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THE Club Insider

NEWS

The Pulse of the Health, Racquet & Sports Club Business

FEBRUARY 1997
VOLUME IV NUMBER 2



Dave Pickering: The BIG KAHUNA Of Corporate Membership Sales

THE NECESSARY BALANCE? NEW EQUIPMENT AND TRAINING!

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In this edition, Michael Scott Scudder, a veteran club industry educator, has written an article which should stimulate thinking about your investment in training for the employees of your club(s). Scudder maintains that many clubs are NOT budgeting for and investing in employee training when they should be.

All club operators are faced with this dilemma. How do you go about keeping the balance between keeping up with the market in terms of state-of-the-art equipment and proper/professional training at the same time?

First, you must make a commitment to training your people as well as possible to do their jobs. If you can't make that commitment and allocate dollars in your budget to support it, you will not advance your organization as significantly as you hope.

The **CLUB INSIDER** News is published every month to attempt to help you reach a balance between the facets of the business about which Michael Scott Scudder writes. As club owners/operators, you must walk the tight wire of budgeting and raising capital for equipment, facilities and yes, training. If any aspect of that triad is missing your club(s) will have a tougher fight with the competition.

Well trained employees excel and take pride in their jobs. When they excel, your members are happier.... when your members are happier.... they stay and pay their dues.... and they bring their friends. What a

simple combination!

But, is it really that simple? Heck no! In fact, to be successful financially in a health, racquet or sportsclub in these times, you must have not only the balance of facilities, equipment and training, you must be devoted to training and motivating your people. Your people must manage your members in a way that keeps them coming, keeps them happy and keeps them paying!

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(2) **TRAIN YOUR PEOPLE!** Keep your mind open to training opportunities for your employees. The very best club business training opportunity in the world is coming to San Francisco, California, April 9-13, 1997, when IHRSA (The International Health, Racquet and Sportsclub Association) holds its 16th Annual International Convention and Trade Show. Come by plane, train, automobile, wagon, roller blades, bike, on foot or any other mode of transportation, but be there! A small investment to become a member of IHRSA and this huge annual event will pay off 15 or 20 times during the course of a year! And, your investment in becoming an IHRSA Member Club and taking your loyal and key people to the Conventions and Trade Shows will provide you with a variety of training opportunities during the coming year.

For information on IHRSA and the 16th Annual Convention and Trade Show call: (800) 228-4772. Remember.... balance is the key!

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THE Club Insider[®]

NEWS

The Pulse of the Health, Racquet & Sports Club Business

BIG KAHUNA!

By Norm Cates, Jr.

How many times have you tried to establish a results-producing corporate or health insurer membership sales program? Did you create a plan, hire corporate sales staff, develop materials and make your best efforts to break through the "corporate barrier" of the larger corporations in your area, only to find that the corporate decision makers were "lukewarm" about an alliance with your club and usually did not get involved?

My guess is that even after you have tried and failed to hit a really big corporate membership, you would still like to do so.

Read on. For within these pages lies the answer. That answer: DAVE PICKERING, The BIG KAHUNA of corporate membership sales.

Dave Pickering is the Founder and Director of the Fitness Club Network (FCN), a member benefit program of IHRSA, The International Health, Racquet and Sports Club Association. FCN is a group of more than 2,500 fitness facilities, located throughout the world, that helps provide for the healthcare needs of 18 participating corporations and health insurers. The FCN now serves over 13 million employees and insureds and that number is sure to increase as several other organizations are in various stages of negotiation with Pickering. The current role call of participating major multi-

national corporations and health insurers is impressive and shown below.

IHRSA'S FITNESS CLUB NETWORK

(First Clients Ever)

• Federal Express •
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• Aetna Health Plans • Blue Cross
• Blue Shield of Massachusetts •
• Fleet • Gordian Health Solutions
• Key Corp • Tektronix • HMO
• Blue New England • Matthew
• Thornton Health Plan • Network
• Blue • Blue Choice • ETHIX •
• United Healthcare

IHRSA's - Pickering Founded the Fitness Club Network three years ago. At that time he found he had only one tool to argue his case to corporations that fitness was a worthwhile investment. That was the IHRSA Publication entitled: "Economic Benefits of Exercise". And even though the evidence in that pub-

lication is very convincing, many potential clients were not yet convinced. However, since the release of the Surgeon General's Report on Physical Activity and Health was released, minds have begun to change.

On the heels of the Surgeon General's Report came the passing of the Kennedy-Kassebaum Healthcare Reform Act which in effect gives the government's blessing for insurers to incentivize healthy behavior and to subsidize health club memberships. The 1-2 punch of the Surgeon General's Report and the passing of the Kennedy Kassebaum Healthcare Reform Act has given IHRSA's Pickering a huge boost in his thrust for success.

Pickering has skillfully and resourcefully crafted the Fitness Club Network into the beginning of a membership production machine the likes of which the club industry has never seen. And, Pickering has not allowed his unique opportunity in the industry to go unappreciated.

He expressed a sincere feeling of appreciation by commenting, "Things have been going great. I can't tell you how blessed I feel to be in this position! We're very fortunate to have, in just three short years, provided access to our clubs to more than 13 million employees and insureds. We are currently involved in negotiations with over 30 new companies and health insurers and this makes the future look even more promising. I'm truly honored to represent our IHRSA clubs as we meet with corporations and health insurers in an effort to help their employees and health insureds incorporate fitness in their lives wherever they work, live and travel."

The requirements for Fitness Club Network clubs are simple: (1) The club must be a member in good standing of IHRSA. (2) They must offer their lowest rate (for the type of membership selected) and (3) They must provide free, introductory, one-week memberships, as well as exercise screenings for all participating employees or insureds. For example, the Laconia Athletic and Swim Club in Laconia, New Hampshire, offers a 50% reduction on initiation fee, but does not discount monthly dues. Pickering comments supportingly, "While discounting the initiation fee encourages new membership, I think it is also important to protect the integrity of their monthly dues and not discount them." He adds, "There are no rights or

wrongs in the structuring of club's 'lowest membership' rates, what is best for one club, might not be best for another."

Of all of Pickering's clients so far, the Matthew Thornton Health Plan (MTHP) is emerging as the "model" HMO in the network. Approximately 22,000 of its 125,000 members (18%) have joined IHRSA clubs. MTHP subsidizes club memberships in the amount of \$150 per insured person per year and fully reimburses the cost of any health-promotion programs, such as smoking cessation or stress-management courses. Pickering expands on the subsidy issue by commenting: "We are focused on having membership subsidy for each one of our client's programs by emphasizing the benefits of subsidy to the decision makers of the corporation or the insurer."

The Fitness Club Network is truly a break-through for corporate membership sales for clubs around the world that become involved. And, the BIG KAHUNA of corporate membership sales, Dave Pickering, is just getting warmed up. Look for the FCN to continue to grow and deliver more and more memberships to its IHRSA clubs world wide. If you want to learn more about becoming involved in the selling power of the Fitness Club Network, contact Dave Pickering at IHRSA: (800) 228-4772.

(See the interview with Dave Pickering in this edition on page #23.)

"Dave Pickering has become the club industry's No. 1 bridge-builder -- with corporations, with HMOs and with the health insurance industry. Not only has he opened for the industry countless doors of opportunity; even more importantly, he shares what he has learned - often in the school of hard knocks - with anyone who asks."

John McCarthy
Executive Director, IHRSA

• Inside The Insider •

- Thousands For Equipment - But Not One Cent For Training!
- Connecting In The New Year
- Have You Lost That Lovin' Feelin'?
- Lifestyle Fitness And Bayfront Medical Team Up
- How To Write A Press Release
- The American Health Club Experience

THANKS TO OUR CONTRIBUTING WRITERS

During 1996 the following individuals contributed their time and expertise to The CLUB INSIDER News by writing informative articles. We thank each of them for their excellent work.

• Spike Gonzales • Ed

Gaut • James M. Evans • Dr. Gerry Faust • Karen Woodard • Neil Sol • The Sales Makers Ray Gordon and Ed Tock • IHRSA • Ben Midgley • Larry N. Kline • Michael Hoffman • Jeff Stokes • Bob DelMonteque • Peter Zapel • Dr. Tony

Alessandra • Steve Paterson • Mike Chaet • Keith Camhi • Paul Bruni • Rocky Marciano • Richard Gerson, Ph.D. • Leon Crimmins • Craig Pepin-Donat • Jack Tiller • Michael Scott-Scudder • Dean Kachel • Eric Durak

THE INSIDER SPEAKS

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Thousands For Equipment - But Not One Cent For Training!

By Michael Scott Scudder

Last year, at my fitness industry conference presentations, I started asking a simple question.... because I wanted to find the answer to something that has been perplexing me about our industry for years.

The question was (and

still is) "How many of you have a budget for staff training? Invariably, in over a dozen of my seminar offerings in 1996, given to groups ranging from 25 persons to well over 100 persons (mostly owners and managers of gyms and clubs from all over the country), very few hands were raised! In two seminars, nobody raised a hand.

I then asked: "How many

of you purchased new equipment within the last 12 months?" The majority of each group raised their hands!

Apparently, equipment is more important than training. And, it's been that way in our industry for too long.

Trend Letter, published by Global Network of Washington, D.C., recently addressed the subject in the January 9 issue. They said, addressing the change in job security in today's work environments: "One result of this job insecurity is the increased attention given to 'employability' - the never-ending process of ensuring our value in the job market. Employees at every level, from the top down, will have to keep their skills portable, flexible and continually updated."

Translated to our industry, read the above to mean that we need to train employees - in fact, cross-train employees - to become people-skilled rather than job-skilled and to be able to do a variety of jobs in the club well, rather than one job well. The days of hiring "warm bodies" to fill in slots (which we in this industry have a tendency to do - especially in two of our most vital areas, front desk and child care) are coming to an end. It's pretty obvious to this writer that those clubs who continue to 'plug-holes' rather than train for customer expectations will rapidly lose market share and run the risk of going out of business altogether.

Several years ago, I did some informal calculations at a few of my consulting client clubs, relating to staff turnover versus member turnover. While no formal numbers were ever reached in this study, I was amazed to find that high staff-turnover clubs were also high member-turnover clubs! In other words, lack of appropriate training led to job inflexibility led to poor customer service led to poor member retention. This showed up particularly in two club areas - the front desk and the fitness floor. Ironically, in most clubs throughout our industry, these are the two most

highly-trafficked areas of member use and the least-trained areas (in terms of customer satisfaction training).

Kerry Silverstone, in the Fall 1996 issue of IDEA Fitness Manager, said: "Everyone Is A Salesperson!" That means that every interaction a member has with a staff person in our clubs is a sales situation! If so, how are we doing?

Well, the fact of the matter is NOT TOO WELL! We have an industry-wide average (according to IHRSA) 62% retention ratio. That means that 38 out of every 100 people in our club at the start of the year won't be around at the end of the year! (And I know many clubs where the retention ratio is more like 50% - or even less).

So, armed with the knowledge that training is essential to a growing industry, that people are the key to our business (not facilities and equipment), and that competition will only get keener in the future, what will we do?

Will we continue to do business as usual? Will we continue to concentrate on new member sales and HOPE that renewal sales keep some kind of respectable pace? Will we continue the survival tactic practice of hiring somebody to fill those weird shifts? Will we persist in blaming our profit difficulties on "a part-time business?" Or, will we start to lay some track in the areas of training employees?

There are several venues for employee training. Most obvious are the conventions sponsored by IHRSA, CLUB INDUSTRY, IDEA and others. Regional seminars are also possibilities (sponsored by regional associations and/or independent consultants). Industry "schools" offer 4-day to week-long venues for learning. Well-known consultant/trainers are available for in-club employee education programs. Unfortunately, with all of these opportunities available, less than 20% of our 13,000 + commercial clubs in the



Michael Scott Scudder

U.S. provide any form of training for employees.

Jay Conrad Levinson, in a recent issue of Guerilla Marketing Newsletter, stated that: "We're in three businesses: (our) primary business, the marketing business and the people business." He says: "Your salespeople must share your vision. And then, human beings must be aware of why they should purchase what you are selling. If you lack crucial people skills, all the toiling you have done will have been in vain. If you don't know what makes (real people) tick, you're in for a dismal journey."

People skills are not born.... they're trained. There are few natural - born salespersons. Most of them fine-tuned their skills along the way - and got great mentoring from some masters as they went. Isn't it time that we, in this great industry of ours, decided to devote some dollars to a place where it will affect our bottom line the most - training?

I recently asked a small group of roundtable members, made up primarily of department supervisors and middle managers: "How much training have you had in your jobs?" The answers ranged from "none" to "very little." No one said: "Oh, a lot of training."

I asked them why they (See Michael Scott Scudder page 6)

FRIDAY REPORTS.

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•NORM'S NOTES•

TRADE SHOWS are very expensive for manufacturers and other vendors to attend. They must pay for their space, transportation of their products, their people, lodging, meals, airfare for staff members and the list goes on and on. The consolidation amongst companies is in full swing and one reason companies are coming together is to be more competitive. So, I have a good question for IHRSA and Club Industry to consider. Since your clients who attend your shows do so at great expense, why are your trade show hours limited to 10-11 hours total? Consider, for example, the monster Super Show which opens in Atlanta next week for a five-day run. The Super Show provides considerably more selling time for the exhibitors. (40-45 hours) And, the show draws 130,000 every year! So, IHRSA

and Club Industry, why not expand your trade show hours to say 9:00 a.m. to 5:00 p.m. so your exhibitors have more time to meet new customers and make sales? This would give 8,000 projected to attend IHRSA San Francisco more time to visit exhibitors and make purchases. If the only argument is: "Expanded trade show hours would conflict with the training sessions, I would then ask: 'Since only 2,000 of the 8,000 projected to attend are registered for seminars, what are those other 6,000 doing when the trade show is shut down for over half of the day? By the way.... the IHRSA San Francisco Trade Show has sold out all of the 944 booths! So, maybe the idea is: "If it ain't broke, don't fix it!" But, on the other hand, maybe IHRSA should poll the vendors and ask them if they would like to see the hours expanded for the San

Francisco show. Some work, but still time to get it done.

MICHAEL SCOTT SCUDDER is a veteran club industry professional and consultant who in this month's editorial asks a good question. The question is why do club operators fail to budget money and invest in training? His article is very thought provoking, so much so, I dedicated the inside front page of this edition to focus on the concept of the need for balance between new equipment acquisitions and employee training. He has just announced; "The Michael Scott Scudder Club Outreach '97 National Tour" which will be 10 one-day training seminars conducted in various locations around the U.S. beginning in May, 1997. For more info call: (914) 679-5627.

KEN LUCAS, the



Norm Cates, Jr.

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August 28, 1996

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

Dear Norm:

Coming back from vacation, I had the pleasure of reading the nice things you had to say about IHRSA and, in particular, about the work we did in conjunction with the Surgeon General's Report.

On behalf of all of us at IHRSA, our heartfelt thanks. You made the phone ring. Thanks to you, we received over 60 phone calls asking about our Surgeon General's packet.

Regards,

John McCarthy
IHRSA

P.S. Norm, it was sixteen years ago this month that you became the first President of IHRSA. How time does fly!

JMC/kee

IHRSA
International
Health, Racquet &
Sportsclub Association

Committed to
the Profitability and
Professionalism of
Our Member Clubs

new National Sales Manager of Strive Enterprises, is assembling quite a team. **CHIP MAYBERRY** informs me that two industry veterans, **JOHN DOBBIE** formerly with StairMaster for 8 years and **GENE RAY**, previously with Cybex, have joined Strive's sales team. Also, newcomer, **JOHN PUSKARICH**, an all-natural bodybuilding champion who holds the 1996 AAU Mr. America title, has joined the team. Good luck men!

ERIC ROEHL, President of ATA Information Systems and **PHILIP HAGEN**, President of Alternate Computer Services, have announced that they have created an alliance in which ATA will process EFT transactions for Alternate Computer Services (CLUB-PAC). This agreement adds more fuel to the consolidation movement that is taking the industry by storm.

NEIL SOL & JASON CONVISER are two of the most knowledgeable experts in the field of connecting health clubs with health care institutions. They are conducting two seminars in the near future. Be sure to catch their ad in this edition for the details.

The **CHELSEA PIERS ATHLETIC CLUB** is an awesome 150,000 square-foot athletic club located on the banks of the Hudson River in Manhattan. The facility resembles an ocean liner in many ways. Now, they are adding a 30,000 square-foot equestrian center and a 30,000 square-foot "Basketball City" to the complex. If you ever get to New York City, you have got to see this place, the **Crunch Fitness Centers** and the **Reebok Sports Club New York!**

SALES MAKERS' founders **RAY GORDON** and **EDDIE TOCK** have announced

their 9th Annual Sales Managers training seminar to be held in Fort Myers Beach, Florida, May 1-3, '97. Speaking of training, I can tell you that the Sales Makers System truly works and the seminar is excellent as I sent people to Ray Bob's seminars in the mid 80's with great results. In addition to that, the setting for the seminar in Fort Myers Beach is a lot of fun for everybody that attends.

Sources say that one reason **MIKE TALLA** of the **Sports Club Company** sold his **Sports Connection** chain in L.A. to **24 Hour Fitness** was so that Talla could buy back as much as 9% of the company stock and a bigger stake in the **Reebok Sportsclub New York**.

The Houstonian, the world class club in Houston, Texas is adding two golf courses.

The Green Valley Athletic Club in Las Vegas is up for sale. The asking price is reportedly \$15 million for the recently remodeled 130,000 square-foot, world class club. Contact **MISTY CHADWICK** for details.

FITCORP and **HEALTH DEVELOPMENT CORPORATION**, two leading Boston area corporate fitness chains, have teamed up for a joint marketing alliance.

TOM LYNEIS, ED WILLIAMS and **BUD ROCKHILL**, the owners of **Club Sports International**, acquired the 40,000 square-foot International Wellness Center in downtown Denver. They also have two major deals in the works which can't be disclosed at this time.

JOHN O'DONOVAN has left Schoeber's Athletic Clubs to join **JIM GERBER's Western Athletic Club** group.

(See Norm's Notes page 18)

NEIL SOL'S HEALTHCARE CONNECTION CONNECTING IN THE NEW YEAR

By Neil Sol, Ph.D.

1997 is here and to get a sense of where the health club connection to health care opportunity is going in 1997, we need to review what happened in 1996. In each of the last 5 years, significant changes, both in the paradigm of health care in America and the business of health clubs, has occurred. These changes have contributed to improving the connection between the health club and health care. However, 1996, in this writer's opinion, was the most significant. The publication of the Surgeon General's Report on Physical Activity and Health has provided the industry

with the backing of the U.S. Government and will prove to be extremely important in the future. And, the growing acceptance by health care institutions and health clubs as to the benefits of a formal connection has led to mutually beneficial relationships developed through merger.

The following are some of the significant events that took place in 1996:

- Hospitals began to buy health clubs; integrating them into the hospital health care environment in an effort to extend the hospital continuum of care to the realm of prevention.

- Health insurance plans embraced the importance of the contribution of health clubs to the reduction in subscriber utilization

of health care services and the opportunity to maximize the profits in their capitated plans by purchasing or reimbursing for preventive services and health club membership.

- Development of club networks to serve as preventive providers to subscribers of health insurance plans increased. Local, regional and national health and fitness associations have developed and promoted networks. Private companies formed to organize and promote club networks to health care institutions.

- Expanding interest in alternative health care peaked the interest of traditional health care institutions. This caused them to develop affiliations with health clubs that provide such services as massage, nutrition counseling, general and specialized exercise such as Pilates. Additionally, insurance plans began to reimburse alternative service charges, suggesting opportunities for health clubs as providers of these services.

- On July 11, 1996, the Surgeon General's Report on Physical Activity and Health was released stating that physical inactivity was hazardous to your health and suggesting to the converse that mild to moderate regular physical activity would/could reduce and eliminate the potential for an individual to succumb to numerous lifestyle related diseases. This Report has and will continue to alter the way health clubs view and practice their business. Most importantly, the Report will alter the way the public and health care professionals view and participate in the services health clubs offer.

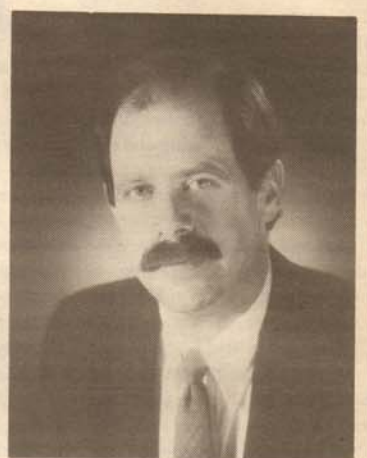
- 1996 offered more opportunity than in previous years for health club and health care professionals to learn about the

opportunity related to the health club/health care connection. The most significant conference, one that occurred at year end, focused on integrating the health insurance, medicine, business and health and fitness industries, suggesting to all that health and fitness is an important cog in the health care system of America.

So, what is the vision for 1997 as it relates to health clubs connecting with health care? At a minimum, we can expect more of what has occurred in 1996 with an even greater involvement of both the health club and health care industries.

As the American health care system is in a constant state of change, it is difficult to forecast exactly what health care will look like in 1997; and specifically, where the health club and fitness business will fit in. However, preventive services, those that we offer in the health club, will strengthen its foothold in health care. And, this is regardless of changes that are sure to occur to health insurance reimbursement plans, capitation plans, etc. As did the 1964 Surgeon general's Report on Smoking impact Americans to quit smoking gradually through the years, so will the 1996 Surgeon General's Report on Physical Activity and Health motivate Americans to exercise. As a result, 1997 should reveal the beginning of a grass roots movement among Americans to accept responsibility for their own health and finally take action to improve it.

The paradigm of American health care will continue to shift in the direction of prevention



Neil Sol, Ph. D.

and health care insurers and providers will continue to embrace this concept to expand their search for partners to provide preventive services; the health club.

In 1997 the health club industry will be offered further opportunity to connect with health care. We can expect increasing overtures for relationships between the club and health care institutions being initiated by the health care provider as the understanding of the value of a partnership with health and fitness professionals increases. It is incumbent upon the health club industry to be attentive and receptive to these overtures. Here's to a great 1997 in your quest to connect with health care!

(Neil Sol, Ph.D., is the President of Health Vantage, Inc., a consulting firm for the health club industry which specializes in the relationship between the health care community and health clubs. Neil may be reached at: (303) 399-3224).

...Michael Scott Scudder

continued from page 4

thought that was so. Most answered that they thought the "owners" either didn't have time for training or didn't see the benefit of it. But one young lady said: "I think they know they ought to do it. I even think that they intend to get to it. I just don't think they care enough about it. And what that says to me is that they don't care much about me."

In an industry where we

pride ourselves on taking care of people's needs, where we give so much lip-service to quality, and where we are constantly trying to upgrade facilities and equipment to provide better customer experiences, I think we're missing the point. I think the point is that training is the way to quality, that taking care of our employees' needs is the route to greater customer satisfaction and that dollars invested in education will reap greater dollars to our bottom line. Training breeds improvement of skills. Improvement of skills breeds self-enhancement. Self-enhancement breeds greater levels of competence. Greater competence breeds

better service to the customer. Better service to the customer breeds staying power in your industry.

A look at almost any other service industry in our modern economy shows a consistent investment in training. When will we commit to catching up?

(Michael Scott Scudder operates FITNESS FOCUS, an international club consulting and management training company. He is a recognized industry workshop leader and seminar director. He is available for questions or inquiries at (914) 679-5627 (phone/fax), through America Online at fitfocus@aol.com and through the Internet at fitfocus@mhv.net.)

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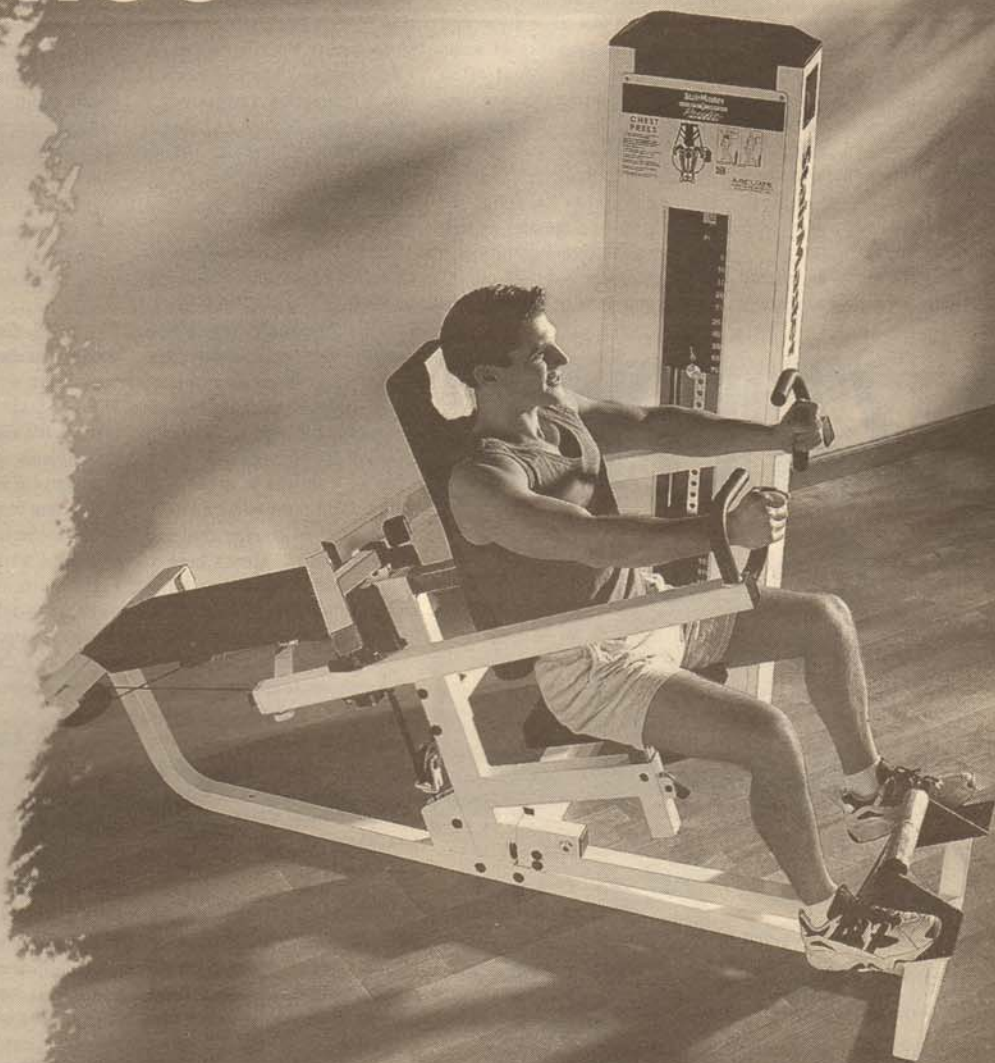
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HAVE YOU LOST THAT LOVIN' FEELIN'?

By Karen D. Woodard

(This article is # four in a six-part series designed to enhance your sales process.)

OK Gang — we're at the midpoint of the busy season and it's a good time to do a "check-up from the neck-up" to determine our mental and emotional fitness for continued stellar sales performance. Let's start with a simple question...Do you love what you're doing professionally? If your answer is yes — excellent! Keep reading this article to remind

yourself of ways to stay fresh and always "keep that lovin' feelin'." If your answer is no — please, please, please take a few moments for yourself to read on and see how you can get "that lovin' feelin'" back.

Staying fresh and avoiding burnout is a pro-active approach that we all have the ability to do. It just takes a constant awareness and practice of some basic principles. Most often though, we find ourselves in a reactive position which tends to limit the choices we see in how to remedy the problem. It's easy to see how we get to that point - we spend a lot of time and energy meeting and exceeding the needs of our members, our staff, our directors and most of us truly love

doing it or we wouldn't be in this industry. And that's what makes us so good at what we do - we adore it so it's easy to keep giving to something we get a lot back from.... until we don't have any more to give. It usually sneaks up on us if we're not listening to the "whispers" along the way which include: • increased agitation • increased illness • poor sleep quality • persistent fatigue • depression • lack of motivation • distraction • negativity • drop in performance • chemical dependency • increased drama and when we reach that crispy fried place, we unfortunately see the choices as either:

1.) I don't seem to be able to do my job anymore -- I'm ineffective.

2.) I can't do this here anymore so I'll go to another club.

3.) I need a vacation! Options one and two are not acceptable, option three is a move in the right direction, but what we want you to say is "I'm a little fried right now and have full control to change this and move forward". Here's how to redirect and or prevent crashing and burning:

1. Don't panic -- stay calm and realize that you do have control and that running away doesn't solve the problem. You've invested time and energy where you are and will only be more successful where you are if you take some time to deal with this issue.

2. Communicate to your director - where you are mentally, your concerns and your plan so she/he is fully clued in and can assist you with your success.

3. Avoid at all costs engaging in negative talk with co-workers — you need to be

around people who buoy you up not those that will pull you under.

4. Increase your circle of friends outside of the club - too often I see club staff developing a close group of friends who are either other staff or members. These friendships develop easily but I recommend against them for professional reasons as well as the simple fact that if your friends are the people you work with and serve everyday -- how can you ever get away from work?

5. Get out of the club during the day — it's heroic that we want to work through our day without taking lunch or taking breaks. It's also incredibly dumb, entirely unnecessary and very unproductive if we do it regularly. I advise that you take breaks to get up and move around, get out of the club for a walk, have a work out. I also advise that you limit lunch meetings — take that time for you to rejuvenate. Instead of lunch meetings, I find breakfast meetings to be more effective.

6. Listen to your own self talk - we need to be our own fan club not our own worst enemy. Which one would you say you are? When you catch yourself thinking negative thoughts, use the "stop-sign technique." Visualize a big red and white stop sign in front of you that cues you to stop the 'stinkin'-thinkin' that is destructive and turn it into something more positive and useful to you. Remember, today's self talk becomes tomorrow's reality.

7. Get outta Denver



Karen Woodard

baby go-go -- take your vacation time. Whether you leave town or hang out at the house and organize your sock drawer, get away from the club for a week or more to redirect your thoughts and listen to yourself. Sometimes all we need is a bit of quiet time and rest.

8. Cover the basics -- what do we tell our members? Make sure you're making time for regular work outs, massage, meditation, good nutrition and time out for you. If you work with a spouse, make sure you have "time-outs" where you don't talk about work at all during specific times of the day or evening.

The remedies for recovery, if practiced on a consistent basis, are also the same good habits that will prevent us from reaching burn-out in the first place. Our awareness of what is happening to us, listening to the whispers along the way and pro-acting as opposed to reacting are the keys to insuring a consistently productive, successful and promising career in this or any industry.

Preservation of that "Lovin' Feelin'" is not only crucial to your success, it is a major factor in motivating our members to reach their goals!

(Karen D. Woodard, President of Premium Performance Training and a club owner for 12 years provides successful sales training programs, service training and bottom line consulting to the health and fitness industry. She can be reached by phone or fax at (303) 417-0653.)

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Lifestyle Fitness Center and Bayfront Medical Center Team Up

Tampa, Florida - Geoff Dyer, President of Lifestyle Family Fitness Centers, recently announced the introduction of Bayfront Health & Wellness Source to the Lifestyle Family Fitness & Racquetball Club in St. Petersburg.

"I'm very excited about this relationship and the enormous benefit our members will realize," says Dyer, "now we can provide club members and visitors with a host of services including health risk appraisals, cholesterol screenings, skin cancer screenings and prostate tests."

Bayfront Health & Wellness Source is a subsidiary of the Bayfront Medical Center, the largest hospital group in Pinellas County and one of the Tampa areas largest employers with 496 physicians and 2045 employees.

There are more than 350 hospital-owned fitness centers throughout the U.S., according to the Association of Hospital Health and

Fitness Centers; however, this represents only 3% of the nation's 13,000 health clubs. A more popular trend is for hospitals to associate with quality clubs and continue to provide a full range of services without the capital expense and responsibility of operating a full service fitness center. According to Dyer, "it is our mission to provide an environment for our members that promotes a happier and healthier lifestyle"! This opportunity to work with Bayfront Health & Wellness Source is a win-win relationship. Our members can enjoy the convenience of "one-stop shopping" for their fitness and health care needs and have an opportunity to participate in some of the medically-based programs Bayfront Health & Wellness offers. These programs are not yet finalized, but will most likely include weight management by a certified nutritionist, programs for seniors and overweight, inactive adults,

walking programs and seminars for physicians covering lifestyle problems such as back pain, injury prevention, etc.

According to Lewis Blastic, Health and Wellness Coordinator for Bayfront, "This relationship with Lifestyle Family Fitness Center provides a means for us to extend and expand our continuum of care to include more preventative and less expensive rehabilitative services. Our patients will have the benefit of accessing a 38,000 square-foot premier fitness facility with over \$500,000 in fitness equipment while still enjoying the quality of medical care consistent with Bayfront Medical Services."

"Bayfront has always been a leader in prevention and health promotion in this community. It makes good sense to provide our services to health club members who lead an active lifestyle, plus the location will be

a convenience to Bayfront's own customers and patients," according to Blastic.

In the near future, Bayfront intends to provide rehabilitation services at this location including physical therapy and occupational therapy.

More than 70% of the nation's health care bill is spent on preventable illnesses. Through health screenings, osteoporosis examinations and similar tests, major illnesses and diseases can be detected and treated in the very early stages of development resulting in an enormous cost savings in the long term.

"This is just the beginning," according to Dyer. "We expect our members to embrace these services and truly enjoy the lifelong benefits from living a happier and healthier lifestyle," he adds.

In the past, hospitals generally understood their mission to

be the care of the sick people within the walls of a hospital. But, Dyer comments, "People don't live within hospital walls. They live within families and families live within communities, each with their own unique cultures. Reaching out to the community, where Lifestyle Family Fitness Center is located, represents an opportunity for the hospital to market itself to the community and from that outreach, to acquire new patients."

The relationship between Bayfront Health & Wellness Source and Lifestyle Family Fitness Center is not new to the fitness industry, just new to the Tampa Bay area. 23% of IHRSA (International Health, Racquet and Sportsclubs Association) clubs are now affiliated with either a hospital, managed care organization or a physicians group.

Geoff Dyer's Lifestyle Family Fitness Centers include 6 locations in the Tampa Bay area.

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WHY TENNIS HAS DECLINED

(More Reasons You May Not Want To Hear - Reasons 3 & 4 of 10)

By Spike Gonzales

REASON #3: Our equipment has gotten too good. This is a "two-edge sword". On the one hand, as our racquets have increased our ability to hit with more power, they have seemingly decreased the instances of tennis elbow and arm injuries. Maybe their efficiencies have made the game a little more appealing and diminished the number of people who have had to quit or lay off from playing.

On the other hand, what has more power done to enhance the game? Using "power" to sell more racquets to players presumably wanting an edge over their opponents certainly cannot have brought

more people into the game, nor helped people stay in the game. On the contrary, there are no aspects of "power" that make the game more appealing. Now we are faced with the dilemma that playing enjoyment is diminished because rallies are shortened. The rally is the "molecule" of real fun (and fitness) on the tennis court, as opposed to the ego satisfaction that's attached to winning.

Even spectating enjoyment is diminished. Twenty years ago, it was novel to see service aces. We applauded because of the unique strength and precision needed to hit a serve the receiver couldn't even touch. Now you get the feeling spectators are tired of seeing aces, and it's a burden to have to applaud them.

Commenting on the

downturn of popularity of tennis on television, NBC Sports President, Dick Ebersol, has declared, "Tennis is in steep decline because it lets equipment companies run it. They have slingshots for racquets now. We have a hard time (even) selling Wimbledon."

Equipment manufacturers, in their sales efforts directed to players' egos and in trying to grab more of the racquet sales pie, have in fact contributed to the downturn of the sport. While some have touted selling more frames than ever, it has been at the expense of the overall market and somewhat at the expense of others that have even had to go out of business.

And it has been at the expense of some of the major appeal of the game. Players used to see tennis as an activity that took significant skill development, so that even non-athletic people could compete with those with more strength and speed. The superior stroke development and concentration skills of the Ken Rosewall wannabes of the world could allow them to compete with those who inherited greater physical stature, muscle mass and speed. There is little real fun in watching or playing the game like Goran Ivanisevic. With diminished fun has also come declining participation!

REASON #4: Pros have been concerned with producing better players. This concern, of course, has almost always been to the detriment of the concerns of producing more players.

Typically the pros who get recognition and perceived

greater financial rewards have been those who've produced national champions or highly ranked players. Rarely has there been recognition for those who have brought dozens or hundreds of new players to the game.

There are some ironies here. First is that usually it's the better player who has the best shot of attracting those wanting to learn tennis. Yet, more often than not, it's the better player whose athletic talent allowed him or her to progress most easily; so it's this person who has the least knack for understanding the difficulties and challenges of learning.

Second, as opposed to providing a caring or nurturing environment for potential new players, former pros or top players are used to being catered to themselves. They're accustomed to having their egos "massaged" and are less likely to be caretakers of others. In interviewing some top level players, I can still vividly recall such comments as "I don't waste my time with lesser players," "teaching is a mindless task," and "they'll never be any good anyway."

The issue of top players being ill-equipped to bring new players into the game is exacerbated by naive or "laissez-faire" club owners or managers hiring "name" pros for their facilities to lure in better players.



Spike Gonzales

Very often it's these owners and managers I hear saying, "tennis pros aren't worth it" or "they're all prima donnas!" Why is it they don't realize the market for tennis players is infinitely larger among those just starting or willing to start the game, rather than those who are already players? Why is it they don't realize that the pros who can best help them are those who best teach and motivate the lower levels of play?

It was an unusual experience when I once sold the concept of TCA's Tennis In No Time © program to a pro who was a former world top-30 player. He was intrigued by the possibilities of bringing in hundreds of new players to his facility and decided to go for it. He said, however, "There's just two problems, Spike. I've never taught group lessons and haven't the slightest idea of how to teach a beginner!" Here was a person who understood the needs of his club, and as well, realized that his world-class playing experience needed considerable refinement to allow him to help grow the game!

(Spike Gonzales has been building tennis markets since 1971. He was a prime developer of Tennis Corporation of America's "Tennis In No Time" ©, and an advisor to the USTA in starting Play Tennis America. An influential member of the USPTA, USTA and IHRSA, he helped bring those organizations together to found the National Tennis Rating Program. He presently serves as an advisor to Tencaps, Inc., a USPTA-endorsed tennis rating system, and consults with clubs wishing to improve their marketing, management teams and tennis professionals. He may be reached at: (941) 774-2442.)

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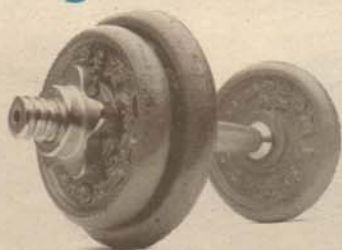
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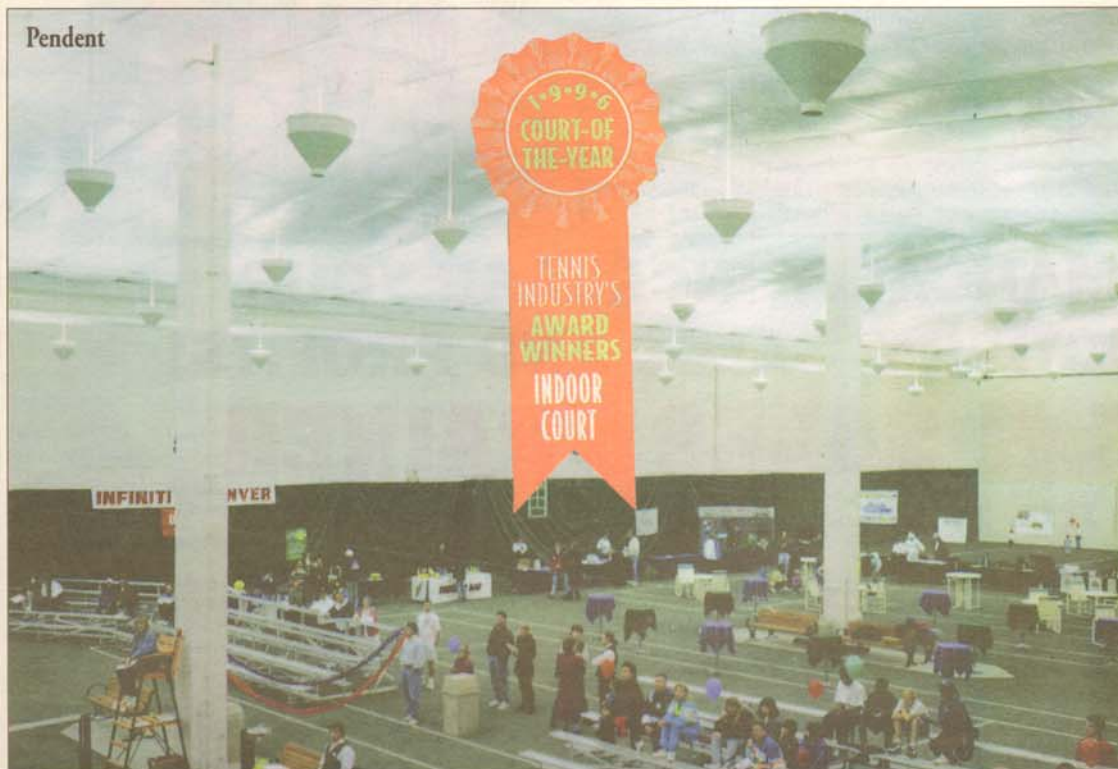
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...Norm's Notes

continued from page 5

Good luck to **BRENT ARNOLD**, who has left **MACMA** to move to Oregon.

The People's Company of Japan has sold **The Westfield Club** in Chantilly, Il. and is pulling its operations out of the U.S. according to sources.

DOUG LEVINE has opened his first Los Angeles **CRUNCH FITNESS** facility. Good luck, Doug!

Congratulations to **KAREN AND SCOTT WOODARD**, owners of the **Pulse Fitness Centers** in Boulder, Colorado, as their clubs have been named by the **Colorado Daily News** as the Best In Boulder! This honor comes

to the Woodard's after another local publication, the **Daily Camera**, picked their clubs as "The Most Comfortable" last year. This is a nice honor because they compete in a crowded market of 23 facilities in a market of 100,000.

A new chain of clubs is emerging called: "**The Rolling Strength Gyms**" a chain of 1,000 square-foot fitness facilities located inside of truck stops across the U.S. **JEFF ABRAMS** is the man behind this brainy idea which further proves that our industry will one day cross all socio-economic boundaries!

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SALESMAKERS

Tip Of The Month

YOUR TIME

MANAGEMENT CHECKLIST

Here is a quick check on how well you manage your time. It was prepared from ideas collected from many sales people who realize the importance of good time management. Review each NO answer for possible improvement.

PLANNING TIME

- | | YES | NO |
|-----------------------------------------------------------------------------------------------------|-----|-----|
| 1) I have a specific objective for each call. | ___ | ___ |
| 2) I schedule my time monthly, weekly and daily. | ___ | ___ |
| 3) I determine the best time of day to do corporate outreach and schedule accordingly. | ___ | ___ |
| 4) I screen all prospects and call those who are most apt to buy. | ___ | ___ |
| 5) I am skeptical of theories that sales can't be made on certain days or at certain times. | ___ | ___ |
| 6) I fill in my schedule with phone calls between presentations and tours. | ___ | ___ |
| 7) I keep office routine to a minimum and keep all paperwork up to date and accessible. | ___ | ___ |
| 8) I base the frequency of calls on customer's potential need rather than my convenience. | ___ | ___ |
| 9) I keep in touch with the control desk to get word of developments that might affect my schedule. | ___ | ___ |
| 10) I write out my thank you cards as soon as the person leaves my office, or in slow times. | ___ | ___ |

BEFORE THE CALL

- | | | |
|----------------------------------------------------------------------------------------------------------|-----|-----|
| 1) I make appointments by phone to reduce waiting time and wasted effort. | ___ | ___ |
| 2) I eliminate wasted calls by analyzing the need for every call. | ___ | ___ |
| 3) I use the phone for customer contacts that do not require a personal meeting. | ___ | ___ |
| 4) I make sure all the presentation material is complete and in order to prevent wasted time and effort. | ___ | ___ |
| 5) I review member data before the call to reduce presentation time. | ___ | ___ |
| 6) I prepare and practice my presentations carefully to minimize the time necessary to close the sale. | ___ | ___ |

DURING THE CALL

- | | | |
|-----------------------------------------------------------------------------|-----|-----|
| 1) I get right to the purpose of the call, keeping small talk to a minimum. | ___ | ___ |
| 2) I try to close as many sales as possible during the first presentation. | ___ | ___ |
| 3) I listen and take notes to reduce the time for additional delays. | ___ | ___ |

PAPERWORK

- | | | |
|-----------------------------------------------------------------------------------------------------------------------|-----|-----|
| 1) I maintain records at times other than prime selling times. | ___ | ___ |
| 2) I fill in customer records as quickly as possible to avoid problems that take time later. | ___ | ___ |
| 3) I keep records that tell me where my sales volume is coming from so I can best spend my time where it counts most. | ___ | ___ |

PERSONAL TIME

- | | | |
|----------------------------------------------------------------------------------------------------|-----|-----|
| 1) I minimize coffee breaks and time spent on meals. | ___ | ___ |
| 2) I avoid late morning starts and early morning 'quits.' | ___ | ___ |
| 3) I avoid the impulse to goof off after a good sale or string of rejections. | ___ | ___ |
| 4) I resist the 'bad weather' blues and continue to do corporate outreach in spite of the weather. | ___ | ___ |

(The Sales Makers Tip of the Month is published courtesy of The Sales Makers, a veteran club industry sales training and management organization. Sales Makers may be reached at: (800) 428-3334.)

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TM-TV is anchored solidly to a frame-welded display stand painted to match the color of the treadmill.

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24 HOUR FITNESS NAMES SUPERMODEL NIKI TAYLOR AS SPOKESPERSON

Pleasanton, Ca. - Supermodel Niki Taylor has been named the new spokesperson for 24 Hour Fitness, the nation's second largest and fastest growing fitness chain. Ms. Taylor will be featured in the company's 1997 advertising campaign beginning January 1, 1997.

"I feel good about this partnership," says the 21 year-old Taylor, represented by New York-based modeling agency IMG. "As a health and fitness conscious person, I am excited to be a part of this innovative organization which is the fastest growing chain of fitness centers in the world today!"

The new 24 Hour Fitness advertising campaign will be launched in major media outlets throughout the five states in which it operates: California, Colorado, Nevada, Texas and Hawaii. The 30-second television spots each end with Niki Taylor stating the very appropriate phrase: "It's a 24-hour life, that's why you need 24 Hour Fitness, and feature Taylor in a number of club scenes working out and speaking about the convenience and quality of the clubs."

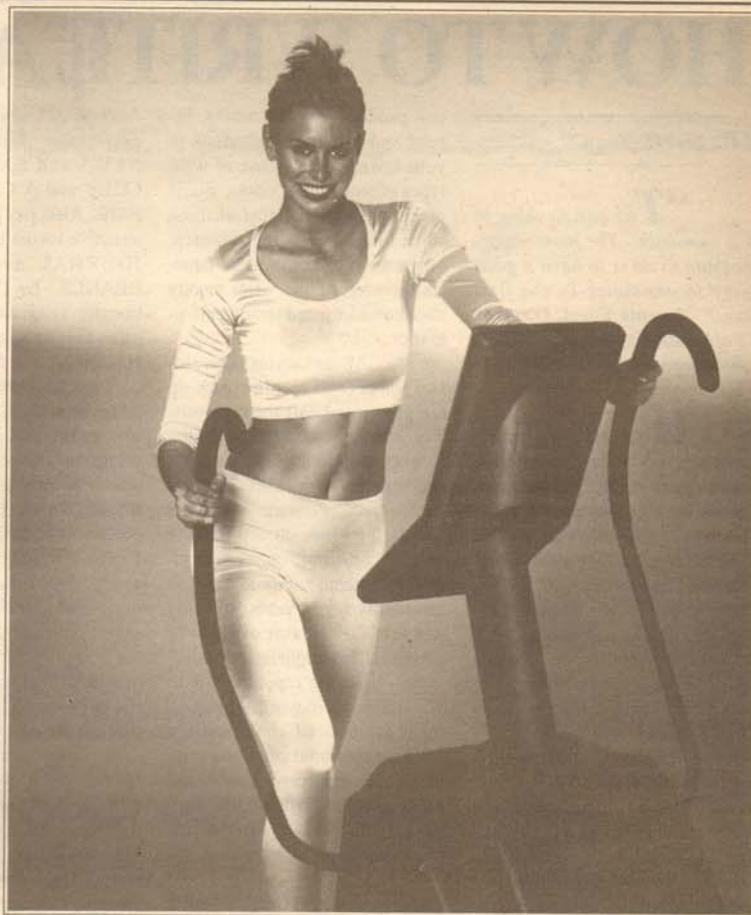
"We are excited to be working with supermodel Niki Taylor," says Rae Herlich,

Vice President of Marketing for 24 Hour Fitness. "After careful consideration, we selected Ms. Taylor, not only because she is an exceptional talent and beautiful model, but in addition, a mother of twins. This active lifestyle, we feel, is one with which our members can strongly relate."

Based in Pleasanton, California, 24 Hour Fitness has 137 clubs and more than 1.2 million members nationwide. The company's mission is to enhance people's lives through exercise.

24 Hour Fitness is distinguished by offering heavily-equipped facilities with top-of-the-line cardiovascular and strength-training equipment along with state-of-the-art exercise and aerobic programs around the clock.

Purchasing equipment from every major manufacturer in the world, a typical 24 Hour Fitness facility houses over 200 pieces of exercise equipment and more than 80 pieces of cardiovascular equipment. Additionally, 24 Hour Fitness offers a number of amenities and programs to members, including extensive personal training programs, swimming pools, basketball courts and childcare services.



Niki Taylor

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HOW TO WRITE A PRESS RELEASE

By Michael Hoffman

"The easiest thing to do is announce. The most important thing to do is to have a good policy to announce in the first place." - Lonnie Fogel, Director of Public and Investor Relations, Home Depot.

How true Lonnie's words are. For years, clubs have shied away from sending out press releases, because they were not sure what to say. And rather than spend the time learning how to find and write good news stories, marketing managers just let the whole PR issue slide. It was just easier to advertise or run another special sale.

But it looks like things might be changing, at least for some of you. I have to assume that many of you concentrated on improving your press relations in 1996. Why? Because I have received more than two dozen news releases from clubs large and small over the past nine months. Congratulations! You just might be on your way to establishing new reputations for media relations.

Now that clubs are starting to realize that a news release can generate as much or more guest traffic as a sales announcement ad, it's time to learn how to write the most persuasive, information - packed news release possible. There are 5 tricks that can make the difference between a reporter who throws your news story in the wastebasket and one who calls you for a follow-up interview.

Only two of these have anything to do with the actual practice of writing, because a reporter will respond to a good story, even if it's not a Pulitzer Prize document. Writing a strong news release is more about knowing what your local media people want to cover than about being a great writer. Here's what to do:

(1) **STUDY HEALTH REPORTER'S COLUMNS** - Read every story and column, listen to every local radio program and watch every local TV news broad-

cast produced by the health, fitness and medical journalists in your town. Get a sense of what types of stories they cover. Some prefer human interest stories, some focus on medical research, others are sports or exercise fanatics themselves and write mostly about training and sports performance.

After studying their stories for several months, pick up the phone and call the reporters. Say something like this, "John, I've been following your TV news segments on senior citizen fitness for the last few months, and I was wondering - how do you find the people who appear on your broadcasts? Our club has more than 150 members over 55 years old, and I can think of several of them in particular that might interest you."

Let the reporters talk to you about their work. Most of them get excited about sharing their professional opinions with the public. Take careful notes and orient all your further correspondence with each reporter to the topic they most like to cover.

2. TIE YOUR STORY TO LOCAL, REGIONAL AND NATIONAL HEALTH TRENDS

Unfortunately, nothing much happens in health clubs that constitutes "hard" news. The media still remains compelled to cover politics, economics, natural catastrophes, ethics faux pas and homicide first. While all this "hard" news is playing out nationally, however, good things are happening around public health, fitness research, equipment technology, exercise programming and human interest in clubs everywhere. If you can show a reporter how your club's people, equipment, physical plans and programs reflect bigger national trends, you increase your coverage chances 100%. Reporters respect club owners who know what's going on in the world outside their walls.

To keep up to speed, read the medical news, lifestyle and healthcare sections of USA TODAY, the WALL ST. JOURNAL and the largest metropolitan newspaper you receive every day.

Also watch CCN's health broadcasts, the NBC NIGHTLY NEWS and EXTRA, HARD COPY and A CURRENT AFFAIR. Also, pay attention to "alternative media like NEW AGE JOURNAL and the UTNE READER. Dr. Dean Edell's nationally syndicated radio show often has gems, to, as do MEN'S JOURNAL and FITNESS.

The smart club owner learns how to tie trends together into an unusual story that a reporter cannot resist. Sue Paddon, who runs the Cycle Junkee boutique in Newport Beach, Ca. is a perfect example. She uses the Reebok Studio Cycle exclusively, thus fitting into the cycling club trend. But she also offers personal cycling training for senior citizens. She rides alongside beginners and coaches them personally all the way through the 45-minute program.

Sue's favorite student is 60-year-old Judy Gertner, a liver transplant patient and the Executive Assistant to the Dean of the University of California at Irvine. Sue grabbed some big Orange County headlines by combining the hottest new equipment (studio cycles) the newest age group phenomenon (senior fitness) and the continued growth of personal training all in one media pitch. Sue and Judy might even soon appear on EXTRA, which now includes a human interest segment in every broadcast.

3. HOW TO WRITE THE INVERTED PYRAMID

Some PR people have abandoned the tried-and-true journalistic practice of writing releases that place the most important news fact first, then the second most important fact, then the third and so on. Instead of developing the skill to provide reporters the critical "WHAT," "WHO," "WHY," "WHEN," "WHERE" and "HOW" information they need to evaluate a story's importance, they seem to be trying to turn straight newswriting into some sort of feature writing, like an EXTRA or CURRENT AFFAIR piece. In the process, they provide weak news hooks and frustrate reporters.

All your newswriting should answer the same question over and over. "What have you done for your members or your community lately? And how did you do it? Your headline should say what your project was. Your lead paragraph should name who was involved and why they per-

formed the service. "When", "Where" and "How" are your follow-up paragraphs. A five or six-paragraph story is long enough.

Here's a sample sentence outline of a news release. Use it as an example of how informative and structured your newswriting should be:

HEADLINE:
ABC CLUB UP-
GRADES INSTRUCTOR REQUIREMENTS
- Provides the "What."

PARA.1- Club manager Jane Doe announces all instructors must have ACE credentials. - More information on "What," plus "Who."

PARA.2- Program instituted due to increased number of mature adult and senior citizen members requiring extraordinary supervision. - Provides the "Why."

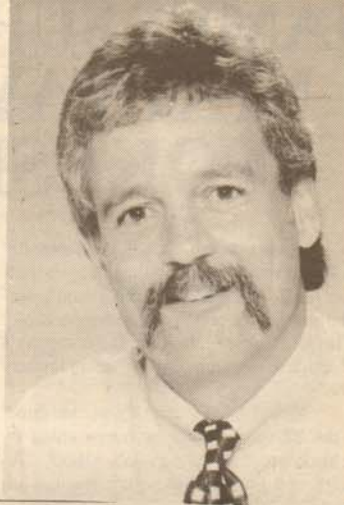
PARA.3 - New requirements go into effect immediately and existing employees will also begin credential study now. Provides the "When."

PARA.4- In addition to the downtown ABC location, all three satellite clubs in the region will follow the program. Provides the "Where."

PARA.5- Credentials candidates will study ACE correspondence courses and then participate in group exams at Spring, '97 IHRSA Convention in San Francisco. Provides "How."

I cannot emphasize strongly enough how important it is to find a service angle to your stories. Even if you are talking about capital improvements, you can explain how they will improve member results, ease crowding, allow trainers to work more effectively. Our industry is developing a stronger and stronger reputation for concern about the welfare of others and we should not drop the ball now.

4. AVOID FINANCES AND SELLING SCHEMES - Stay clear of dispursing news about your balance sheet, and NEVER announce a sales campaign in a news story. Your local community wants to hear about what you are doing to help them get healthy, not how much money you are making or losing in the process. While public companies are required to publish quarterly statements, these should be part of your investor relations PR program, not your consumer news release series. Indi-



Michael Hoffman

vidual clubs or chains that are profiting handsomely might naturally want to share the information with their investors, but should proffer this information to business reporters not to the health and fitness writers. Simply recall the fate of some recent groups that patted themselves on the back too aggressively, only to watch their stock plummet and their reputations along with it.

Facilities expansion news is acceptable, providing you announce how those new clubs will be serving the public interest. Rae Herlich, Marketing Vice President for 24 Hour Fitness, recently did a good job of this by explaining how the new larger and upgraded clubs opened in Southern California would be participating in charitable fund raising events.

5. PARTING SHOT - If you want to be successful with news release writing, follow the inverted pyramid style. It is surprisingly simple, but also infinitely more effective than stories that are too long, too short or too cute. If you want to see your news stories printed or broadcast, you have to present them in good journalistic style, but you also have to go that extra step - show how you, your people, your club and your programs provide a concrete benefit. News is becoming much more a matter of establishing a reputation for social responsibility than of making a profit. The best book on newswriting is - "Public Relations Writing and Media Techniques" Dennis Wilcox, Harper Collins, 2nd edition, 1995.

(Michael Hoffman is the President of Heart Communications, a California-based Public Relations firm. Michael may be reached at: (714) 831-7971 or Fax # (714) 643-1891.)

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IHRSA'S CORPORATE SALES SUCCESS: A GLOBAL FITNESS CLUB NETWORK

Interview By David G. Keir

"Networking permeates our lives. We set out to find a job, and we access a network. We pick up the telephone, and we access a network. We turn on the computer or the television and we access a network. Networking is efficient and it's everywhere. It gives us the ability to expand our reach, to make small systems big and to increase our potential - typically without any large investments, extensive modifications or major expansions."

Dave Pickering, Director of Networks for IHRSA, The International Health, Racquet and Sportsclub Association.

Meet Dave Pickering... the driving force behind an innovative corporate membership sales

program that has achieved phenomenal international success. Dave is the Director of Networks for IHRSA and the founder of IHRSA's Fitness Club Network (FCN). The Fitness Club Network is an international network of over 2,500 IHRSA member fitness clubs. It offers club membership to employees of national and international corporations and health insurance companies. Pickering is the former President and founder of Healthtrax Corporate Services, the corporate sales division of Healtrax International.

Healthtrax is a Connecticut-based U.S. club chain with seventeen facilities. The FCN program reflects his success with that company, where he successfully marketed an almost identical program. Now in charge of the IHRSA initiative, Pickering explains the genesis of

his idea....

"Really, it began in 1984. I had just joined Healthtrax after a number of years running my own employee benefits brokerage firm where we sold soup-to-nuts benefit packages to corporations. I was able to fine tune the art of selling fitness to business by persuasively explaining that fitness was an employee benefit that would help corporations attract and retain workers as well as improve productivity and help control absenteeism, healthcare and workers' compensation costs."

Over the next eight years, Pickering developed a fourteen-person corporate sales division that now works with over 600 corporations throughout six New England states, serving more than 15,000 employees. This corporate business represents over one third of total revenues from all seventeen Healthtrax clubs.

"One thing that became apparent early on," says Pickering, "was that if this could be done on a regional basis, it could be done on a national and international basis as well. I contacted IHRSA about that possibility and the rest is history!"

The 2,500 IHRSA clubs are in 40 countries including several clubs in New South Wales, Victoria, Queensland and South Australia. Eighteen contracts have already been signed with major corporations or health insurers. Together, these contracts represent over 13,000,000 employees and insurance policy holders.

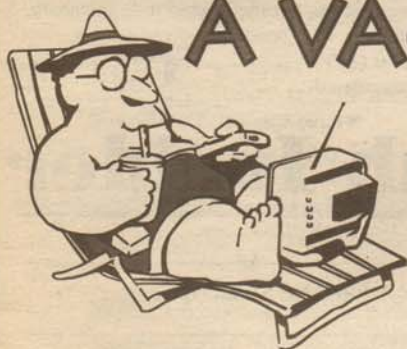


Dave Pickering

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(See Pickering page 26)

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MARKETING MATTERS

By Mike Chaet, Ph.D.

Dear Mike,
I was wondering how you feel about the use of banners as part of our marketing program?

Thanks,

Kim Crawford
Fitness Connection
Vero Beach, Florida

Dear Kim,

Thanks very much for your question regarding a very under rated form of advertising... the use of banners.

When considering the use of "BANNERS" it is important to understand the concept of the term "impressions". Impressions refers to the number of times your message is seen or read by your poten-

tial customers. When you are spending good money on advertising it is important to get as many "impressions" as possible. It is for this reason signage and to be more specific, the use of "BANNERS," which is nothing more than a temporary sign, is so important. It is especially important if you have good drive-by or walk-by traffic. Banners grab attention and create impressions because they appear to be "special," "different," "hot off the press" from what normally is going on. Here are a few points for effective banner usage:

- 1) Change banners regularly; they can get stale if left up too long.
- 2) Use them to kick off a campaign and to close one out.
- 3) They are very effective in announcing open houses or other special events.
- 4) Use banners outdoors whenever possible as part of ex-

ternal marketing.

5) Use them indoors to promote your referral programs.

6) Always use banners to promote the final day of your promotion.

7) Keep the wording as simple as possible.

8) Limit the wording to one message only - such as: "GRAND OPENING," "LIMITED TIME," "OPEN HOUSE," "CHARTER MEMBERSHIPS," or "FINAL DAYS"

9) Use primary colors whenever possible.

10) Use as large a banner as possible, especially outdoors.

Banners may be the most cost-effective method of getting your message out. For under \$500 you should be able to get several very effective banners produced. Be sure to save them to reuse in the future. It is a good idea to hang

banners both outdoors and indoors to reinforce your message. Banners are a very cost effective way to increase the number of impressions your club should be making. So start using them as soon as possible.

(This month's question was submitted by Kim Crawford, owner of the Fitness Connection in Vero Beach, Florida. Kim will receive a copy of Mike Chaet's 101 GREAT MARKETING IDEAS for submitting this month's question. If you have a marketing question for

Mike Chaet, please submit it to him by fax at (406) 449-0110, E Mail to CLUB 1DOC @ AOL.COM or mail to: Marketing Matters, c/o CMS, Box 1156, Hel-



Mike Chaet, Ph. D.

ena, Montana, 59624. For additional information you may call Mike at: (406) 449-5559.

ATA INFORMATION SYSTEMS AND ALTERNATE COMPUTER SERVICES TEAM UP

Northbrook and Schaumburg, IL - ATA Information Systems and Alternate Computer Services (Club-Pac) recently announced the signing of a new agreement involving the processing of Electronic Funds Transfer (EFT) payments. ATA, one of the nation's largest processors of EFT payments, will begin processing all EFT payments for Alternate Computer Services beginning in early 1997. Customers of Alternate

Computer Services will benefit from ATA's newly designed EFT processing system and customized reporting. This new relationship will enable Club-Pac users to offer credit cards (Visa, MasterCard, American Express, Discover), checking and savings as EFT payment options to their members.

ATA Company President, Eric C. Roehl, comments "I'm extremely optimistic about our alliance with Alternate Com-

puter Services. It will allow ATA to further extend the usage of our EFT system to a larger base of established customers. And, Club-Pac's customers will enjoy all the new benefits of this relationship including our unique EFT processing features and the EFT credit card option."

According to Alternate Computer Services company President, Philip S. Hagen, Jr., "This alliance between ATA and ACS is a positive step toward the

future. ATA can continue to provide high quality EFT services to the fitness industry while I can focus my company resources on what we do best, software development and internet services."

ATA Information Systems was founded in 1976. Processing millions of EFT payments for the health and fitness industry each year, ATA ranks as one of the nation's largest processors of Electronic Funds Transfer (EFT) payments. ATA is headquartered

in Northbrook, Illinois.

Alternate Computer Services, Inc. was founded in 1980. With clients throughout the United States and internationally, Alternate Computer Services has one of the largest installed user-base of a management software package. ACS is an internet service provider that builds corporate web sites and is headquartered in Schaumburg, Illinois.

Norm Cates' **THE Club Insider** NEWS

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IHRSA'S INSTITUTE ON EXERCISE & HEALTH UPDATE - SPONSORED BY TECHNOGYM

• CORPORATE WELLNESS PROGRAMS CREATE HEALTHY EMPLOYEES

The Wellness Council of America (WELCOA) estimates that 25% of American companies have employee "wellness" programs in place and expects this number to reach 50% in the next five to ten years. These programs range in scope from in-house exercise facilities or subsidized health club memberships to seminars on nutrition and stress relief, and even free medical exams. The reason for the rise in the number of programs is the staggering costs to corporations of unhealthy employees. Exercise reduces the negative effect of stress, which causes about one million people each day to call in sick, and costs a total of \$150 billion each year in lost productivity, rehiring and retraining of workers and health care expense.

The Surgeon General's Report on Physical Activity and Health, released in July, 1996, states that people need to exercise about 30 minutes a day on most days of the week. Recent studies show that even employees who exercise just once a week incur health care costs one-third to one-half lower than those who do not exercise. This fact doesn't discount the Surgeon General's message: rather, it shows just how little it takes to improve the bottom line of a company. In addition to lower health care costs, a company is likely to reduce its absenteeism. The DuPont Company reported a 47.5% reduction in absenteeism over six years among participants in its corporate fitness program.

• WOMEN WALKERS HAVE HEALTHIER HEARTS - A

recent study presented at a meeting of the American Heart Association found that women who walked briskly 4 m.p.h. - at least three hours a week reduced their risk of heart attacks and stroke by 40%. The study involved 84,231 female nurses ranging in age from 40 to 65, who had no sign of heart trouble when they filled out the questionnaire about exercise in 1986. During the eight years of follow-up, 590 suffered heart attacks and 456 had strokes. This study is important because walking is by far the most popular form of exercise among American women, according to Associated Press Medical Editor Daniel Q. Haney. Walking at a moderate speed of four miles an

hour meets the guidelines for activity set forth in the Surgeon General's Report.

This study confirms findings from a study released in February, 1996 in the Journal of the American Geriatric Society that older people who walked over four hours per week had 30% less hospitalizations and deaths from cardiac events. According to Walter Ettinger, M.D. of the Bowman-Gray School of Medicine in North Carolina, "Taken together, these studies strongly support the recommendations for daily exercise from the Centers for Disease Control, the American College of Sports Medicine and the Surgeon General of the United States."

Women that exercised more vigorously, through activities such as running, racquet sports and aerobics, reduced their risk of cardiac events by 60%.

• STUDY LINKS LIFESTYLE TO CANCER RISK

Researchers at the Harvard School of Medicine recently released a report that cited lifestyle factors as the top three risks for cancer. Concern for risk factors such as radon gas, x-rays and environmental pollution seem trivial when compared to the risks present when individuals smoke, have poor nutrition habits and lead a sedentary life.

Researchers estimate that about 65% of all cancer deaths can be attributed to smoking, eating and drinking habits or lack of exercise. Smoking and tobacco use constitutes 30% of cancer deaths, obesity and diet 30% and lack of exercise 5%. Up until now, the focus of cancer causes has remained on environmental factors.

The Harvard group said research suggests people should:

- Exercise daily to reduce colorectal cancer risk and possibly breast and prostate cancer.
- Eat more fruits and vegetables to reduce the risk of lung, esophagus and larynx cancer.
- Eat more legumes and grains like pasta and cereal, which may reduce stomach and pancreatic cancer.
- Eat less red meat, which is linked to colorectal cancer and possibly prostate cancer.
- Avoid prolonged exposure to the sun's ultraviolet rays, which are blamed for about 90% of all skin cancers.

• EXERCISE PROVIDES PROTECTION AGAINST OSTEOPOROSIS -

The British Journal of Sports Medicine recently published a study that found that postmenopausal women who exercise regularly experience fewer problems with bone loss (osteoporosis) and back pain.

The study examined 92 women aged 45 to 74 who were postmenopausal, had back complaints and led a sedentary lifestyle. The women were separated into two groups: regular active (three times per week) and completely inactive (no-exercise). Women in the exercise group that didn't comply with the exercise schedule were classified into a third group of non-regular exercisers. The exercises were non-weight bearing and emphasized training for coordination and control during the activities of daily living.

After four years, participants in the no-exercise and non-regular exercise group experienced significant bone loss while participants in the regular exercise group did not. Back complaints decreased significantly in the regular exercise group but not in the other two groups.

"Exercise increases bone strength, helping to prevent osteoporotic fractures. In addition to that, the increase in muscle strength, coordination and balance produced by a well-designed exercise program decreases falls and also helps to protect against fractures," says William Haskell, Ph.D. of Stanford University. The results of this study are significant to the club industry as the number of older members is growing exponentially: the number of 65+ members has grown 669% since 1987. Older adults are recognizing exercise as a way to improve their quality of life and reduce disability and chronic disease.

• MODERATE EXERCISE IMPROVES SLEEP IN OLDER ADULTS - The Journal of the American Medical Association published a report by Abby C. King, Ph.D. and her research team from Stanford University. The report was on the effects of moderate-intensity exercise training on self-rated sleep quality. The results showed that the exercise program did improve sleeping patterns.

In the study, 29 women

and 14 men aged 50 to 76 years who were sedentary and reported moderate sleep complaints, were directed into 2 groups. One group performed four 30 to 40-minute endurance training sessions (low impact aerobics and brisk walking) per week for 16 weeks, while the other group continued their sedentary lifestyle.

The exercisers reported sleeping almost one hour longer each night and cut in half the time it normally took them to fall asleep. Those who did not exercise had minimal sleep improvement. It took about eight weeks before the full benefits of the exercise program were achieved.

Sleep complaints constitute one of the most common difficulties facing middle-aged and

older adults. While constituting only 12% of the population, 50-plus adults receive 35%-40% of all sedative-hypnotics (sleeping pills) prescribed, the majority on a long-term basis. The researchers comment that many of the prescribed and over-the-counter medications have potentially adverse effects for this age group and that it is important to identify nonpharmacological alternatives for promoting enhanced sleep quality for them.

The IHRSA Institute on Exercise and Health is dedicated to communicating the health benefits of regular exercise to the public. Technogym sponsors the IHRSA Institute. Technogym is a world leader in providing health, fitness and rehabilitation equipment for club and clinical settings.

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

...Pickering

continued from page 23

concept is innovative, yet simple. It's designed to place big name corporate accounts within the reach of individual clubs through use of an integrated network. Here we're talking about big multinationals like Federal Express, PepsiCo and MetLife - companies with hundreds of offices and thousands of employees throughout the U.S. and the world.

Until now, doing business with these heavy hitters has been near impossible for many clubs. Such large clients generally require access to numerous facilities in a number of countries so as to serve their entire work force. That's a

requirement few clubs can meet on their own. But by organizing IHRSA's membership into a large network, one that would allow a corporate client to use all participating clubs - say in New York, Los Angeles, Tokyo, Sydney, London and beyond - that problem vanishes.

Essentially, the FCN permits clubs to tap into a massive client base. IHRSA acts as each club's representative and approaches corporations, offering the services of their network of quality clubs. FCN clubs welcome the local employees of participating companies and offer them an attractive corporate rate. The clubs then usually work with the company's local office to market the program.

IHRSA administers the customer service component of

the network. "We operate a national toll-free customer service telephone 24 hours a day, seven days a week," says Pickering, adding that a direct dial number is available for employees located elsewhere throughout the world. "We handle all employee questions, comments or complaints. By offering this service, we make it easy for a company to implement the program."

IHRSA also assists corporate clients to develop a customized FCN Directory. This directory includes a global listing of all participating clubs and two free introductory membership certificates. These certificates allow employees and immediate family members to try out the club for a week and then, if desired, go across town and try another club. Getting employees to come and experience the fun and excitement of working out in a club is the foundation of the network.

The FCN Directory also lists information on wellness and home fitness equipment. Wellness programs such as weight management, smoking cessation and stress management are rapidly becoming a very important tool in helping companies introduce their employees to a healthier lifestyle.

"Also, the offering of home fitness equipment has two important benefits," says Dave Pickering. "It overcomes the objection that there isn't always a fitness club in every area where employees and their families live. When you offer an employee benefit, it's very important that all employees have access to use that benefit. Home fitness equipment gives employees that access. "The second important benefit is that

some employees feel they might be uncomfortable in a club environment. They may choose to exercise in their own home. The good news is that many employees who do purchase home equipment begin to see and feel the benefit of exercise. Often, they go to the next level and join a health club to enjoy the benefits you just can't get working out at home."

MULTI-NATIONAL EXPANSION

In addition to IHRSA's eighteen clients, Dave Pickering is well into negotiations with more than 30 other national and multi-national corporations. It's not an easy sell. As he points out, "Corporations on this scale can take anywhere from six months to three years to develop. In our industry, where we expect sales results every 30 days, it takes great patience to see these sales through. What's really rewarding is that everyone is better off-the club wins, the company wins and the employees win."

Adds Pickering, "Corporations are beginning to invest in the health of employees as a pro-active and preventative strategy. More and more corporations are beginning to subsidize part of their employee's health club memberships." And it's paying big dividends. IHRSA's Economic Benefits of Exercise (1996) report quantified the results of over 60 major studies that shows companies are receiving anywhere from 191% to 600% returns for every dollar invested.

Matthew Thornton Health Plan (MHP), a health insurer in New England subsidizes \$150 of the cost of a health club membership for its more than 140,000 subscribers. This program, just finishing its first year, has seen more than 22,000 of these subscribers join FCN clubs, Pickering points out. "This is really fantastic news and we expect better results as we move into the second year of the program. Corporations that are offering MHP's health insurance to their employees are very pleased. They are seeing a much more invigorating and productive work force, as well as a reduction in absenteeism, healthcare and workers' compensation costs."

Federal Express, one of the world's largest express mail delivery corporations, has just launched a five-year contract with IHRSA after two years of negotiations. They will offer the Fitness Club Network program to their 127,000 worldwide employees which began in January, 1996. Comments Pickering, "FedEx had just opened a multi-million dollar fitness center for its 20,000+ employees based in Memphis, Tennessee. What quickly became clear to FedEx was that they needed to come up with a fitness benefit option for the other 100,000+ employees."

While FedEx won't be subsidizing fitness club memberships in the first year, they appear to be considering subsidies for the future.

International IHRSA membership is also growing rapidly and as Pickering points out, "Our international membership is critical to the success of the network. We are living in an increasingly global and economic society. International business affairs are booming and no longer do major corporations think in terms of marketing and sales strategies having national boundaries." FedEx, for example, delivers packages to more than 190 countries. They anxiously look forward to IHRSA expanding its international club membership well past the current 47 countries it now serves. I think we all do."

(David Keir writes for the Australian Athletic Business Magazine in Sydney, Australia. This article was reprinted from Australia Athletic Business Magazine.)

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PLAY CENTER FORMULA: FUN + SAFETY = INCREASED REVENUES

New York, N.Y. - Resource Marketing Group (RMG), the 6 year-old Houston-based company known for its creative kids

play products, announced its merger with Keiser Corporation, an international innovator in exercise and children's activity equipment and a leading partici-

pant in health and fitness research. The newly formed Keiser Play Concepts Division (Play Concepts), headed by Larry Lipman, RMG's founder, offers a turn-key package that includes everything retailers need to set up a customized play center from implementing front-desk management sys-

tems to installing colorful learning carpets.

The turn key package, developed by Lipman, provides the best of interactive theme stations, creative toys and games and climbing systems such as Keiser's popular Space Maze. "Everything in the play center is

designed to keep the kids engrossed in activity while the parents go about their business," says Lipman, "and to assure patrons' peace of mind, we provide a unique parent-interactive monitoring component." The system includes beepers, parent/child ID's and other monitoring measures.

The turn-key aspect of the play center also means minimal construction and design headaches for PlayConcepts' clients. Retailers benefit from repeat business due to the play center's "family friendly" environment, as well as from Play Concepts' marketing and promotional tie-ins. With thousands of activity products featured worldwide in restaurants, grocery chains, automobile dealerships, Kroger Grocery Stores, Midas Muffler Shops, Carnival Cruise Lines and others, the new PlayConcepts Division will expand the distribution of the turn-key program both nationally and internationally.

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THE AMERICAN HEALTH CLUB EXPERIENCE

(This report was sponsored by IHRSA's VANGUARD GROUP by American Sports Data and delivered to the Vanguard members by IHRSA Executive Director, John McCarthy, in Orlando, Florida on December, 13, 1996. Reprinted courtesy of IHRSA. Data consisted of nationwide survey of 3,000 people, 1500 were health club members.)

• U.S. Health Club Membership - 1987 - 13 million - 1996 - 19 million. Increase of 38%.

• Growing market. Increasing receptivity. Improving image. Clear path to deepen penetration.

• Primary reasons people joined health clubs. (In ranking order from respondents.)

(1) "To lose or maintain weight" (27% men and 44% women responded that this was the reason they joined.)

(2) "It has special workout areas for women and men." (16% men; 38% women.)

(3) "It had special weight-loss class programs." (24% men; 37% women.)

(4) "It offered introductory classes on how to use the equipment." (31% men; 42% women.)

(5) "The club would give me a completely personalized fitness program." (38% men; 50% women.)

women.)

(6) "I could get a short-term trial membership." (37% men; 45% women.)

(7) "The club had trainers who would give me the help I need." (38% men; 50% women.)

(8) "I had a friend or partner to exercise with." (40% men; 49% women.)

(9) "I could pay for specific activities/programs, rather than a blanket fee." (42% men; 50% women.)

(10) "I was certain I would get my money's worth." (46% men; 54% women.) "I would be more reception to joining a health club if"

• The staff were knowledgeable - 67%

• It was a good value - 59%

• It had a motivating environment - 68%

MARKET READINESS

• More interested in joining a health club today than 2-3 years ago: 55%

• Beliefs: 83% of those surveyed believe exercisers live longer.

73% of those surveyed believe exercisers are happier.

71% of those surveyed

believe exercisers are more attractive.

70% of those surveyed believe exercisers are more productive.

• Market Readiness defined in group segments:

15% - "The Activists" - believe Exercise is very important to me, and I am a frequent participant in fitness activities."

64% - "Uninitiated Believers" - "I know exercise is important and I would like to participate more than I do."

17% - "Indifferent" - "Exercise may be important, but I don't feel the need to get involved."

2% - "Non-Believers" - "I just don't think exercise is all that important."

PERCEPTION OF STAFF QUALITY (Questions asked of health club members.)

• Highest rank - Aerobics Instructors - 54%

• Lowest rank - Business Office - 31%

• Overall Ranking - Very good to Excellent - 42%

Own Home Fitness Equipment - 70% of all surveyed.

1st Time Buyers - 44%

Experienced Buyers -

56%

Satisfaction about Achieving Fitness Goals - Average score of 6.62 against a mode of 8 (Those with over 150 visits per year rated -7.69. Those with under 50 visits per year -5.57)

Overall Satisfaction Level - 7.29 out of 8

Renewal plans for those 1500 health club members surveyed:

• Intend to Renew - 77%
 • Undecided - 13%
 • Intend to leave - 10%

Americans with Health Club Experience: 73 Million
 Americans without Health Club Exp.: 130 Million
 U.S. Health Club Membership:

Current Members - 19 Million

Former Members - 26 M
 Patrons - 28 M
 Age of Average Member:

1987 - 34
 1996 - 39

U.S. Health Club Membership Age Averages:

Age 21-34: 26%
 35-49: 63%
 50-Plus: 11%

(Data compiled for IHRSA Vanguard Report by American Sports Data.)



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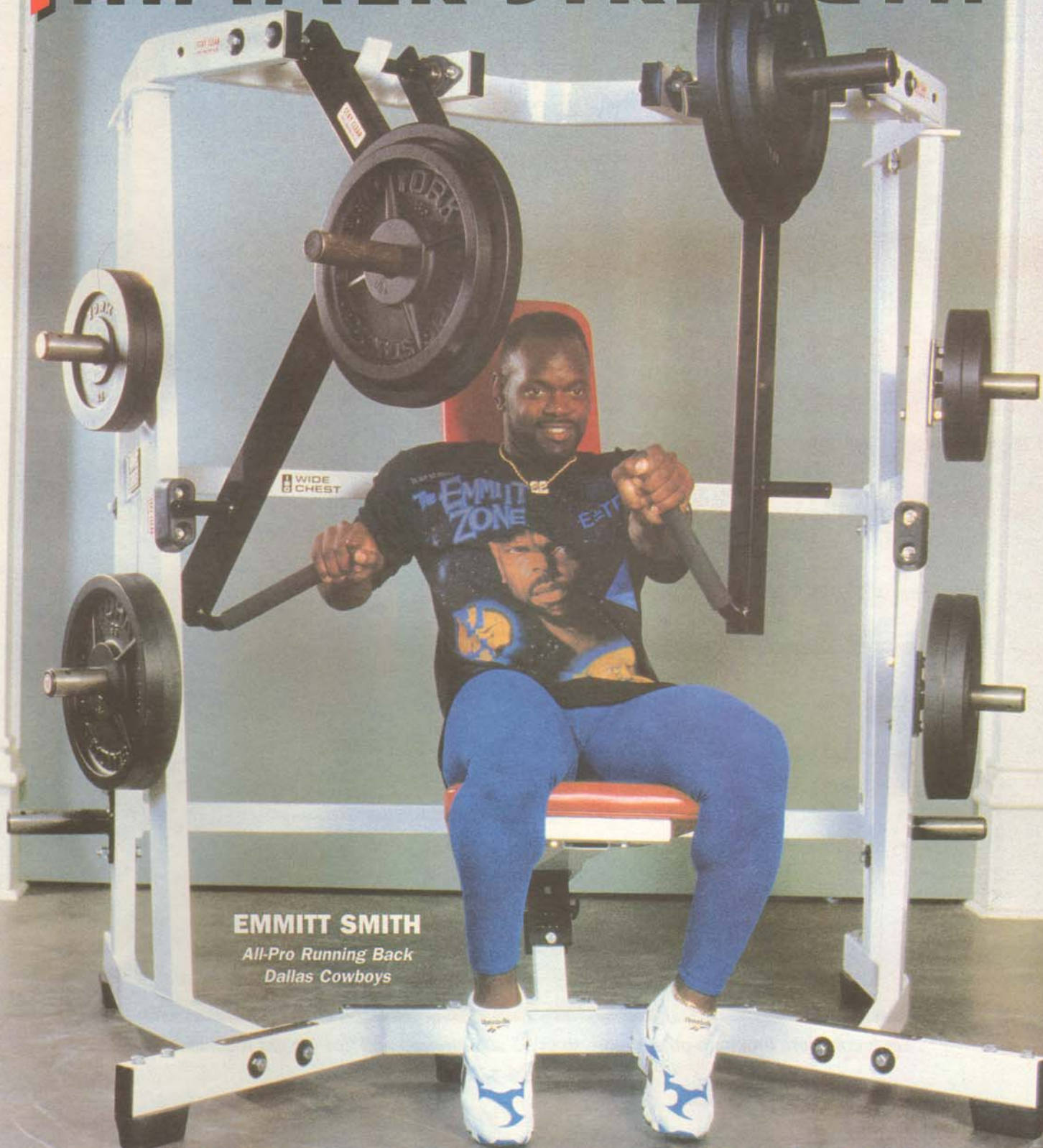
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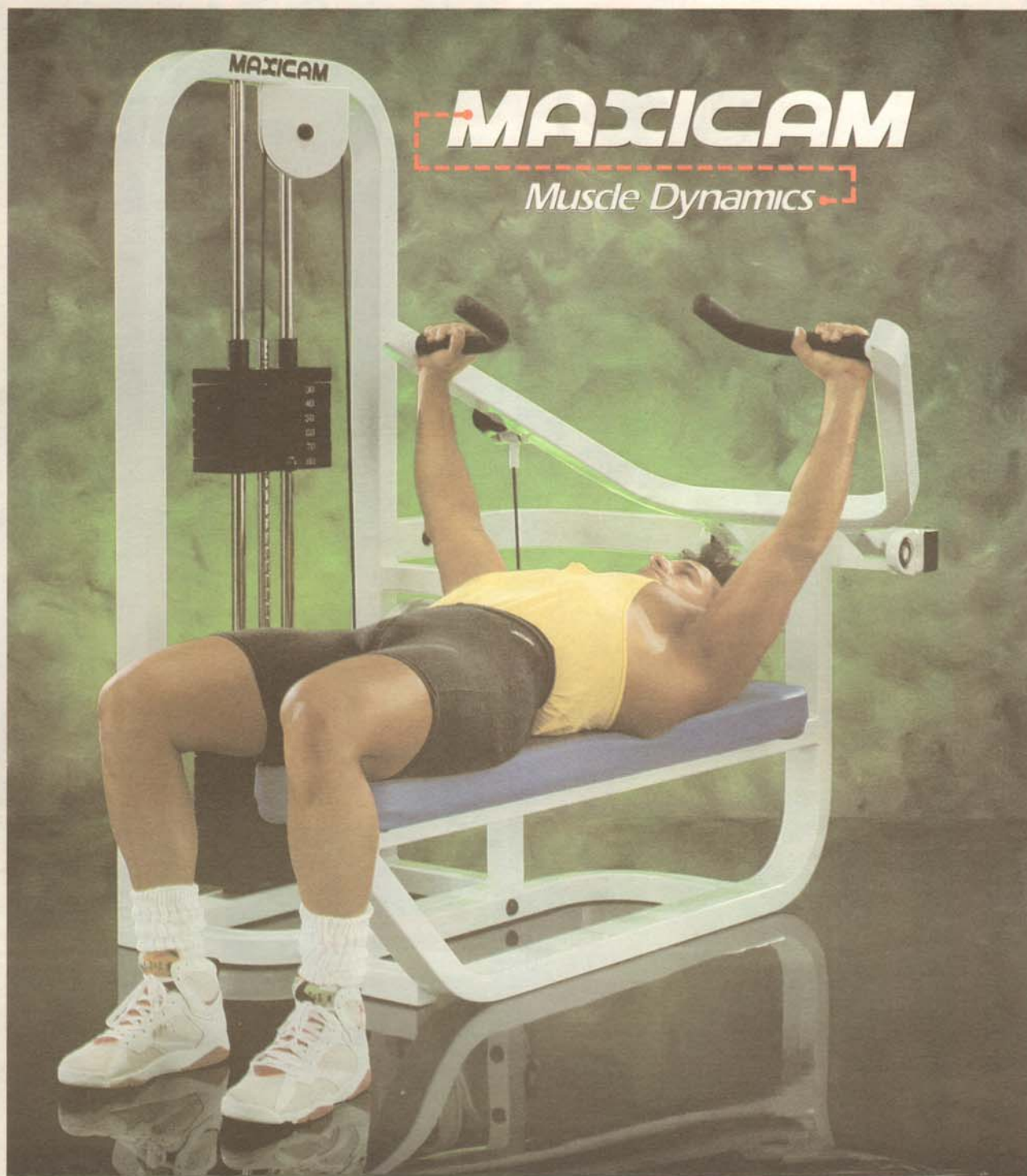


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