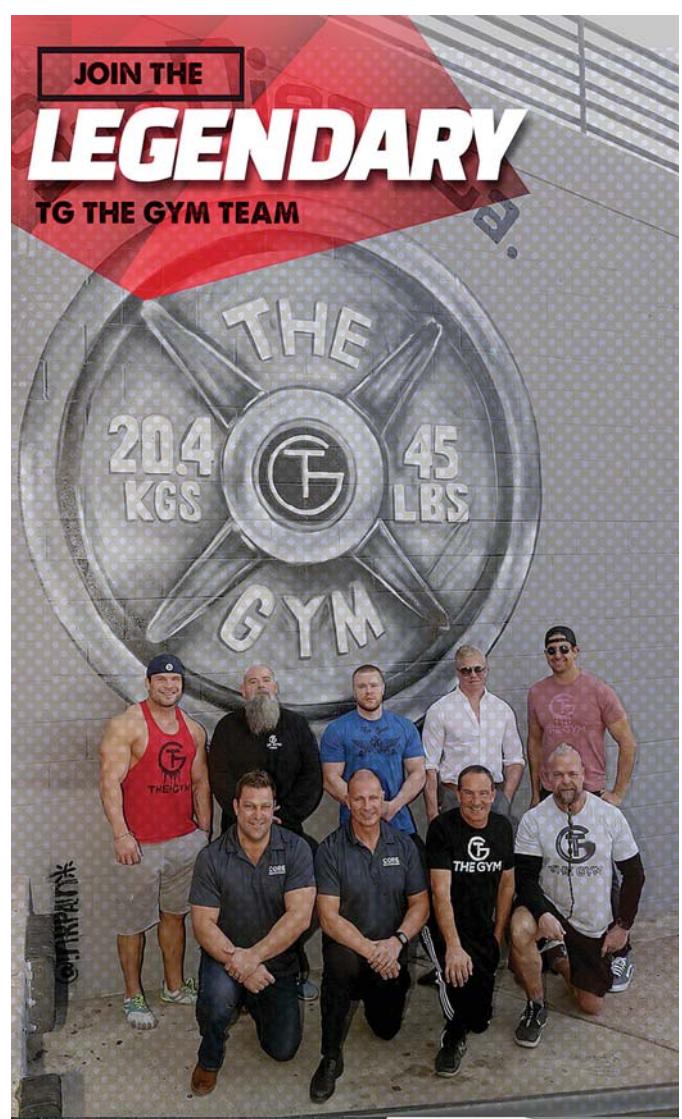
The *Outstanding Community Service Award* is presented annually to an IHRSA member that has made a long-standing commitment to making a difference in, and beyond, their community. **Fitness Formula Clubs (FFC) Oak Park** is the recipient of this year's award.

"We are honored to receive the 2020 IHRSA Community Service Award. FFC makes a commitment, even before we open our doors, by partnering with organizations that have a long-standing positive impact in the communities we serve. We are truly humbled by the recognition," said **Jeff Long, Regional Director of Operations**.

In honoring FFC Oak Park with this award, IHRSA gratefully acknowledges **Gale Landers, Founder and CEO of Fitness Formula Clubs**, and the company's dedication to the communities served by their eleven Chicago area clubs.

of the health and fitness industry," said **Joe Moore, IHRSA President and CEO**.

The IHRSA Awards Program seeks to "recognize, celebrate and inspire." For more information about IHRSA's annual industry awards, visit the awards section of the IHRSA Website at www.ihsra.org/awards.



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THE GYM

The Industry's Focus on Wellbeing

By: Michele Wong

The Global Wellness Institute reports that the global wellness economy is currently a \$4.5 trillion market, including: beauty, anti-aging, physical activity, nutrition, medicine, wellness tourism and physical activity, with physical activity being the second largest segment of the economy at \$828 billion annually.

While wellness practices date back to ancient times, the word, "wellness," is a modern word and a word that, in the last decade, most Americans likely hear daily. Modern wellness programs have been largely based on preventing illness and prolonging life through diet and physical activity, but wellness practices are continually expanding beyond disease prevention. The shift which includes a more inclusive and holistic view of wellness, or wellbeing, as many are starting to refer to it, includes a conscious effort to be healthier in body, mind and spirit.

Wellbeing is thought to be achieved by more than just physical health and includes a sense of purpose, happiness, and deeper social connections. As health and fitness club operators, the growth of the wellness economy offers us a unique opportunity to expand our models to reach a broader segment of the communities we serve through medical, fitness and wellness solutions.

The Bad News and the Good News...

The bad news is that the growth in the number of fitness facilities continues to outpace the demand for traditional fitness clubs. The good news is that we've still only tapped into 75 - 80% of the available consumer market. We all know this has been a long-standing problem. Those facilities that can expand from a fitness core to offer personalized wellness programs will be able to tap into a greater percentage of the available market that has not responded to the traditional membership offering. Through expanded offerings and personalization, we can support members through their journey to a higher state of wellbeing. In addition, clubs that can make the shift can expand revenue through wellness as a retail service model, further tapping into their share of the wellness economy.

As more people are living longer, there is going to be an increased focus on longevity and extending healthy, active years. Healthcare and traditional wellness programs have allowed us to live longer by treating disease but haven't necessarily made great strides in extending the length of time individuals are living well or living with a strong sense of wellbeing. The modern wellness industry, along with the

fitness industry, can provide complementary services to traditional healthcare that will decrease the time a person spends sick or disabled, especially at the end of life. We'll be able to further this holistic approach from wellness to wellbeing by working collaboratively with healthcare to offer integrative health services, which are preventative and curative. Integrative health services are a shift from the sick care model and will be expanding through both insurance and retail options. Fitness clubs who are already experts in driving profit through exceptional service and experience have the opportunity to become partners in care and a natural place for individuals to find alternative treatments. Unlike traditional medical care, which has been heavily focused on the management of symptoms, integrative health services will provide a holistic approach to individualized care and optimal health and life performance.

The opportunity is here for us as fitness professionals to be at the center of what I see as the medical-fitness-wellness continuum. As integrative and holistic approaches to health and wellness continue to emerge, we are starting to see this come through in fitness programming trends. Mindfulness and meditation are being incorporated into fitness programming, such as HIIT and other higher intensity modalities. Our current base now expects a body, mind and spirit approach that is geared towards overall wellbeing. The demand is telling us we need to shift away from a no-pain, no-gain attitude to focus on the experience as one of the greatest opportunities in the future. As we incorporate programming that focuses on individual experiences and may or may not include traditional fitness modalities, we will appeal to the 75 - 80% of the market that have not yet become part of our communities. Many of these individuals are part of the Baby Boomer generation who are now close to or in retirement and are seeking help to stay to the right of the medical-fitness-wellness continuum. They will be more apt to participate in programs that meet them at their level of readiness if we address the chronic conditions they are facing with a personalized prescription.

The programs and services that are part of our emerging fitness trends can easily be applied to individuals at any point in this continuum. A great example of this is the growth of "recovery" programming. We've moved well beyond active stretching and foam rolling to include options like vibration and compression device therapy and cryotherapy. These techniques that had once been reserved for only the most elite athletes are now being utilized to speed recovery from HIIT and other intense activities. These "recovery" programs can

reach those on the left of the continuum by providing pain relief, decrease inflammation and improve mobility for individuals limited in their ability to move, let alone exercise.

As the competition for membership increases, operators should think about these and similar offerings as a retail service that can be targeted to both members and non-members and leverage relationships with physicians to reach a broader base. These programs are an opportunity to activate the inactive and enhance the experience of our traditional fitness members. There's more good news here that supports the trend towards a retail service model. As concern for the environment increases and individuals are focused on seeking a higher state of wellbeing, the trend for discretionary income to be diverted from material goods to experience will continue to rise. We are seeing this especially among millennials who are one of the largest segments of the population. They are followed by Gen Z, who have been raised with wellness as a household word and will likely be less price sensitive about their wellness spend than any generation before them.

About Active Wellness, the Leading-Edge Company

At Active Wellness we are building off of our core business of fitness to develop new delivery models that can be housed under one roof and appeal to individuals at each end of the wellness continuum. We understand that those on the far left are often coming from a reactive state where they are working to manage underlying disease and are new to our fitness communities, and those on the far right that are becoming more and more proactive about looking for new, personalized programs that support purpose, improve performance and enhance wellbeing. As an organization, we've been promoting the need to work



Michele Wong

closely with physicians to drive the convergence of healthcare and the fitness industry to move individuals through the wellness continuum. We've created a **third place** for individuals that supports positive connections to others through much more than fitness. Our models offer our members and the consumers we reach the opportunity to participate in experiences that support overall quality of life in a health and wellbeing minded community.

(Michele currently serves as the Chief Operating Officer for Active Wellness, a fitness and wellness management company. Michele is a leader in partner management with over 20 years of experience working with corporate, commercial and community clubs. Her focus is building healthier communities through the delivery of integrated fitness, nutrition, health coaching and medical services. Michele has a Master's Degree in Kinesiology, serves as an ACE subject matter expert on health coaching and is a Faculty Member of the Wellness Council of America. Active Wellness is a company owned and operated by Jill Kinney and Bill McBride. Michele can be reached at michele.wong@activewellness.com.)

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The Vitamin Shoppe Opens New Distribution Channel in Partnership With LA Fitness

SECAUCUS, N.J. - The Vitamin Shoppe, an omni-channel specialty retailer of nutritional products, has announced a partnership with LA Fitness that opens The Vitamin Shoppe locations inside LA Fitness health clubs. Since November, The Vitamin Shoppe has opened nine shops within the LA Fitness chain.

Directly operated by The Vitamin Shoppe and its highly knowledgeable Health Enthusiasts, the approximately 300 square-foot shops have opened in: Union, NJ; Huntington Station, NY; Farmingville, NY; Boca Raton, FL; Tampa, FL; Lakewood Ranch, FL; Dunedin, FL; Palm Harbor, FL; Lake Mary, FL.

Catering to the wellness goals and need states of the LA Fitness membership, these in-gym shops serve up sports nutrition products and on-the-go healthy snacks and beverages, as well as a selection of vitamins, minerals, and supplement products. The thoughtfully curated merchandise assortment of over 900 skus is comprised of about 90 leading health and wellness brands, including The Vitamin Shoppe's proprietary brands:

BodyTech, BodyTech Elite, True Athlete, pnt, and ProBioCare.

Sharon Leite, CEO of The Vitamin Shoppe, commented, "We are thrilled to bring The Vitamin Shoppe experience directly into LA Fitness locations. These shops provide the health-conscious members of LA Fitness easy access to their favorite sports nutrition and supplement products, as well as the exceptional expertise and guidance of our Health Enthusiasts. This initiative represents an innovative new channel of distribution for The Vitamin Shoppe with great potential for growth and we look forward to a productive partnership with LA Fitness."

Columbia Association Tennis Receives USTA Award for Outstanding League Tennis

COLUMBIA, MD - Columbia Association's (CA) tennis programming has been named the winner of the *United States Tennis Association (USTA) Mid-Atlantic's Outstanding League Tennis Facility Award* for 2019.

The award recognizes a tennis organization that supports and promotes the growth and development of USTA leagues in the Mid-Atlantic region, which includes Maryland; Virginia; Washington, D.C.; and parts of West Virginia.

Approximately 4,000 adult players participate in Columbia Association's tennis leagues throughout the year. CA also hosts competitive games, tournaments, including several regional tournaments each year, and other special events.

"It's great to be recognized," said **Maury Bozman**, Columbia Association's

Tennis General Manager. "We are proud to provide our community with an avenue for them to be fit, socialize and play tennis, the sport of a lifetime, and for them to continue to grow, develop and compete."

This award is just the latest recognition for Columbia Association's tennis programs and facilities.

In 2018, Long Reach Tennis Club was one of just 24 winners of the USTA Facility Awards, which recognize excellence in the construction and/or renovation of tennis facilities throughout the country.

Also in 2018, the Mid-Atlantic Club Management Association honored CA's Tennis Whizz program with its Award of Excellence for Outstanding Achievement in the Field of Kids Programming.

And, in 2015, CA was a finalist for the USTA's organization of the year and winner of the USTA's innovation award for tennis programming.

Columbia Association offers world-class tennis programs, services and events for members and guests of all ages and abilities year-round at two outdoor tennis clubs and three indoor tennis clubs, totaling 37 tennis courts and several pickleball courts.

Make It Fun In 2020

Special Population Marketing

By: Michael Gelfgot

Casey Conrad, President of Communication Consultants, and a 30-year veteran in the business has been saying this for years, "you get rich in the niche. What's your niche?" When I owned and managed 21 locations, I heard what she said, but I didn't listen. It wasn't until we sold off and downsized our operation to one club that I truly figured out what she was talking about.

In the past 18 months, we have generated over \$250,000 in revenue from running programs for folks who are struggling with metabolic syndromes. In this article, I will tell you what we did and how we did it.

The Core Offering: Our core offering, our three-point plan, offered as a *Unique Selling Proposition (USP)*, stayed the same in all the programs we ran in the past 18 months. We just changed to whom we marketed; our core offering now includes:

■ Unlimited access to our personal training services in a one-on-one, small- and large-group setting. These sessions are customized based on current movement patterns, current and past medical history, current fitness goals and schedule.

■ Weekly sessions with a Registered Dietitian. These sessions are done in a group setting and designed to cover specific topics. There is a lesson plan along with a three-ring binder that everyone gets to follow along.

■ Unlimited access to our facility.

Types of Programs: In the past 18 months, we've presented 4- and a 6-week diabetes programs, heart disease programs, folks who are living and are affected by obesity (transformation programs), bridal boot camp programs and joint replacement programs. In our town, I want to be known as THE metabolic expert in that market. What gives us the expertise and authority? We have a *Master of National Academy of Sports Medicine as a Personal Trainer* and a *Registered Dietician (RD)*. You definitely need to have a *Certified Personal Trainer*, and it will enhance your overall program if you also have a Registered Dietician. As far as diabetes or heart disease go, you can create your content based on a book that helps people better understand these diseases.

Keep in mind that you are not curing anything but merely guiding and educating people about health and wellbeing. It is certainly astounding to know how little most people understand about how hypertension, high cholesterol

and blood sugar work. What's even more astonishing is how little people understand about managing and improving their own situation. In addition to the education our Registered Dietician provides, we use a ton of content and infographics from Precision Nutrition to guide and navigate our clients around these topics.

Useful Certifications to Have Prior to Launching A Special Population Program: I am a big fan of *The National Academy of Sports Medicine (NASM)* when it comes to the basic *Certified Personal Trainer Certification (CPT)*. If you are going to be doing anything with post rehab, NASM CES and FMS L1 are a wonderful resource. There are lots of wonderful resources as well. The two above are more than enough to get started. As far as nutrition goes, Precision Nutrition L1 certification is top notch. When it comes to nutrition, there are thousands of resources. If you are going to be leading, guiding and educating people about nutrition, make sure to use a *credible source*. Once again, remember your weekly session with these individuals can be a review of what was read, how it applies to what they are doing and what they can do next week to take action.

Prior To The Launch of The Program: Using Facebook, 21 days prior to the launch of the above programs, you need to prime your audience with useful and relevant information about the program you are going to run. For example, prior to launching our diabetes program, we put out videos twice a week to educate our fans. Daily, there would be 2 - 3 testimonials of others who have gone through a six-week diabetes program and the changes they have made. We would go to Facebook Live throughout the 21 days as well to boost comments, shares and likes.

Ad Spend and More: We would spend \$500 for two weeks of promoting the program, targeting 40+ year-olds, men and women, creating look alike audiences, 12 miles outside of our club radius. Our town is about 20,000 people with a median household income of about 43k. Have either a lead page or Google doc to gather info.

The Pitch: On day 22, the pitch would be dropped via a video ad on Facebook. All pitches for the most part sound the same. But, the target audience is different. The following was our January promo pitch for our four-week transformation program:

"Hey guys,

My name is _____, Certified Personal

Trainer at _____. I am looking for 14 people living with obesity to take advantage of our four-week transformation program.

If you feel like you are at an unhealthy weight, have a high BMI and are interested in finding ways to live healthier, consider registering for our four-week program. Our four-week transformation program is for you if:

1. You have given up on gyms but not on fitness;
2. You feel uncomfortable/embarrassed by your weight in your current gym; and,
3. You have tried many things before, or joined other gyms, but quit.

Over the past 12 months, our team of Certified Trainers has helped hundreds of our clients get to a healthier weight, feel better and have more energy. We are confident we can help you, too. **Register below.** Spots are limited. We are looking forward to seeing you at the club."

Wording Below or Above the Video Ad:

This four-week transformation program is for you if you:

1. You have given up on gyms but not on fitness;
2. You feel uncomfortable/embarrassed by your weight in your current gym; and,
3. You have tried many things before, or joined other gyms, but quit.

Over the past 12 months, our team of Certified Trainers have helped hundreds of our clients get to a healthier weight, feel better and have more energy. We are confident we can help you too. Please register below. We look forward to meeting you soon.

The Cost: The cost of the program is \$349. Give people two options to get started.

Option 1: Four-week program for **\$349**;
Option 2: Allows the prospect to get started



Michael Gelfgot

on a regular training program and get the four-week program for only **\$99**.

Set, Show, Close: We've presented over 16 different types of wellness programs. On an average, we get about 60 leads, and we will typically generate about \$2,200 in upfront cash. Of the 60 leads, 35 will book. Of the 35, 23 will show and 18-20 will close either on the short-term program or a training program with a discounted short-term program.

• • •

In closing, I believe a high percentage of these people book, show and close because they have an obvious problem, and we have an obvious solution. What's special and unique about these programs is that we are helping people get started who wouldn't normally walk into a health club. From a business perspective, we are living up to our USP, which is becoming a metabolic syndrome expert in our small town.

(For more information and clarity on these programs, contact author, Michael Gelfgot at mike.gelfgot@icloud.com.)

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Starting a New Business

By: Paul Bosley

Publisher's Note: Our friend and Club Insider Advertiser and Contributing Author, **Paul Bosley**, Managing Member of *Health Club Experts dba Business Finance Depot* has produced a new video series covering various topics that may help you in your health and fitness club business. Each month, over the next few months, we will be sharing each video and Paul's accompanying writing. To get maximum value, we recommend you to *Tune In* to both his written and spoken words.

■ ■ ■

I am pleased to present the video: **Starting Your New Business**. Watch it now at: bit.ly/clubinsider80.

Introduction - This is the first video of a video series that includes nine videos focused on how to launch a new business, how to prepare for financing a project and the various financing options that are available in today's marketplace. Each video will be accompanied with a written summary in outline form of the content of each video with some additional explanation. If you have questions, I welcome you to send me an email at paul@businessfinancedepot.com, and I will respond to you. I hope you enjoy and benefit from this video series!

These are the following key steps in starting a new business:

Pick a corporate name - If you are purchasing a franchise, you will trade under the franchise name. In all cases, it is important that you coordinate the selection of your business name with the availability of the URL with a .com address. Names do not necessarily have to describe your business service. After all, what is a "Google"?

Research the availability of the URL with a .com address - Purchase the website to initially launch your business. In the event of purchasing a franchise, many franchisors will provide you with a website URL and some basic content. This is not the case with all franchisors. In the event you are not purchasing a franchise, this is a critical component of selecting your business name so that your business name and website address are the same. Most customers will visit your website and even do a search of your name to learn more about you and your company before doing business with your company.

Get an Employee Identification Number (EIN #) from the following IRS website: bit.ly/clubinsider81 - The only instance in which you will not need an EIN # is if you intend to operate your business as a sole proprietor. This is a decision that should be discussed with your attorney. If your business will be collecting and paying sales tax, you will need an EIN# and a license to collect and pay sales tax in the state you operate your business.

Consider professional guidance from an attorney and/accountant to register your corporation on your state's SOS website - The key hiring decisions you will make very early on in your business are your choices of an accountant and an attorney. Yes, their fees are expensive. However, they will save you money and keep you out of trouble, assuming you heed their advice in the long run. Most good firms will also take time to choose their clients and will often require an initial deposit to pay their initial fees until they get comfortable with billing you for their services. Accountants are either aggressive or conservative, so you should choose your CPA based upon your risk tolerance. In my humble opinion, you should never sign anything until your attorney has reviewed it and your attorney should have copies of all documents you sign on behalf of the company.

Only list partners with good personal credit (700+ FICO score) - This does not mean you cannot have partners with <20% equity and poor credit. But, they cannot be an officer, director or hold a significant management position; otherwise, a lender will require that they are included in underwriting, which may lead to a declined application.

Select a local credit union or community bank and open a business account with no minimum monthly fees and open business debit or credit card - Most large national banks require a minimum balance, or they charge a monthly fee. Credit unions and community banks are more aggressive and do not charge fees and will often offer new businesses credit cards with smaller lines of credit. It is important to learn their credit policies, because most institutions will consider your business a startup for the first 2-3 years.

Separate business and personal expenses - Business expenses include cell phones, internet, use of a vehicle and business-related travel, such as attending trade shows. This is one of the benefits of being in business. All services and products

you need to manage a business become business expenses. Automobiles, repairs, gas, travel to business-related functions, internet, cell phones, computers were all personal after-tax expenses that now become pre-tax business expenses. Again, this is where selecting an aggressive or conservative accountant becomes important. I recommend having separate business and personal checking accounts and credit cards, which is an important first step.

■ ■ ■

For additional information and inquiries, please email **Paul** at paul@businessfinancedepot.com. Please visit our website businessfinancedepot.com/media to research the many financing articles we have written and have been published over the years. We wish you much success in your business!



Paul Bosley

(Paul Bosley is the Managing Member of *Healthclubexperts.com dba Business Finance Depot*. Paul can be reached at paul@businessfinancedepot.com.)

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New Jersey Supreme Court Hears Alternative Argument Regarding Health Club Governance

By: Paul R. Bedard, Esquire

Health clubs tend to be regulated on a state level by very specific statutes and agencies. For example, where I practice law in Connecticut, the *Department of Consumer Protection* regulates health clubs to ensure compliance with Connecticut's applicable statutes. Other states have laws and designated agencies to monitor their respective regulations. These state laws, specifically tailored for the regulation of health clubs, naturally tend to be the focus of many health club lawsuits.

However, arguments referencing alternative regulations are currently at the center of a New Jersey class action lawsuit. A suit was filed against *Fitness Factory*, alleging that the club's initiation fee violated New Jersey's state laws. Interestingly, after the trial court dismissed the plaintiff's claim, and after the appellate court affirmed the trial court's decision, the plaintiff continued to push forward with an alternative argument. The *New Jersey Supreme Court* must now consider whether New Jersey's *Retail Installment Sales Act (RISA)* applies to health clubs and therefore prohibits the health club enrollment fee at issue.

Fitness Factory has argued that the enrollment fee is regulated by *New Jersey's Health Club Services Act (HCSA)*, which allows health clubs to charge enrollment fees. The membership contract at issue involved 24 monthly payments of \$39.99, plus tax. The agreement also included a \$29.99 Initiation Fee for the monthly payment plan. At the end of the plaintiff's 24-month term, the plaintiff had the option to terminate the membership without penalty or to remain a member on a month-to-month basis.

Following the trial court's dismissal of the plaintiff's case, the plaintiff appealed. The appellate court drilled down on the alleged RISA violation in order to address whether RISA applies to health club membership agreements. The appellate court opined that the Legislature enacted RISA to, "protect consumers from overextending their own resources," and to, "protect consumers from themselves and rapacious sellers" in the effort to combat usurious interest rates. The court noted that the stated legislative purpose of RISA was the, "protection of the public interest through the regulation of the charges associated with the time sale of goods."

The appellate court did acknowledge that RISA does not expressly authorize initiation fees, meaning that an initiation fee would be a violation of RISA if the statute applied to health club memberships. However, the court referenced a prior court ruling which held that, "health club members are not in the

category of consumers RISA is designed to protect, because these contracts do not involve the sale of goods."

The plaintiff argued that RISA's definition of retail installment contracts includes those for, "goods or services." However, the appellate court indicated that, even if RISA applies to some contracts for services, a membership contract would fall outside the intended purpose of the statute when there is no interest assessed. The contract itself would, therefore, arguably not constitute an installment contract. The appellate court further declared that the fact that the membership contract at issue was billed monthly did not necessarily equate to a retail installment contract, particularly since there was no financing arrangement between the plaintiff and the health club. This lack of financing arrangement would negate the concerns of the excessive interest rates that RISA is intended to combat.

The *New Jersey Supreme Court* will now have to review the appellate court's dismissal of the plaintiff's class action claim and weigh the arguments presented. Oral arguments were being presented during the week of this writing. According to reports, the plaintiff has argued that RISA does not necessitate the charging of interest to be applicable. In contrast, *Fitness Factory* has asserted that the matter of the initiation fee is regulated by New Jersey's HCSA. Although the RISA language detailing protections concerning

installment contracts can be differentiated from the consumer protections afforded by the HCSA, the court has questioned whether evidence is present to show that the Legislature intended to exclude the health club industry from RISA.

In response, *Fitness Factory* argued that RISA is not "all-encompassing" and that the HCSA would not have been enacted post-enactment of RISA if the Legislature intended for RISA to apply to health club agreements. *Fitness Factory* also noted that RISA is enforced by the *New Jersey Department of Banking & Insurance*, an agency that does not enforce the HCSA.

This case presents some interesting legal arguments applicable to the health club industry and will be a case worthy of watching by those within the industry. It is important to note that, although this article has briefly summarized the legal issues within this case, this article is not intended as legal advice. The preceding material presented is intended to be informational and educational. Therefore, please consult an attorney for specific advice or direction in this regard.

(Paul R. Bedard, Esquire, has nearly twenty years of management, leadership and operations experience in the health and fitness industry. As a practicing attorney, Paul's health and fitness industry experience provides him with a unique



Paul R. Bedard, Esquire

perspective when advising health clubs regarding employee training, handbooks, policies, contracts, disputes or premises liability claims. When not practicing law or spending quality time with his wife and daughters, Paul strives to be active in his local community. Paul has served as the Assistant Town Attorney for the Town of Southington, Connecticut. He has also served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. Paul is a solo practitioner at The Law Office of Paul Bedard, LLC, in Southington, Connecticut. Paul can be reached by email at AttorneyPaulBedard@gmail.com or phone at 860-414-0110.)

Orangetheory Fitness and American Heart Association Join Forces in the Push for Heart Health

BOCA RATON, FL - Strengthen your heart, literally and figuratively, this February with Orangetheory Fitness as the brand collaborates with the American Heart Association to help prospects and members live a longer, more vibrant life.

As the first step of a larger initiative, Orangetheory Fitness studios across the U.S. are inviting members and staff to join the fight against cardiovascular disease, the leading cause of death among both men and women globally, with compelling offers for prospects and members, including a 90-minute donation class on Saturday, February 22. All money raised throughout the month of February will help to fund life-saving research, provide resources to help people reduce their risk for cardiovascular diseases and stroke and advocate for policies to improve health outcomes.

"At Orangetheory Fitness, we believe that the most important muscle

is the one that you can't see, the heart," said **Dave Long**, *Orangetheory Fitness Co-Founder and CEO*. "Our hope is that, in tandem with the American Heart Association, we can continue to advance heart health awareness and research, get people to better understand the role of exercise in heart health, and ultimately, help people across the world lead longer, healthier and more vibrant lives."

Physical inactivity is recognized as a major risk factor for cardiovascular disease, and Orangetheory is uniquely positioned to help combat it. The American Heart Association recommends that adults get at least 150 minutes of moderate-intensity aerobic activity or 75 minutes of vigorous aerobic activity per week, in addition to including moderate- to high-intensity muscle strengthening activity at least twice a week. That recommendation perfectly aligns with what Orangetheory classes offer with attendance two to three

times a week. The hour-long, heart-rate tracked, technology-backed, full-body workout helps members elevate their heart rate to the "Orange Zone," 84 - 91% of their maximum heart rate. The workout blends a unique trifecta of science, coaching and technology to generate more energy, more drive and more health for its members.

"Every year, the American Heart Association's funds research that helps all people live longer, healthier lives through supporters like Orangetheory Fitness," said *American Heart Association Board Chairman, Bertram Scott*. "Together, with the Orangetheory members and staff, we are making strides to improve people's overall health and reducing their personal risk of heart disease and stroke."

To donate online, please visit:

Orangetheory.com/OrangetheoryHasHeart

Design Mistakes That Can Cost You Big

By: Bruce Carter

Health club design has come a long way in recent years. Spaces that once existed to house equipment have evolved into more inviting and energizing environments, adding to the fitness success of a club.

Having a team that has cumulatively worked on approximately 700 projects over the course of 30+ years, there are certain things that consistently stand out as design weaknesses. Some are small, some are big, but they all can clearly have an effect on the bottom line. However, just a little attention on these can make all the difference in creating a highly desirable experience when in a club.

So much of what design does is to affect how someone "feels" and what they "experience" when in a club. This can be good, bad or neutral. If our experience is good, we are more likely to *join* and *keep coming back* for more. If it is bad, we don't join or we don't continue as a member. If it is neutral, then it's almost the same as bad. Remember *feeling* is what gets us to act, one way or the other.

Sensory Adaptation

If you are in a club regularly, keep in mind the psychological principle of **sensory adaptation**. This means that, if our senses regularly experience something over and over, after a while, the things that we recognized no longer will continue to do so. This could be smell, sight or any of the other senses. If certain design flaws are observed over and over by an owner or staff, after a while, they will no longer be "seen" as a problem, yet they still remain. So, taking a "new" look at a club is often necessary to understand what some of the design problems are. Here are some *key design weaknesses*:

■ One of the major design mistakes is not putting extensive focus on the first impression coming into a club. Whatever that experience is, it carries throughout the club. Often, the experience is disjointed. There are all kinds of things on the desktop, too many signs of either information or trying to sell something. This is often a lack of storage or space to properly display things, such as digital display monitors. There may be no attractive place to sit, use a laptop or charge a cell phone. Tasteful branding of the club is often lacking, and collectively, the space with its lighting, finishes and colors do not create a positive experience.

■ Related to the above, a lack of proper storage throughout the club is a major design flaw. Clutter produces a negative

response by so many. Proper storage does not take away space; it "adds" space. Whether in a functional training area with medicine balls, mats, foam rollers, battle ropes, bosu, etc., they all need to have a neat place to be stored. Group exercise rooms with class items all around the edges is purely "old school" and detracts significantly from the experience. Storage cabinets or shelves can help clean things up. Even consider adding a wall (with two openings) on one side of the room to hide most, if not all, that is used for classes. The difference is profound. Even offices that members see are also part of the "club experience," yet messy spaces with a lack of the proper storage units are common.

■ A lack of adequate space for comfortable traffic flow and usage is another key issue. In an effort to get more --more equipment, more rooms, more programs, more lockers, etc.-- the result is often a negative experience for members. Not enough space in front of lockers to change or having to move out of the way when someone walks by are just a couple of examples. Use the five-foot rule in design for locker rooms. In any flow in or out of a locker room or flow within the locker room, leave five feet width for the flow.

■ Two other design problems in locker rooms are slippery floors (extra grip tile is available), which results in ugly mats to solve the problem, and too much bright lighting. Less lighting gives more of a relaxing "spa" type of experience. Lighting in workout areas can also be *too bright*. Combine that with *too many mirrors* and the *"out of shape*

crowd" can feel uncomfortable. Lessen the brightness and mirrors, and the experience can get better.

■ Often, a club can look dirty and unkept because poor design finishes have been used. Walls that will get easily scuffed up should get covered with some type of solid surface material, such as laminate, tile or FRP panels. White can look great, but don't make that choice if you are not strongly committed to keeping it clean, no matter what the finish is.

■ Music in rooms, such as group training and spin, can be part of the energetic experience. Yet, too often, this sound transmits undesirably to other areas of a club. So, added sound absorbcency materials, such as insulation and sound proofing walls become a must. Yes, there is additional cost, but why create a good experience with one space while also creating a bad experience for people in an adjacent space.

■ What about colors? Can the wrong colors be a bad design choice? The answer to this is not that there are "right" or "wrong" colors, but often, there are colors that don't go well together or are used too much. Some colors can also be too bright, overwhelming the senses.

■ As a side note, a common design mistake is to create an interior that you personally like. A club is not a home, so personal tastes often have to be put aside in order to create something that the majority of people (your market) will like.



Bruce Carter

• • •

In designing a club, space planning, layout and selection of finishes and colors mean making a wide number of decisions. This is a great deal of work when done right, but the end result is rewarding to club owners, staff and members. Making sure that you address common design mistakes will help in achieving your desired end result. Clubs, any type or size, are continuingly evolving into finely tuned state-of-the-art environments. The result is people are happier and more fulfilled in these well-designed facilities.

(Bruce Carter is the owner of Optimal Design Systems, International. Bruce can be reached at bruce@optimaldsi.com.)

Cycle For Survival Celebrates 10 Years of West Coast Events With World Cancer Day Fundraising Campaign

NEW YORK, N.Y. - The Brave Like Gabe Foundation sponsored a \$100,000 donation challenge to commemorate World Cancer Day and celebrate 10 years of Cycle for Survival events on the West Coast. The Foundation's generous gift inspired increased giving by offering Cycle for Survival participants in California and Seattle an online donation match from February 4 - 7.

The Brave Like Gabe foundation also has teams of riders participating at the Seattle and San Francisco events this year. Every dollar raised by Cycle for Survival goes to rare cancer research and clinical trials led by Memorial Sloan Kettering Cancer Center (MSK).

"Brave Like Gabe" started as a hashtag to support professional runner Gabriele "Gabe" Grunewald as she sought treatment for her third battle with

an incurable rare salivary gland cancer in 2017. As a professional runner and rare cancer advocate, Gabe founded the Brave Like Gabe foundation to make a difference in the cancer community. During her journey, Gabe experienced firsthand many of the challenges faced by rare cancer patients and the need for dedicated research funding. The Brave Like Gabe fund at MSK was established in 2019 in her honor.

Gabe first participated in Cycle for Survival events in 2018 and quickly became an extraordinary ambassador for the movement. Her message of perseverance and hope touched everyone who met her. Gabe died in June 2019, just a few months after she shared her story as a featured Cycle for Survival speaker. Her legacy continues to encourage others to share their own struggles, and to fundraise

to find better and more effective treatments for rare cancers.

"Cycle for Survival gave Gabriele a platform for her story of hope and fearlessness," said **Justin Grunewald**, *Gabe's husband*. "Every time she gave a talk, you could hear a pin drop. Every time she finished, everyone was infused with hope. We met so many wonderful people and became a part of the Cycle for Survival family, which we will be forever."

Cycle for Survival, the movement to beat rare cancers, has raised more than \$235 million for rare cancer research since it was founded in 2007, with more than 50% of that total raised in the last three years. Participants across the country will join the annual high-energy team indoor cycling events in January, February and March.

Please visit cycleforsurvival.org to learn more.

Marketing and Selling to Special Populations

By: Casey Conrad

If you follow any of my writings or lectures, you've heard me say it a million times, "You get rich in the niche!" Marketing to a very specific customer is much easier for several reasons:

■ When you can identify a niche, you can find them. This allows you to locate marketing mediums that will reach that population. You can't market to someone you can't find.

■ When you know your customer, you can message much more effectively. Headlines and benefits become easy and much more effective in "speaking" to that prospect, which will always result in a better response rate.

■ When you understand a niche, you can develop better offers that are attractive to them, their concerns and make them more comfortable in *taking action*.

Of course, once you have attracted the right prospect, you still have to make the sale. Selling to a niche market is SO much easier than a general prospect who has walked through the door:

■ When you know your customer's specific issues, it is much easier to get into more significant qualifying questions regarding their health concern and the impact it has had on the quality of their life. A saying I have in sales training is, "The more they tell, the more you sell." When the salesperson understands the specific issue a prospect is facing, and asks appropriate questions, the client usually feels more rapport and has a greater feeling of credibility with the salesperson.

■ Each niche market will have certain concerns and/or objections relating to why they may not be able to participate in your program. When you are working with a population with whom you have a very specific program, it is much easier for the salesperson to pre-handle these concerns because program elements can be built in!

■ When you have a niche market in your facility, and have a way to display or affirm that with the prospect, they will feel so much more comfortable knowing they are not alone. There are others, "Just like me," who are here participating and succeeding so, "Maybe this will work for me."

■ Once a happy member, special populations refer lots of other people who are dealing with the same issue. It's like a built-in tribe that wants to help one another.

No doubt, there are other reasons why niche marketing and selling is easier than general, "Come get fit," approaches. So, here's the question: Why don't more club operators spend the time, energy and effort marketing to niche markets and special populations? While on a speaking tour this past year, I asked that question to dozens of owners and marketing managers. The answers I got were rather enlightening. The three most common answers included:

1. I don't have the staff to take on such a project;
2. I wouldn't know where to start; and,
3. It is too time consuming; we tried it, but the numbers didn't pan out.

For me, none of these are valid reasons NOT to crack the "niche marketing code."

The single biggest issue I receive calls about for consulting is, "I can't get enough prospects to walk through the doors: Help!" For sure, marketing in the fitness industry is so much harder than in previous decades. Traditional marketing doesn't get the response it once did, social media platforms are hard to figure out, and no one likes to give the names and numbers of their friends anymore. Add to that the number of competitors in a marketplace is ridiculous and you have an equation for marketing frustration.

One very evident answer is niche marketing to special populations! Yes, it can take more time and effort to develop a program, but once it is up and running, it is like an ATM machine for members.

For the past two years, we have been running a program called, **"Feel Your Feet in Six Weeks."** It specifically targets individuals who are dealing with numbness and tingling in their feet due to sugar regulation issues. Currently, 30 million Americans have diabetes with another 70 million who are pre-diabetic.

When we began, our Wellness Center had two (now four) devices that enhance the body's circulation up to 29%, naturally and non-invasively. Members come to the facility five times per week for quick, 8-minute sessions. Here is how the marketing and sales process has happened:

■ Initially, we reached out to local doctors that our staff knew personally or through their own medical care. We provided them with brochures about the program and invited their staff to visit for free demos.

■ We also contacted the local diabetes support program at the hospital to let them know of the program and provide them with some educational material.

■ We ran a totally free trial program for two weeks. We had 20 participants who agreed to fill out a survey before and after, as well as track their usage and answer a few "progress" questions after each session.

■ At their first visit, where they were hearing about the program, the prospect was brought through a complete *Needs Analysis* that included a medical history relating to their foot issue. This part of the process was the most critical, because the prospect must be at a place where they are willing to try something new. Only then will they change their behavior and begin incorporating a new lifestyle component to their daily schedule!

■ At the end of the two weeks, each participant was given a special rate to continue for another four weeks (thereby completing the standard six weeks).

■ Of the 20 people, 17 continued!

■ We then ran a referral program that allowed any friend to come in for a five-day free trial. For any friend that joined the program, the referring member would receive free time for either themselves or their friend.

■ We now run Facebook ads, continue to work with medical professionals in town and have a robust referral program. All aspects of the marketing are designed to speak directly to this particular prospect, get them to visit us and go through a presentation and demo, and of course, get started... even if it is a short trial. Getting them into the facility where they will "run into" other members with the same issue is key to giving them comfort and hope.

We now have programs for sleep issues, mental acuity, fatigue and back issues. The common denominator is that each one speaks to a niche market,



Casey Conrad

allowing us to dial in our marketing efforts and perfect our sales presentations to be targeted, dynamic and compelling. This results in a higher response and conversion rate.

As a health club, you will always market "fitness," and you will get a certain number of prospects from those efforts. But, if you begin to market to one niche market and put the time, energy and effort into figuring out how to reach that target group, you could add 10 - 20 new members per month to your enrollments. Say, it's 10... that's 120 new members per year! If in five years you had three niche programs that all attracted 10 new members per month, you would never be stressed about what to do for a marketing promotion next month!

(Casey Conrad has been a consultant in the health and fitness club industry for over 30 years. She has written numerous sales and marketing books and has been a featured presenter in 24 countries. Most recently, she has been contracted as the Northeast Regional Director for BEMER, USA. She can be reached at CaseysHealthClubTraining@yahoo.com.)

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Matrix Fitness and Smart Fit Announce Partnership

SAO PAULO, BRAZIL - Matrix Fitness and Smart Fit have announced a partnership for the premium equipment provider to equip 200 Smart Fit facilities within the next three years.

Like Matrix Fitness, Smart Fit has grown aggressively. Based in Brazil and with more than 850 facilities across Latin America, the gym chain grew 34% last year and now reaches more than 2.7 million customers with plans for continued growth in the next three years.

"We need a trusted partner to help us reach our growth goals across the region," said **Edgard Corona**, CEO of *Bio Ritmo Group*, the parent company of Smart Fit. "Matrix is able to give us

consistency and perfect brand solution for the cardio and strength zones. The Matrix combination of innovative designs, excellent product quality and service is a winning combination for us at Smart Fit all over the continent. Matrix will help us reach our goals, and together, we will bring high quality fitness to more people."

"We are excited to partner with Smart Fit. They are a leading provider in the regions they serve, and their mission to make fitness accessible to more people will positively impact their communities and our industry," said **Jason Lo**, CEO of *Johnson Health Tech Co., Ltd.*, the parent company of Matrix Fitness.

Johnson Health Tech Receives International Service Excellence Award

COTTAGE GROVE, WI - It has been announced that Johnson Health Tech (JHT) was awarded the **2019 International Service Excellence Award** by the *Customer Service Institute of America* (CSIA). JHT is the first ever fitness equipment manufacturer to be recognized with this achievement.

The judging criteria for the International Service Excellence Awards is aligned with the International Customer Service Standard (ICSS), which provides a comprehensive and practical framework to assist organizations in delivering consistently high levels of service. This standard, based on the balanced scorecard methodology, reviews organizations to determine if the customer is the focus of the business and how that is supported through culture, processes, procedures, training, hiring practices and daily actions.

"Today's businesses and consumers demand outstanding customer service, and the CSIA seeks to recognize those organizations that are rising to the challenge," said **Christine Churchill**, Founder and CEO of the *Customer Service Institute of America*. "Through our audit process, it became very clear that Johnson Health Tech is investing in the tools, processes and people needed to be

highly responsive and support their global customers in exceptional ways."

"We aren't working to just become the world's largest fitness equipment supplier but the very best. And, part of that goal is a commitment to delivering the industry's best customer service." Said **Kyle Schweitzer**, Global Director of Customer Service for Johnson Health Tech. "And, while we will never stop working to improve the experience for all of our customers across the many channels and countries we serve, this award helps validate that we are focusing on the right things. Our customers are and will continue to be at the very heart of everything we do."

"We know that designing and delivering an outstanding customer experience starts with products that are easy to service and easy to own," said **Rich Derk**, Vice President of Quality and Customer Experience for Johnson Health Tech North America. "We pride ourselves in designing products for serviceability and leveraging state-of-the-art manufacturing techniques to ensure quality. This award is a testament to our hard-working assembly, installation, service and store employees who continuously strive to exceed customer expectations."

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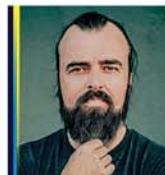


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UFC GYM Celebrates 10-Year Anniversary

With Special Guests Dana White, Forrest Griffin, BJ Penn, Frankie Edgar, Jessica Eye

CONCORD, CA - UFC GYM, the rapidly expanding fitness franchise that creates training programs for all levels and ages inspired by the regimens of UFC athletes, welcomed fitness enthusiasts and athletes alike to attend an event in celebration of the 10-year anniversary of UFC GYM Concord, which took place Saturday, January 25.

Located in Concord, this 36,795 square-foot fitness facility features everything needed to *Train Different*, including a wide range of dynamic group classes, bag room, mat room, functional training area with indoor turf, strength

training and cardio training equipment and an ArmBar Café.

The celebration included an appearance by *UFC President, Dana White*, and meet and greet opportunities with UFC Hall of Famers Forrest Griffin and BJ Penn, along with former UFC lightweight champion Frankie Edgar and former UFC flyweight title challenger Jessica Eye.

UFC GYM programming has been developed through exclusive access to the training regimens of internationally acclaimed UFC athletes, providing members of all ages with everything they



need to move, get fit and live a healthy life.

During the anniversary celebration, guests had the opportunity to take part in a variety of MMA-inspired fitness classes, including Boxng Conditioning with Frankie Edgar and a HIIT style Daily Ultimate Training with Jessica Eye.

UFC GYM has opened more than 150 locations around the world, including the United States, Australia, Bahrain, Canada, Chile, Egypt, India, Mexico, Oman, Philippines, Singapore, Taiwan, Vietnam, United Kingdom and the United Arab Emirates.

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Thanks and Appreciation

At **Club Insider**, we are excited to be in our **27th Year** of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing 27-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro**, the late **Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller**, of **Atlanta's Hudspeth Report** for the tremendous assistance they provided. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our 314 monthly editions! And, of course, **Thanks and Appreciation** to the **United States Postal Service** for sending those editions out to our **10,000 readers!** **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over a decade of continuous 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 **thousands** 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 eight years old (helping with mailings). This young man 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 a majority of our cover stories each 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. And, 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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FROM FOOD TO FITNESS

Aaron Davis's story...

Aaron is a serial entrepreneur and experienced multi-unit franchisee, owning 17 Little Caesars. He was looking for an opportunity to diversify his portfolio and has always been a fitness nut, so branching out into the fitness franchise segment was the logical next step. Food service operators know firsthand the challenges of the restaurant industry, which include high labor costs, extensive employee turnover and skyrocketing operating costs. Aaron was very impressed with the ease of operations and the need for only 3-4 employees to operate the club. After speaking with Workout Anytime franchisees, he was equally impressed that 73% own multiple units. Aaron leaned on Workout Anytime's proven franchise model to 'hit the ground running' and opened two locations within one year with a third on the way. Workout Anytime has more than tripled their club count over the past 5 years and have averaged 38% growth in new club openings.

"Adding fitness was a very profitable way to round out my business portfolio."

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