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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

World Gym Celebrates 40th Anniversary!

By: Norm Cates

This month, we have a cover story 40 years in the making. Congratulations to everyone at **World Gym International** as they are celebrating their 40th Anniversary this year. Part of that celebration will take place at *IHRSA's 35th Annual Convention*, to be held in Orlando, Florida, March 21-24, 2016.

The Joyce J. Cammilleri Family in Los Angeles has owned World Gym International for seven years, ever since Joyce Cammilleri bought the company from Planet Fitness on December 31, 2008. Mike Uretz had inherited World Gym from Joe Gold, and ultimately, he sold it to Planet Fitness. Later, the Cammilleri Family bought it from Planet Fitness. During the first seven years of Cammilleri Family ownership, the company has expended significant time modifying and improving

operations for the future. The results are now becoming clear on several fronts.

CLUB INSIDER is honored to present the following in-depth cover story interview with Guy Cammilleri, Managing Director of World Gym International. We invite you to read on.

An Interview With Guy Cammilleri, Managing Director of World Gym International

CLUB INSIDER (C.I.) - Guy, let's start this very special **40th Anniversary World Gym Cover Story** with some background on you and your family. Please tell us about your family... your Mom, your brothers and the business background of your family prior to the acquisition of World Gym International.

Guy Cammilleri (GC) - In 1974, my parents founded a company called *JOICO*



Laboratories International. It was a global manufacturer of high-end salon hair care products. Many years later, my Mom (Joyce) decided to buy World Gym International; I will go into that story more a little later.

One of the interesting background stories related to my family's original interest in World Gym started many years before we had any connection to the brand. My Dad was an amateur bodybuilder, and he was in the gym a lot. He brought my brothers and me to the gym with him for as long as we can remember. So, we grew up in the gym environment in the late 1970s

and 1980s. During that era, all of the gyms around us in Southern California were 'old school' *bodybuilding gyms*: mostly men, mostly free weights, no cardio equipment, etc. We went to this tiny, independent hole-in-the-wall gym called *Fanatics*. During that era, the three brands that were really well known among bodybuilders and athletes were *Gold's Gym*, *World Gym* and *Powerhouse Gym*. Of course, being in Southern California, Gold's Gym and World Gym were the two big brands, both having been born to Joe Gold in Muscle Beach. My family spent a lot of time in (See *World Gym* Page 12)

Health Club Industry Serves An All-time High 64 Million Americans

BOSTON, MA - More than 64 million Americans were consumers of a health club in 2015, a record-high since IHRSA began tracking health club consumer statistics in 1987. The number of individual members totaled 55.3 million, up 2.2% from 54.1 million in 2014. Members visited their club an average of 104 days in 2015, also an all-time high.

"In 2015, all key consumer indicators posted improvements, including number of health club members, consumers, and visits," said Joe Moore, IHRSA's President and CEO. "For

the third consecutive year, total health club visits surpassed 5 billion, showing that Americans value the safe secure environment and services clubs provide, and they regularly utilize these services in order to meet their fitness and wellness needs as well as activity goals."

Based on a study conducted by The International Health, Racquet & Sportsclub Association (IHRSA) as part of the Physical Activity Council (PAC), results show that physical activity rates increased in 2015, that fitness is the country's most popular sport, and that

nearly one out of five Americans belonged to at least one of the 36,180 health clubs nationwide. Since 2009, membership has grown by 22%, while the total number of consumers, including member and non-member users, has increased by 24% over the same time.

The number of health club facilities rose by 4.8% in comparison with the previous year. In 2015, health club industry revenue in the U.S. increased to \$25.8 billion, up from \$24.2 billion in 2014, an improvement of 6.1%.

"Considering the growth in

the variety of fitness options available, consumers, more and more, are showing that they believe in the physical and mental benefits of exercise and are showing that belief by increasing their investment (both in terms of time and money) in their health and fitness," said Jay Ablondi, IHRSA's Executive Vice President of Global Products. "As the latest *IHRSA Health Club Consumer Report* shows, an average of 16% of health club members belong to more than one club, indicating that many people are willing to pay for access and services across various fitness facilities."

Inside The Insider

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- Internet Middlemen and the Fitness Industry - Part III - **By:** Stephen Tharrett and Mark Williamson
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- David Patchell-Evans To Be Honored With 2016 Canadian Fitness Industry Leadership Award
- Equinox CEO, Harvey Spevak, Supports Entrepreneurship Among UM Ross School of Business MBA Students
- MTVAC Presents Check to INOVA From 10th Annual Swing Pink Charity Event
- Blink Fitness Launches New Marketing Campaign, "Every Body Happy"
- Industry Icon Neal Spruce Ramps Up to Grow Another Impactful Brand With Ptonthenet And PTA Global
- And of Course, Norm's Notes

Norm's Notes

•**Hello Everybody!** This is your **CLUB INSIDER** Publisher and Tribal Leader Since 1993 checking in!

•**Boy oh boy! Is America a GREAT country, or what? America's already SO GREAT** that I just can't resist the urge to write these words to point this out to anyone who has not thought about America's greatness lately. For many years, I've believed that we really need to: **"Make America HAPPY again!"** So, if you're sitting there thinking to yourself... "Okay, Norm, how can we make America **HAPPY** again?" My answer is simply: **Make It Fun** in your clubs for your members and for your employees!

•We would like to extend **Thanks and Appreciation** to **GUY CAMMILLERI**, Managing Director of World Gym for his time and energy helping us produce the terrific **Cover Story** this month. **Thanks and Appreciation** also to **BLAKE MANNING** for his kind assistance with the photographs.

•**Welcome** to our new **CLUB INSIDER Advertiser Team Member, DR. BRUCE SHERMAN's GymValet Company!** Check out **Dr. Bruce's** new Ad on **Page #10**.

•As I write this, it's **March 7th**, and I'm *really excited* about attending **IHRSA's 35th Annual Conference and Trade Show**, to be held in **Orlando, Florida, March 21-24th!** I'm also looking forward

to attending **The Bash for Augie's Quest** on **Wednesday night, March 23rd**. So, if you receive the online version of this edition of **CLUB INSIDER** on **March 17th**, you still have time to make plans to attend the **IHRSA Convention and Trade Show** and **The Bash for Augie's Quest**. Go to www.ihrsa.org/convention and www.augiesquest.com for more info.

•While I'm writing about our **great CLUB INSIDER Advertising Team and IHRSA 35**, the following companies from our Advertising Team will be exhibiting at **IHRSA 35 in Orlando, March 22nd and 23rd**, and we urge you to stop by their Exhibits and do business with them because they are terrific people who will treat you right. *Here are their Exhibit #s:*

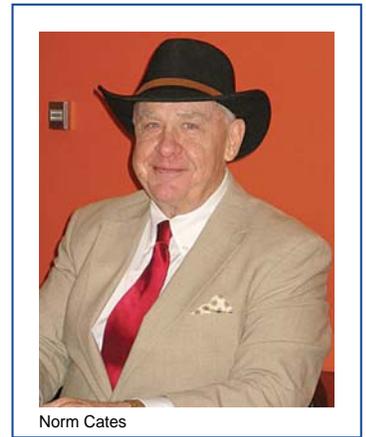
Company	Exhibit #
2XL Corporation/GymWipes	#2711
Club Industry	#2961
Club Insider	#2709
Gym Valet	#3150
iGO Figure Software	#2143
IHRSA	#2385
Iron Grip Barbell Company	#3316
Motionsoft	#2725
Muscle Up Marketing	#1655
Sports & Fitness Insurance	#2842
Visual Fitness Planner	#2236

•**Happy 35th Birthday to IHRSA and everybody involved, and a special Happy 10th Anniversary to JOE "The**

GLADIATOR" MOORE, IHRSA CEO and President! It's hard to believe that it's been **35 years since we started IHRSA**, and as I write these words in honor of that fact, there are three people that deserve our special **Thanks and Appreciation and major Kudos**, and there are **several hundred other IHRSA Members** who also deserve to receive **sincere Thanks and Appreciation:**

•First, let me take my hat off to **BIG JOHN McCARTHY**, who served **IHRSA in a world class manner as our highly esteemed Executive Director for 25 years**. And, since retiring from IHRSA, John has helped **AUGIE and LYNNE NIETO with Augie's Quest**, and in particular, with the **Augie's Quest Bash**, an amazingly successful fundraiser for Augie's Quest. During the past 10 years, these efforts have generated over **\$45 million!** So, **Thanks Big John, for ALL you've done for ALL of us over the past 35 years!**

•Second, sincere **Thanks, Appreciation and Kudos to JOE MOORE**, the man I nicknamed **"The Gladiator"** in honor of his days as a club owner in the **Dayton, Ohio** area where he was **fighting for ethical operations in clubs and strongly opposed competitors who were non-profit, tax-free operations** taking advantage of the huge financial advantage they had over the commercial health club sector in Ohio, and across the country, because they paid no taxes. **Fast-forward to 10 years ago when**



Norm Cates

Big John McCarthy retired and Joe Moore was chosen and stepped in as the **new IHRSA Executive Director**. Since then, Joe has done an outstanding job as IHRSA's CEO and President. So, I want to again extend my sincere **Thanks and Appreciation to JOE MOORE** for his days serving our industry when he was a club owner and his ten tears serving IHRSA as its CEO and President.

•The third party I want to express Sincere **Thanks and Appreciation**, and major league **Kudos** to the one and only, **RICK CARO**, President of **New York City-based Management Vision, Inc.**, because *were it not for Rick... IHRSA would not even exist.*

(See Norm's Notes Page 8)

About Club Insider

Established in 1993

23 Years and Counting!

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“Insider Speaks”

Transgender Legal Considerations for Health Club Operators

By: Paul R. Bedard, Esquire

If a transgender individual requests access to the locker room within your club that corresponds with their gender identity, how do you or your front line staff respond? This question, like most, is one that is best answered with the benefit of advance preparation. This

requires the proactive formulation of a policy that complies with your specific jurisdictional requirements and the thorough training of your employees in this regard. Once enacted, your policy should be included within your employee training materials and within your membership agreement.

A transgender person can be

defined as someone who identifies with or expresses a gender identity that differs from the one that corresponds to their sex at birth. Transgender law is a relatively new, very complex and rapidly evolving area of law. Legal analysis of federal, state and local legislation, along with the case law within your jurisdiction, is required for effective policy formulation. Transgender legal considerations within the health club industry often revolve around locker room access policies, the primary focus of this article.

When discussing potential articles for CLUB INSIDER with Norm Cates, Publisher, I suggested the article topic to help club owners and operators focus on important legal matters for their clubs and deal with them appropriately. Norm welcomed the topic, and this article is the result.

This article will provide some basic information regarding legislative and court developments within the realm of transgender law and will discuss how these developments should be considered in respect to your club's policies and operational expectations.

This article is not intended as legal advice. Widely varying state and local laws and case precedents specific to each jurisdiction, as well as factors that are truly unique to each situation, prohibit one-size-fits-all recommendations. In particular, there remains much to be written within the specific area of transgender law involving a transgender person's rights to locker room access, and this area of law therefore requires contemporary analysis specific to each scenario. Please consider these comments as merely a guide to help you when you consult your attorney for specific direction.

Some History

While many people view health clubs as “private” clubs, a health club is considered a place of public accommodation, akin to a retail store, theater, hotel, restaurant or similar service establishment that generally holds itself out to the public. The Federal Civil Rights Act of 1964 declared that discrimination in a privately owned place of public accommodation is prohibited on the basis of race, color, religion or national origin. While this specific legislation did not expressly address gender identity discrimination, it did set the stage for protection against this form of discrimination. Many state and local governments have enacted laws that explicitly provide for non-discrimination in public accommodation when based upon gender identity. Moreover, in the absence of these explicit provisions, many courts



Paul R. Bedard, Esquire

have increasingly interpreted that various federal and state anti-discrimination laws do, in fact, provide protection for transgender people.

As touched upon earlier, a developing and still somewhat murky area of transgender law as it relates to public accommodation involves locker room access for transgender people. Jurisdictions vary widely in this regard, as do the opinions of people in general. Arguments from those in opposition to allowing transgender people to use the locker room that corresponds with their gender identity include that this creates a hostile sexual environment, violates the privacy rights of non-transgender people and presents the opportunity for abuse by those who are insincere in their assertion of gender identity. Proponents argue that laws to the contrary single out and stigmatize transgender people, and these laws are therefore unfair and discriminatory.

Know the Law As It Applies to You

Due to these varying laws, you must know the law as it applies to you and your club. For example, where I live in Connecticut, Public Act No. 11-55 went into effect on October 1, 2011. With this law, Connecticut added gender identity and expression to its anti-discrimination laws affecting areas including employment, housing, public schools, credit and public accommodations. Although Connecticut's law does not expressly include bathrooms or locker rooms, attempts to amend the bill to specifically exclude bathrooms, locker rooms and boarding houses have failed, leaving some to interpret this as Connecticut being effectively supportive of the notion to include bathrooms and locker rooms. Across the country, in Washington State, a state regulation recently went into effect explicitly requiring that buildings open to the public allow transgender people

(See Paul R. Bedard Page 7)

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...Paul R. Bedard

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to use the restrooms and locker rooms that correspond with their gender identity. This recent regulation was designed to clarify a 2006 law prohibiting discrimination on the basis of sexual orientation or gender identity. The ACLU reports that Iowa, San Francisco and Washington D.C. have declared that transgender people cannot be required to prove their gender to gain access to a public restroom unless everyone has the same requirement to show identification to use the restroom.

Many places of public accommodation have resorted to installing single stall gender-neutral restrooms as a means to address both the desires of transgender people and the concerns of non-transgender people. However, some transgender rights advocates have argued that requiring a transgender person to use a single stall bathroom rather than the one that corresponds with their gender identity unfairly singles the person out. Some jurisdictions have responded by enacting laws requiring that all single-stall restrooms in places of public accommodation be gender-neutral.

A Contemporary Court Case Involving a Health Club

A recent lawsuit involving Planet Fitness revolved around the club's locker room policy as it relates to access for transgender people. However, this lawsuit did not stem from a claimed violation of a transgender person's rights. Rather, the lawsuit was filed by someone who took issue with Planet Fitness's transgender-friendly policy. The policy of Planet Fitness is to allow transgender people to use the locker room that corresponds with their gender identity. The plaintiff, a Planet Fitness member, complained to Planet Fitness about their policy after finding a transgender woman in the women's locker room. The plaintiff brought attention to and shared this policy with other female members, allegedly even after Planet Fitness had asked her to stop doing so. In response, Planet Fitness terminated the plaintiff's membership after deeming her behavior to be disruptive to other members and in violation of the membership agreement.

The lawsuit included counts for an invasion of privacy, breach of contract, intentional infliction of emotional distress and violations of the Elliott-Larsen Civil Rights Act and the Michigan Consumer Protection Act. The lawsuit also sought an injunction to prohibit Planet Fitness from continuing its transgender-friendly locker room policy. Planet Fitness responded by filing a Motion for Summary Disposition. In simple terms, this type of motion involves arguing that there are no facts in dispute, yet the plaintiff nonetheless does not have a valid claim that would entitle them to any relief. In their brief in support

of their motion, Planet Fitness stated that they "enacted an inclusive policy that recognizes the extraordinary difficulties that transgender individuals face with regard to public restroom and locker room usage." *The court ruled in favor of Planet Fitness, and the plaintiff's lawsuit was dismissed.* In its ruling, the court stated that it was not called upon to determine whether transgender people have any protected rights for use of a locker room facility; rather, the issue was whether the plaintiff had stated any valid cause of action against a business allowing transgender people to use the locker room that corresponds with their gender identity.

The court further noted that the plaintiff initially may have reasonably expected only women would be present in the women's locker room, even in the common area. However, the plaintiff could no longer reasonably expect this after being made aware of Planet Fitness's policy. Planet Fitness's policy was deemed non-discriminatory since there was no disparate treatment of men and women by allowing biological males who identify as females to use the women's locker room and biological females who identify as males to use the men's locker room. From a contract standpoint, the court upheld the right of Planet Fitness to terminate the plaintiff's membership agreement per the express terms of the agreement. The plaintiff's lawyers have since filed an appeal, and this will remain an interesting case to follow.

Develop Your Locker Room Access Policy for Transgender People and Train Your Employees

When formulating your transgender locker room policy, you must first look to your jurisdiction's relevant statutes and case law. Just like any other aspect of business planning that may have legal ramifications, it pays to be proactive in this regard. Should you procrastinate and then need to be reactive in response to an inquiry, damage may be done that could prove difficult if not impossible to undo. In particular, how your front-line employees initially handle an inquiry of this nature can be determinative as to whether the inquiry is one that is quickly and satisfactorily addressed or one that becomes a drawn out and costly legal issue.

Practically speaking, business demands have required most of us to throw a new employee into the mix in front of our members on at least some occasion prior to the new employee being fully trained. Given the potential sensitivity of this issue, when an untrained employee is asked a question about transgender locker room access, they need to at least be aware that this question, like one involving any other potentially sensitive issue, needs to be forwarded to someone who can competently address the inquiry. An off-the-cuff answer from an untrained staff member can result in serious legal consequences.

Proactively seek the advice of legal counsel in order to fully understand the laws within your jurisdiction. Develop a jurisdictionally compliant policy and obtain buy-in from your employees. Express your policy within your employee handbook and membership agreement. Train your people accordingly and document these training practices while remaining informed of developments in transgender law. If, after consulting counsel, it becomes apparent that there are no statutes or case law pointing to any particular requirements within your jurisdiction, you can then rely on your own personal beliefs and business reasons to support your policy in this

regard. However, regardless of your own personal beliefs and business reasons, your end policy result must meet or exceed the bar set by the laws within your jurisdiction. Otherwise, it's simply a matter of time before legal issues will arise.

(Paul Bedard has nearly twenty years of experience in the health and fitness industry. As a practicing attorney, Paul's health and fitness industry operations experience provides him with a unique perspective when advising on or litigating matters involving health club contracts, policies, disputes or injuries. Paul can be reached at pbedard@smddlaw.com)



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...Norm's Notes

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In case you don't know IHRSA's history, here's how it happened. In 1978, Rick and I were honored to be elected to serve on the **National Court Club Association (NCCA) Board of Directors** at the **NCCA Annual Meeting in Sarasota, Florida in 1978**. The following year, **I was honored to be elected President of that NCCA Board of Directors**. The first thing I did was send a letter to all NCCA Members suggesting to them that my goal for my year as President was to **DOUBLE** the number of member clubs we had in

the Association.

The year went by fast and we were working on my goal of doubling NCCA Membership when, one day, Rick, **who was also serving that year on the National Tennis Association (NTA) Board of Directors**, attended a Board meeting in which he accidentally picked up a meeting Agenda from the previous NCCA Meeting that he had just attended just a few weeks before. He came to realize that many of the topics for discussion in the previous meeting *were the same for both groups*.

This triggered an idea in Rick's mind and that was **the concept of merging the NCCA and the NTA to create a new**

Association. Rick handpicked a group and arranged a meeting in Chicago for us to discuss the concept. That Chicago exploratory group **included JENNIFER MICHELL, the late DALE DIBBLE, TODD PULIS, PETER DONAHUE and yours truly** (The late "Brother" CURT BEUSMAN was supposed to attend, but he was ill and had to miss the trip). And, Rick Caro did not attend that meeting because he wanted the group to discuss the idea separately without him present so everyone could feel comfortable saying what we thought.

As it turned out, **we all loved Rick's idea, and we recommended to both Boards that we proceed**. About a month later, Rick arranged a meeting at his office in New York City and what became known as **The International Racquet and Sportsclub Association (IRSA)** was born! Since then, Rick was elected to be IHRSA's second President, and after that, he served a year as Ex-Officio President. Plus, Rick was one of only two IHRSA Members who've served twice on the IRSA or IHRSA Boards. Note the H in the second acronym. That's another long story. But, to summarize that history we're going to wait until **next month** for our upcoming **IHRSA35 Cover Story**.

Rick Caro has since shepherded IHRSA with his excellent advice for the past 35 years, and I want to say a loud and clear **THANKS RICK CARO for all he's done for this entire industry!** To say that **Rick Caro had the greatest impact on our wonderful industry than anybody else in history** would be an accurate and true statement about Rick Caro's influence on our great industry. **So, Kudos to Rick Caro, and sincere Thanks and Appreciation for all he's done for all of us in this wonderful industry!**

•Last, I want to express sincere Thanks and Appreciation to **all of you who've served on IHRSA's Board of Directors**. There are several hundred of you by now and you know who you are...so, **THANK YOU ALL!**

•In honor of the **IHRSA's 35th Anniversary**, the **April 2016 CLUB INSIDER Cover Story** will feature comments from **IHRSA Member Club Owner/Operators** who **VALUE and APPRECIATE IHRSA**. All who wish to contribute to our cover story for April **should be IHRSA Member Club Owners/Operators**, and we invite you to write and send in your thoughts about the **VALUE of IHRSA to you**. **Write between 100 to 250 words** about the **VALUE of IHRSA to you**, and we'll publish your name, your comments and your photo with the **IHRSA 35 Cover Story**. Please send your writing to me at: **Norm@clubinsideronline.com** and attach a **photo of you**, and your contribution will become part of our April Cover Story. Don't delay! Write it and send it today! **Monday, April 4th is the Deadline for your comments**. Thanks in advance to all

who contribute your thoughts!

•**Planet Fitness** just released its **2015 financials**, and a quick summary of the results showed:

- 1. Fiscal 2015 Revenue Increased 18% to \$330.5 Million.**
- 2. Fiscal 2015 system-wide same store sales increased 7.7%.**
- 3. 209 New Planet Fitness stores opened system-wide in 2015 for a Year-End Total of 1,124 open locations.**

4Q15 Highlights included:

- Total revenue increased from the prior year period by 10.2% to \$105.8 million.
- System-wide same store sales increased 6.2%.
- Net income was \$17.2 million compared to net income of \$13.8 million in the prior year period.
- Adjusted EBITDA(1) increased 23.9% to \$37.5 million from \$30.3 million in the prior year period.
- 84 new Planet Fitness stores were opened system-wide during the 4th Quarter.

Fiscal Year 2015 Highlights included:

- Total revenue increased from the prior year by 18.1% to \$330.5 million.
- System-wide same store sales increased 7.7%.
- Net income was \$38.1 million compared to net income of \$37.3 million in the prior year.
- Adjusted EBITDA(1) 22.8% to \$123.5 million from \$100.5 million in the prior year.
- 209 new Planet Fitness stores were opened system-wide during the year.

(1) *Pro forma adjusted net income and adjusted EBITDA are non-GAAP measures.*

CHRISTOPHER RONDEAU, Planet Fitness Chief Executive Officer, commented, "Our fourth quarter performance exceeded expectations, capping a terrific 2015 for Planet Fitness. This past year, we increased system-wide same store sales 7.7% while adding 209 new stores, including our first international franchised locations. These achievements are the direct result of our affordable, non-intimidating fitness offering and powerful national advertising strategy; both significant competitive advantages, combined with our group of well capitalized franchisees, which we are leveraging to rapidly expand our consumer reach. The current year is off to an exciting start as our lead sponsorship of the Times Square New Year's Eve Celebration has helped fuel great momentum early on. We are very confident that our differentiated, asset light business model has our company well positioned to deliver profitable growth and increased shareholder returns over the long-term."

(See Norm's Notes Page 10)

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...Norm's Notes

continued from page 8

• **Congratulations to DAVID "PATCH" PATCHEL-EVANS, veteran Canadian club business icon, legend and all around good guy,** as he's been honored with **Fitness Industry Council of Canada's (FIC) most prestigious honor, the 2016 Canadian Fitness Industry Leadership Award.** Awarded annually to an FIC member who's proven to be an industry leader while operating a fitness facility throughout the years, the honor could not have been given to a more deserving individual than Patch. In fact, in my view,

the honor was past due and I'm happy to see that it happened for him because he embodies the criteria for the award, which says, "This individual is passionate about the wellbeing and promotion of the industry and has contributed significantly to its progression." So folks, check out **FIC's Press Release on Page #26.**

• **CASEY CONRAD, President of Communication Consultants,** will be a **Keynote Speaker** at the upcoming **T.O.M. Conference to be held at the Hilton in downtown Miami, Florida March 23-25th.** A featured speaker, author and columnist in the health and fitness club

industry for 25 years, **Casey has also been a CLUB INSIDER Contributing Author for 23 years.** Casey's focus has been on helping health club operators around the world with sales, management and marketing training. **Casey's Tennis Owners and Managers (T.O.M.) presentation is entitled: Selling Tennis: Strategies for Today's Market,** and she will share best practices for developing a successful lead generation system for your tennis business with a focus on how to target prospective customers and leveraging the latest technology in the sales process. Other friends of **CLUB INSIDER** who will speak at the T.O.M. Conference include **DR. GERRY FAUST,** leader of the **Faust Roundtable Program.**

• **ED WILLIAMS, President and CEO of Wellbridge,** announced that his **Colorado Athletic Clubs group,** part of his Denver-based upscale 21-club company, has opened their 8th location, to be called **Union Station.** The club will occupy the entire second floor of 1601 Wesatta Street in the **Lower Downtown (LoDo) district in Denver.** The 38,000 square foot facility is the organization's third in downtown Denver, all within two miles of each other along 16th Street. The Union Station now has a full-service, flagship athletic club featuring specialized studios to accommodate everything from heart rate training, a yoga wall, group fitness and hot yoga. "The club was designed to match the neighborhood's active and vibrant lifestyle, and we are thrilled with how it looks and feels," Ed Williams commented. "But, beyond just having great style, the club offers a variety of programs, first-rate amenities and five-star service. It really sets a new standard in the active lifestyle community. This club complements our Tabor Center and Welton Street locations. Members and guests now have more options, as they can choose a class from another group fitness schedule, or enjoy everything from basketball to swimming," added Williams. Check out the **Press Release on Page #26.**

• **Congratulations to BRUCE and JOHANNA CARTER's Optimal Design Systems International,** as they have completed a rebranding and launched a new website, **www.optimaldsi.com.** They contracted with my son, **JUSTIN CATES,** and his company, **Healthy Interactive (www.healthyinteractive.com)** for the project, and they are very happy with the result. Check out their new website today,

and if you have the need for a *refurbishment of your facility, or even a new build if you are starting out or expanding,* contact **Bruce Carter** today at **(954) 888 - 5960.**

• **Speaking of website rebuilds,** Justin's **Healthy Interactive has been very busy,** as they also recently worked with **STEPHEN THARRETT** and **MARK WILLAMSON's ClubIntel** to redesign and launch their new website, **www.club-intel.com.** They, too, are very happy with the result, so check out their treasure trove of industry knowledge by going to **www.club-intel.com.** And, if you have the need for a *new website, mobile app or any form of marketing collateral,* be sure to check out **www.healthyinteractive.com.**

• **JUSTIN and I want to say Thank you 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 22 years of CLUB INSIDER's 266 archived monthly editions.** So, *don't delay!* **Subscribe today for just \$89 for one year or \$10 a month** by going to **www.clubinsideronline.com/subscribe.**

• **God bless all of our troops, airmen and sailors worldwide and keep them safe. Thank you, Congratulations and Welcome Home** to all of our troops who have served in **Iraq, Afghanistan** and around the world. **God bless you and your family, your club staff, your members and your club(s). God Bless America!**

(Norm Cates, Jr. is a 42+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 23rd year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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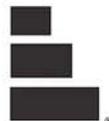
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STEPFITNESS

...World Gym

continued from page 3

this gym environment, and World Gym was thus on our radar at a very young age.

When my parents sold JOICO Laboratories in 2001, we had promised ourselves as a family that we would never become so heavily invested in one company or industry again unless there was some opportunity in which we had a personal interest. A few years later, in 2005, I got a phone call from our corporate attorney, and he asked, 'What would you say if I told you there was a possibility of buying and owning a gym brand?' I said, 'Well, there are two gym brands in the world that I believe we could do something special with over the long run, given their history and heritage... Gold's Gym and World Gym.' He replied, 'What if I told you it was World Gym?' I answered, 'Well, introduce me to whomever you need to introduce me to, and I'll take it from there!' Our attorney, who also happened to be Mike Uretz's attorney, then introduced me to Mike. What a small world!

We didn't get to purchase World Gym during that first round of discussions. Instead, the company went to Planet Fitness. Mike Uretz, being like a father figure to the World Gym franchisees, was very focused on finding a buyer who had fitness industry and franchising experience. He witnessed Planet Fitness' success as a franchisor, and he believed that Planet Fitness would be able to help the World Gym franchisees grow and become more profitable as well. Though Mike liked us on a personal level, he knew that our business experience came from another industry, so he ended up selling World Gym to Planet Fitness. Over the next two years, the Planet Fitness acquisition didn't work out as smoothly as either party had hoped. Planet Fitness' legal counsel called me two years later asking if we were still interested in purchasing World Gym; we were still interested, of course.

C.I. - Guy, please tell us about your family's involvement in the day-to-day operations of World Gym. Is your Mom involved in the business, and if so, in what ways? I know your title is Managing Director, please tell us about that. And, what roles do your brothers play?

GC - My Mom, Joyce, is Chair of the Board. So, ultimately, she's in charge. I'm the Managing Director, which basically means that I'm responsible for day-to-day operations. As a family, we work together to determine what types of larger, more capital intensive investments are important for the long-term health of the company. My brothers, Marcus and Leo, are on the Board of Directors. They advise, help and contribute behind the scenes for the company (See **Photo** to the **Right**).

Icons and Legends

C.I. - World Gym has a wonderful history with the involvement of industry legends and icons left and right... history-making people such as **Joe Gold... Arnold Schwarzenegger... Lou Ferrigno... Mike Uretz... and Dave Draper**, to name a few. How did this amazing history shape your family's thinking as you did due diligence and developed a feeling for the company, and ultimately, as your family acquired World Gym?

GC - There's no doubt that World Gym's iconic history impacted our purchase decision. We believed that World Gym's history made it unique amongst an industry full of 'me too' fitness brands. By the time we were looking to buy the company in the mid-2000s, the industry had almost all of the competitors we see on the landscape today. Competition for both franchisees, and members alike, was intense.

As a way to help set World Gym apart from all of the other fitness brands, it was our plan to really emphasize World Gym's legacy and history. Knowing that most of World Gym's competitors in the 1990s and 2000s ran away from



(L to R) Marcus, Joyce, Leo and Guy Cammilleri

bodybuilding and serious fitness due to their belief that such an emphasis would intimidate the average member, we believed that our competitors left the 'serious fitness' space open to World Gym. That's a space that World Gym has occupied ever since.

In that way, we see World Gym as the Harley Davidson of global gym brands. We've taken a lot of cues from Harley Davidson. By staying authentic, Harley Davidson found a way to keep their brand appealing and relevant to both the original biker demographic and the casual biker weekend warriors. Similarly, for over seven years now, we've stuck to our guns: Serious Fitness. We've found that we still have a huge following amongst the bodybuilder and athletic crowd around the world. At the same time, we have a lot of great, successful franchisees that have built very successful full-service gyms that appeal to everybody else in their community. We see ourselves as authentic and legitimate enough to appeal to hardcore bodybuilders, athletes and fitness enthusiasts. Yet, we also believe that, if you build a gym that is good enough for serious fitness enthusiasts, it is certainly going to be good enough for a more casual member.

Making it Fun!

C.I. - For years now, as a regular reminder to all of our readers, **CLUB INSIDER** has published at least one small ad in every publication that says: '**Make It Fun!**' We do so to serve as a reminder to all club owners/operators to make every effort to '**Make It Fun!**' for their members **AND** for their employees. It's my strong belief

that, if employees and members are all having fun, your club(s) will be much more successful financially. Would you care to comment on that thought?

GC - *Having fun* has been a key part of how we've tried to differentiate ourselves over the past seven years. One of the reasons we think that the industry ran away from bodybuilding and serious fitness in the 1990s, 2000s and beyond is their fear of a *false stereotype*: that 'serious fitness' is 'intimidating,' and therefore, not 'fun.' *World Gym doesn't believe that stereotype to be true.* Joe Gold, Arnold Schwarzenegger and Lou Ferrigno were serious about working out, but what made them love Muscle Beach was their friendships, filled daily with *fun, joking around and camaraderie*, the type of fellowship you might today more readily find in a small group training studio environment. The past few years of explosive global growth in the studio segment, exemplified by CrossFit and other similar studio brands, also bears witness to the truth that 'serious fitness,' 'fun' and camaraderie go hand in hand.

As the 'me too' brands ran away from serious fitness in the 1990s and 2000s, we think that most people just lost sight of the camaraderie and fun that was a big part of fitness in the 1960s, 1970s and 1980s. Our goal at World Gym was to build our brand and our gyms to highlight the fact that, when you find a fitness community, you develop relationships, and it becomes *fun*. Before you know it, that gym where you go to merely get in shape is now your fitness community and has become an important part of your life.

(See *World Gym Page 14*)



World Gym Waterloo Lobby





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...World Gym

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Independent vs. Franchise Operations

C.I. - What considerations should someone make when they are contemplating entering our industry as either an independent club owner or becoming a franchise club owner/operator?

GC - When someone compares the franchise versus independent options, they often first ask about the franchise fees. These fees usually include the initial franchise fees, ongoing monthly royalties and advertising fund fees. Many often think that these fees are costs that they would not have if they operated as an independent, but that is not true. They often neglect to think about the *costs of being independent*. They would have to build their own brand, which takes a lot more than just a logo and a clever name. If they do it right, it takes a lot of money. They must pay to build and maintain a website, mobile app, creative materials for print and online advertising and then figure out how best to market most effectively... all on their own.

Therefore, franchise fees are not additional costs that you wouldn't otherwise have. A person must look at what the start-up brand creation costs will be versus that initial franchise fee. For example, our initial franchise fee is \$25,000 for a new gym or half that, \$12,500, for a conversion. That cost is a mere fraction of what it would cost to develop a new brand from scratch *IF done well*.

I've also seen many situations where an existing independent operator considers conversion to the World Gym brand. We have a good number of franchisees that were independent gym owners and decided to convert. During their due diligence, such operators must determine whether the support that World Gym provides and the brand recognition the operator gains is worth the franchise royalties they will pay.

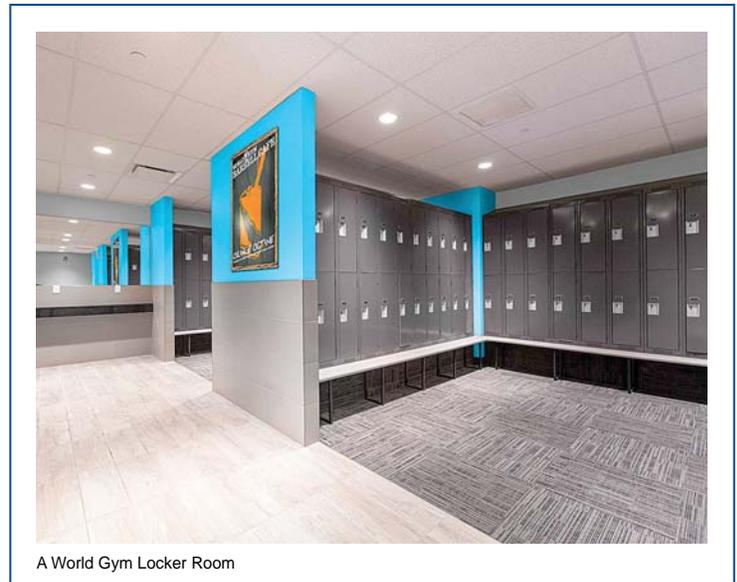
"Open Operating System"

C.I. - Guy, for years, our industry has seen new health club franchise after new health club franchise come to market offering novices and experienced industry people alike, and everybody in between, alluring franchise opportunities that are often full of promise but *don't really deliver*. You've already covered several differentiators of World Gym, but to continue this thought to help our readers, please tell us about some of World Gym's other *key market differentiators* that they might want to keep in mind if they're considering a World Gym Franchise.

GC - The differentiators that we've discussed so far are related to our culture and brand; our emphasis on 'seriously fun fitness.' However, we haven't yet discussed our *biggest differentiators* from an operational perspective, *the highest operational flexibility and lowest franchise fees in the industry*.

First, let's discuss World Gym's high flexibility. Most of our franchised competitors have a turnkey way to set up and run a gym. What that means to the franchisee is that they must use the franchisor's pricing and systems; there is no flexibility. While the lack of flexibility might be preferred by some investors who don't want to think about how to run their new gym, we find it limiting when thinking about our industry on a global scale. We don't believe that one system can address every market. Therefore, World Gym takes the opposite approach, with our 'open operating system.'

Our 'open operating system' evolved due to World Gym's history. When we bought the company, we acquired a very broad, diverse set of club types and operating systems. We have gyms that opened in the 1980s, 1990s, 2000s, and newer. World Gym operates in 20 countries that include different cultures with fitness industries in different states of evolution. Some of our gyms are 100,000 square



A World Gym Locker Room

feet, and some are 2,000 square feet and every size in between. Some World Gym membership fees are \$10 per month, and some are \$200 per month. Some gyms have personal training; some don't. Every different way you can imagine operating a gym or a studio has been tried over the past 40 years at World Gym, somewhere in our global network. We have learned that there is not just one way to do fitness, and there is not just one way to run a successful gym; we've embraced that knowledge.

We realized early on that World Gym is essentially a global laboratory of fitness experimentation. Our local operators, in order to survive, will stop doing something if it is not working. On the other hand, if something they've tried *IS working*, they will double down on it. They also borrow ideas from other World Gym operators in other markets and countries. This cross-pollination of good ideas leads to continual evolution in the World Gym network, and stronger gyms. With most of our competitors, because they enforce a particular operating system, the World Gym type of *experimentation and evolution* at the franchise level is *impossible*. With World Gym... not only is it possible, but it is encouraged.

Our 'open operating system' has been particularly suited to attracting conversions and for good reason. Imagine that you own an independent gym, but you're considering converting to a franchised brand for more support and brand recognition... Most of our franchised competitors only have one way to operate gyms. To adopt their brand, you would need to trash almost all of your existing systems and import their systems. However, if you approach World Gym, we

will analyze your business with you. With your guidance, we will determine what is working and what should be changed or improved. We will help you increase your revenue and profitability without forcing wholesale change.

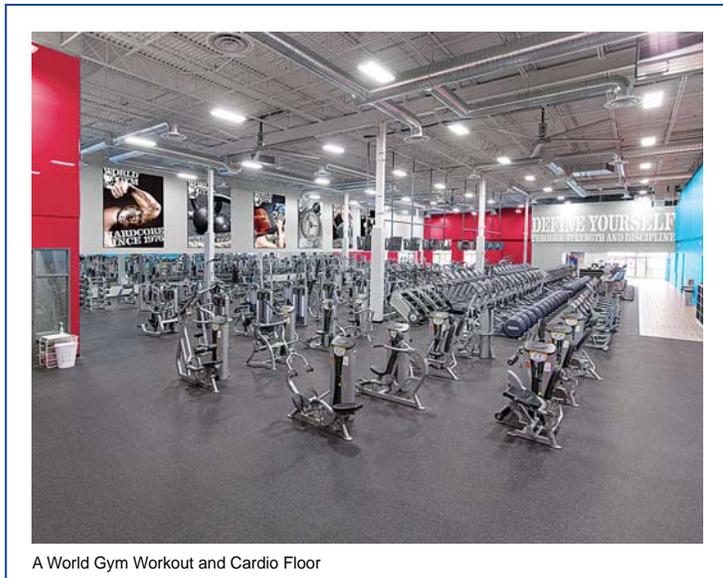
Our global network of successful and diverse operators has gifted World Gym with an immense amount of experience and knowledge. We use the knowledge in our 'open operating system' to the advantage of the future operators that join World Gym.

Another key differentiator is that our franchise fees are dramatically lower than our competitors' fees. Most of the franchisors charge a percentage of revenue and have an Ad Fund fee that is an additional percentage of revenue. We charge \$1,000 a month and do not have an Ad Fund fee. So, our fees are dramatically lower than all of our competitors' fees. We can afford to operate that way because of the way World Gym was originally built. Our corporate overhead is very low compared to our competitors, which allows us to keep our franchise fees incredibly low. So, if an independent gym owner is looking to convert to a franchise, or a new investor wants to enter the industry with the help of a franchisor, and they happen to be fee and cost sensitive, then World Gym becomes the no-brainer solution.

Worldwide Connections

C.I. - You've already covered a lot on benefits, but would you like to mention any other benefits of buying a World Gym franchise in the United States or around the world?

(See World Gym Page 16)



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...World Gym

continued from page 14

GC - We're now in 20 countries, so growing with World Gym as a truly global business gives our franchisees access to operators all over the world at any point. We have a private Facebook forum for World Gym Franchisees and key management. Regularly, we will find owners and key management posting questions on how others handle certain problems or what they think about some new product or opportunity. It's a global network of peers and colleagues who all share the same spirit of camaraderie to help each other succeed; it's an online, real-time Roundtable. What we have developed with our Owners' Forum on Facebook is just one example of that.

Additionally, at the annual World Gym Convention in Las Vegas, our franchisees have more opportunities to get to know each other and share ideas. Most of our competitors, whether they are here in the U.S. or in other countries, are regional. By 'regional,' I mean confined to one or two countries. Even if you look at some of the largest fitness brands here in the U.S., from our perspective, they're still 'regional' brands because they operate in only one, two or three countries. So, we bring a more global perspective to the table, which is available to our franchisees that want to take advantage of it.

This past year, for the first time, World Gym had more locations outside the U.S. than in the U.S. We continue to grow faster internationally, which is proof we have become more of a global business and brand. *We're growing fastest in markets where the fitness industry is growing*, and we are very excited about that.

Franchisee-Only Town Hall Meetings

C.I. - Guy, please tell us about the World Gym Franchise Town Hall and the new Roundtable Program that you've

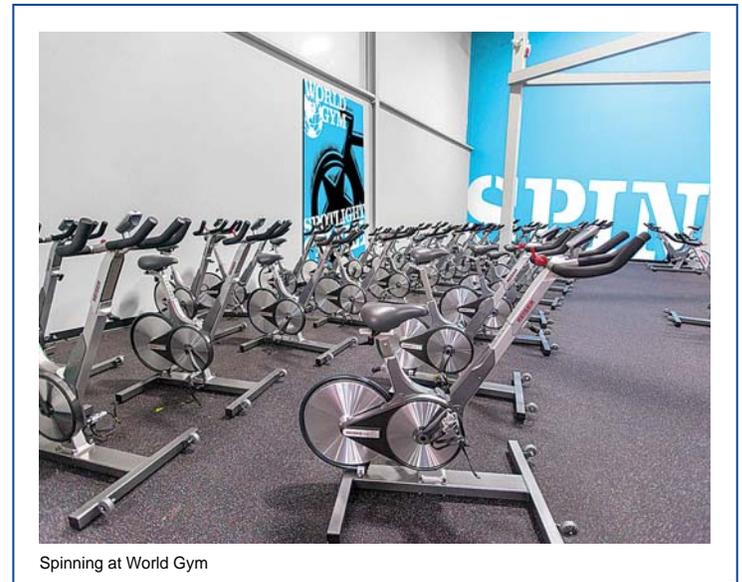
established for your franchisees.

GC - At each convention, our Franchisee Advisory Council hosts a Franchisee Town Hall Meeting where only Franchisees are allowed to attend. Nobody from Corporate is allowed at that meeting. The Franchise Advisory Council navigates and runs the meetings and then later provides feedback to Corporate. We *purposefully* don't want anyone from Corporate to attend because we want to give franchisees the opportunity to air any issues without judgement or fear of hurting anyone's feelings. We get some really good feedback by virtue of doing that meeting every year. This year, one of the things that came out of the meeting is that we should start doing regional franchisee roundtables. We hosted our first roundtable in Toronto, Canada in December. We had 14 franchisees representing 33 gyms, and it was a really good day. We had productive sharing and brainstorming sessions during the day and then a fun night out at dinner together.

C.I. - What other services does World Gym provide to a franchisee once they join the World Gym International Franchise Family?

GC - We provide all the services that you would *expect* a franchisor to provide. We have a real estate team that can help you select the best locations and assist with lease negotiations. We provide gym design services to assist with layout and interior design. We also make our Creative Department available to help with any sort of creative advertising production a gym owner might need. We also have an Online Services Department that helps franchisees with their online marketing, social media marketing, search engine optimization and any other online activities gyms might undertake to better connect with members and potential members. Those are just some of the additional services that we provide.

C.I. - How about support and assistance



Spinning at World Gym

with Pro Shops at World Gym locations?

GC - We assist with Pro Shop management for those operators who choose to incorporate a Pro Shop into their gym. The World Gym Muscle Gorilla logo continues to be enormously popular worldwide. People collect that shirt from our gyms as souvenirs; similar to the way some people collect the Hard Rock Café shirts in every city they visit. We provide all sorts of World Gym-branded apparel for franchisee's Pro Shops. Some of our franchisees have Pro Shops; some of them don't. Some of them sell only branded clothing, and some of them sell supplements as well. Some of them like the incremental revenue that comes from a well-managed Pro Shop; some of them don't want to bother with it. Once again, our model is flexible to the individual needs and preferences of the franchisee.

215 Locations and Counting

C.I. - How many World Gym franchises are there now?

GC - We have 215 locations open in 20 countries, with many more in the pipeline. They are all franchised. We also plan to open a company-owned World Gym in Los Angeles this year.

C.I. - I know World Gym has some very successful multiple location franchise owners/operators. Please give us a couple of good examples of your most successful multiple-unit World Gym Franchisees, or operators, and how many locations they have and where they are.

GC - Co-owners John Caraccio and Michael Sanciprian have been very successful with World Gym in Taiwan for

over 15 years. They now have almost 40 World Gym locations in Taiwan. They are the dominant fitness operator in Taiwan, and they have recently begun to look to grow into mainland China.

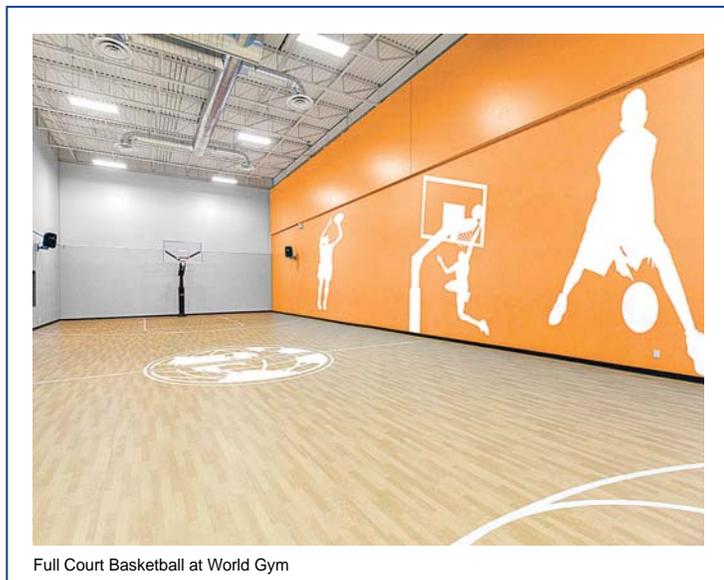
Another successful multi-unit operator is our Master Franchisee in Australia. They've done a really good job over the past few years of leveraging the marketing support that we've provided, and they are increasingly attracting more franchisees in Australia. They have 15 gyms now, and they have eight in the pipeline for this year. Their gyms are even more serious fitness orientated than the average World Gym you'll find in the U.S. or Canada. For example, Dwayne "The Rock" Johnson regularly worked out at World Gym Ashmore while filming the movie *San Andreas*.

Wes Hodgson is a very successful multi-gym operator for us in Canada. He and his family co-own several gyms, and he also assists with marketing the World Gym franchise to other investors in Canada and then onboarding the ones who decide to join. In just a few short years, he has helped make World Gym into a dominant player in the Canadian fitness market.

C.I. - What are the characteristics of a successful Master Franchise or Area Developer in a foreign country?

GC - Inevitably, the Muscle Beach and Hollywood roots of the World Gym brand are something that is very unique to World Gym and appealing to non-Americans. Our international operators who have done the best job of marketing these aspects of the World Gym brand are the ones who have been most successful.

(See World Gym Page 18)



Full Court Basketball at World Gym





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...World Gym

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Cutting Through the Clutter

C.I. - Guy, I know we've covered some of them already, but as the Managing Director for World Gym International, what are your biggest challenges in growing the World Gym brand?

GC - *The biggest challenge is cutting through the clutter.* How do we continue to operate in a way that helps World Gym stand out from the noise of a mature fitness market? It really is about standing out amongst the rest of the options out there. As a franchisor, we feel that we have to do that on two levels. We must appeal to both potential franchisees and to potential gym members.

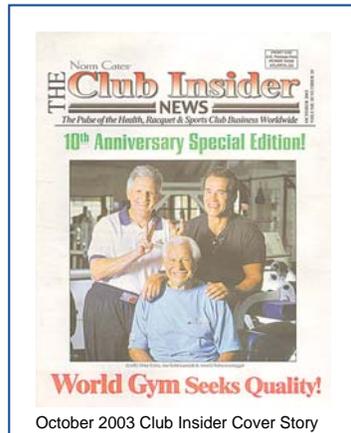
The need to cut through the 'clutter' of all the other fitness brands out there is one of the reasons that we were interested in the World Gym brand in the first place. World Gym's *story IS different...* and *special.* World Gym has a history that you can't just manufacture at an ad agency or in a marketing meeting. *Arnold really was associated with the brand. Joe Gold really did start the brand and made his own equipment* in a small bodybuilding gym on Main Street in Santa Monica. These stories, and many more like them, help set World Gym apart (See **Sidebar**).

We also continue to look for ways to help our franchisees communicate to their local markets the World Gym commitment to seriously fun fitness. One of those ways is through our new *World Gym Ambassador Program*. We conducted a worldwide search in 2015 for Fitness Ambassadors. With these Ambassadors now in place, we've developed a bunch of video content with them. We release weekly videos featuring new content for members, such as how to work out different muscle groups. We're also going to be launching a funny video soon using the World Gym Gorilla talking about Gym Etiquette DOs and DON'Ts. We're continuing to provide more content that gyms can use with their members on their own local social media pages; content that's helpful and relevant to any member or potential member out there, but which is also funny and branded in a World Gym kind of way.

C.I. - Who should our readers contact if they're considering becoming a World Gym franchisee, and what's the best phone number for them to call?

GC - They can contact **Karin Michael** by phone at: (702) 567 - 8394 or email at: karin.michael@worldgym.com.

• • •



October 2003 Club Insider Cover Story

Congratulations and kudos to the Joyce J. Cammilleri Family on the **40th Anniversary of World Gym International**. I wish Ms. Cammilleri, Guy Cammilleri and their family well and all the best in all of their endeavors. And, I want to thank Guy for his time with this in-depth interview and doing the final pre-publication review. I also want to say thanks to Blake Manning for his kind assistance with the photos and graphics included in this story.

World Gym International was invited to join **CLUB INSIDER** as one of only three club franchise organizations that our publication accepts advertising from and does business with. We limit the number of franchise providers we sell advertising to three organizations because, in the opinion of this author, there are already far, far too many health club franchise options in the United States and around the world. Most importantly, **CLUB INSIDER TRUSTS** and has complete faith in the people behind the companies that comprise our three advertisers in this club franchising space: *Planet Fitness, Crunch Fitness and World Gym International*. We trust them to perform with the highest of ethical standards and to treat any respondent to their advertising published by **CLUB INSIDER** in a very professional and first class manner.

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 23rd year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

World Gym Venice - By: Mark Michael

Having worked for Joe Gold at World Gym Venice for nearly a decade in the 1990s, I wanted to congratulate World Gym on their 40th year anniversary and share a few memories from my days working for Joe.

Entering the World Gym parking lot, under the watchful eye of Billy Pettis, you knew this was something special. Excitement, energy, call it what you want, it was *magical*.

Arnold's personalized parking spot, at the entrance, a star and his name, with Joe's spot next to that, greeted you.

The noise going up the stairs sounded like an iron factory beginning their day. Open the door to the gym, and there it was. WOW! You made it, and the magazines didn't do it justice. Sure... it looked like the pictures... but the sound, feeling and aroma had to be experienced.

There was an antique penny scale at the front entrance, which you felt was there to measure your excitement. But, just in case you wanted to know your weight, it was there. The office was on the left where everyone showed their laminated membership card and had to physically sign in on a sheet of paper; Joe's rules!

Yes, the office was where all the paperwork was done. But, it was also a place where some members would come in before and after workouts to share their lives. Fittingly enough, there was one reclining office chair and a wooden park bench in there. Many people, from Arnold to Jesse Ventura to Zabo shared stories and memories in the office. It also served as the pro shop where World Gym Memorabilia could be purchased. Several times during the year, bus loads of Japanese tourists would stop by as part of the LA tour and scoop up all the World Gym clothing, all while taking photos of anyone and everyone in the gym. They too had shared that World Gym excitement. From the office, the whole gym and the outside deck was visible. From the outside deck, the office looked like a fast food walk up window, with people coming to chat between sets.

Members would work out on that deck come rain or shine. The sun always seemed to be just at the right position out there, and many a photo shoot was done with no extra lighting. Even though it was not a big area, every body part could be trained out there, a favorite area for the likes of Samir Bannout, 1983 Mr Olympia, and Bob Paris. Zabo Kozewski, aka the "*Chief*," could be seen doing his daily routine of 30 minutes non-stop crunches, but remember, no talking while he's busy.

Inside the gym, the cardio section was the first to meet you. Here it was that the discussion of where people were going to breakfast happened. Rose Café or Firehouse. That group always seemed to be Arnold, Rolf Mueller, Sven and even Prince von Anholt. Artie Zeller would always be somewhere with his 35mm Nikon point and shoot camera around his neck telling jokes and taking photos. From here, everybody headed off to the various areas of the gym to work out. Mike Uretz and Eddie this way; Joe Gold that way; Arnold, Franco and crew another way. The first wave of members have already left, people you never really saw but only heard of: Steve Marginian, Karl von, Fish etc.

Wow, it's only 8AM, and there's already that familiar sound. No, not the music; no music here at World Gym Venice. In fact, there was no air conditioning and no heat. "Don't need it; we're one block from the Pacific Ocean," as Joe always said. The sound I hear is that of members working out, 45s rattling on the squat rack or bench. No weights dropping here: *Joe's number one rule... and put your weights away.* Yes, people worked out with 150 plus dumbbells and managed to put them down gently. That was respected by all.

The equipment in the gym was very diverse. There was the usual Gym80, Cybex, etc. But, Joe handmade a lot of equipment using input from members and athletes alike. Many one-of-kind pieces, like the lat and pulley rows to the 200-pound solid dumbbell handmade for Lee Priest. The machines were maintained impeccably. Those pieces of equipment that were not used were modified for better angles. The gym was always evolving, staying ahead and listening to what members wanted.

As the day went on, new waves of people came to work out and new waves of energy followed. World Gym Venice had the energy for you to draw upon. It was always a fun place to work out no matter the time of day or day of the week or month of the year. Whether you saw Arnold or Lee Priest in the morning, Tom Platz, Ira and Louie at noon or Lenda Murray at night, anybody and everybody enjoyed working out. This was a gym where man or woman, young or old, not only enjoyed working out but came to *socialize*.

Many times, tourists, local and foreign, worked out at World Gym Venice without paying a daily fee. Joe believed that, if the person came all the way to see World Gym Venice, then the good experience they had was worth more than the money. This was true in the fact that they always bought from the pro shop and were return visitors.

This is just a short excerpt out of a day in the life at World Gym Venice that I wanted to share from the first 40 years. I am sure that each and every World Gym has similar experiences, which are truly unique. I know this because each and every one of us belongs to the **World Gym Family** in some way, either as a member, employee or owner.

We all belong to World Gym, just as World is part of us. World Gym truly is the place where the world comes to train.

Here's to the next 40 years! Congratulations World Gym!

(Thanks to Mark Michael who is the husband of Karin Michael, Director of Franchisee Relations)





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Talent: Hire From Without Or Look Within

By: Melissa Knowles

Is it better to build from within or “buy” from the external job market? The answer is *not absolute*. To be successful, an owner will have to *do both*. It’s about figuring out which conditions in which you build or buy. Here’s a quick guide to follow when faced with your next hiring decision.

Look Outside When:

Tough corporate turnarounds or strategy

shifts are needed or underway. If your organization needs big changes or reform, you generally will not get there with the exact same squad you currently have.

Succession planning and performance information is inconsistent, absent or hard to access. Have no clue who would fill that vacant GM position? Never really considered when or how to promote your current team? Planning at the point of need is not ideal.

Specific skills are needed that are not readily available within the organization.

If you’ve lost your HR Manager (who held a recognized certification and had 10 years of experience), you don’t want to replace him with your admin assistant. Certain skilled positions require specific training, much of which takes education outside the workplace and commands months or years to develop.

The organizational culture welcomes multiple perspectives. Is your team open



Melissa Knowles

to learning? Or, taking cues from proven leaders outside the core group?

Processes are in place that support job training and full integration into the position. Can you find outside talent and seamlessly integrate them into your systems? Will they be set up for success?

Look Within When:

An organization is thriving. Have a solid roster who is performing at the highest level? Then, reward it by giving a deserving member a promotion. This is key to engagement.

Succession planning and performance reviews are consistent and transparent. You already know whom you’re considering for your key role replacements. You’ve discussed it during reviews. You’ve worked on the leadership development needed for each team member to be promotable.

An abundance of firm- or industry-specific skills are required for the job. Need a fitness industry vet but the market in your area is bone dry? You may be forced to look within your organization for a less seasoned candidate who possesses industry-specific experience.

A unique and strong organizational culture may be hard to understand or fit in with. Would you be able to welcome an external hire? Or, would they struggle to become part of the team? Ability to integrate is important for every level of hire.

No or few processes are in place to support job training and integration into a position. Would a key hire from the outside be set up for success in your organization, or would they be left to simply “figure it out.” If it’s the later, you may be better off giving the nod a current team member even if their skill set is inferior.

(See Melissa Knowles Page 21)

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...Melissa Knowles
continued from page 20

A few more takeaways:

Start with succession planning. What talent do you currently have? Are you developing a pipeline?

Recognize biases. Are you making a hire under pressure? Does it feel safer to hire from within than take a chance on a highly qualified external candidate?

Understand what is unique about the role and the organization.

Commit to integration.

Can parts of the job function(s) be outsourced to a team of experts so your team can focus on their strengths? Sometimes freeing up your superstars from the tasks assigned to them but not within their wheelhouse allows them to perform to their true potential. A GM focused on member retention and new sales and not payroll/collections/bookkeeping has the advantage. Clear focus on key tasks allows for better performance.

For most organizations, a solid combination of external and internal talent gets the job done most effectively. What's key is having a system and a plan in place.

(Melissa Knowles is CEO of GymHQ an Atlanta-area based and can be reached at mknowles@gymhq.club. Visit www.gymhq.com)

Make It Fun!

Tips for Success and Being the Best

Is Your Selling Conversation Complete or Incomplete?

By: Karen Woodard-Chavez

One of the main deterrents to closing sales is not having a *complete* conversation with the prospect. A *complete* conversation includes being: (1) Informative, (2) Inspirational and

(3) Persuasive. Most under-performing salespeople are purely informative.

When you add the quality of inspiration, you can get to persuasion, which causes the buyer to say, "Yes." BUT, if we fail to be inspirational, we may never get to persuasion.

In this article, you will receive a simple and proven tool to link, inform, inspire and persuade to close more sales. The principles in this article apply to anything we are selling: memberships, training, behavioral changes with staff and even getting loved ones to "buy" doing something differently.

Imagine, if you will, the visual of four chain links (See **Graphic Below**). Got it? The first of the four links is a *feature*, the second of the links is a *benefit*, the third link is *differentiation* and the fourth link is a *trial close*.

The *feature* equates to simply *informing* the person you are speaking to about what you are selling.

The *benefit and differentiation* equate to *inspiring* the person you are speaking to in order to have a change in heart about what he is currently doing to what you would like him to do because you are showing him how he will enjoy different outcomes with the *feature* you are showing him compared to what he is currently doing without that *feature*.

The *trial close* equates to the *persuasion* part of this equation. When you link all four together, you have a complete conversation that allows you to change behavior more consistently.

As stated earlier, most underperforming salespeople or managers only utilize the *inform/feature* part of the conversation, and thus, it is an incomplete conversation that does not allow you to achieve what you desire in the *selling/behavioral, change/leadership* process.

From strictly a *selling perspective* that addresses non-dues revenue in the club setting, having a complete conversation sounds like this:

Feature: "Susan, let me tell you about the 6 Weeks to Rev Up Your Metabolism and Burn Fat Faster for Women Over 40 Program; it is designed for women between the ages of 40 and 60 who have been active but are noticing that they are not getting the results they expect from their exercise activities, want to lose between 5 and 15 pounds, primarily use group exercise only or cardio equipment only and need to shake up their exercise program."

Benefit: "This will help you achieve your results because you will increase your



Karen Woodard-Chavez

metabolism, get a kick start on weight loss of between 5 and 7 pounds during the program, give you simple nutritional tools to help you increase energy and calorie burn as well as a new and more effective approach on how to maximize your exercise time both in and out of the club."

Differentiation: "How this is different from what you have done in the past is _____."

Trial Close: "Does this sound like something that would be beneficial for you?"

"Terrific; let's go ahead and guarantee your spot today."

(As a caveat, there is an assumption on my part that, as a salesperson, you are also doing a complete job in the pre-tour of understanding precisely what this person does and does not want. If you are not doing this, you will struggle, and the selling process will be forced. Not good. If this sounds like a new concept, please email me for a Pre-Tour Discovery Guide.)

Assess for yourself if your conversations in selling sound like this or if they fall off the cliff after the *feature/inform* element.

Regarding management of staff or management of family members, the principle of this system still applies. The *feature* is what you want that person to be doing; the *benefit* is what the outcomes (See Karen Woodard-Chavez, Page 25)

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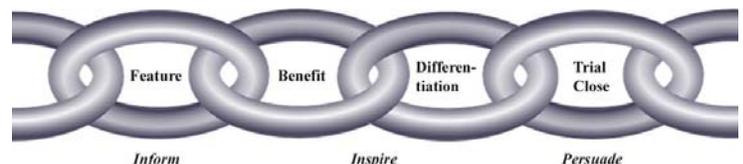
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Internet Middlemen and the Fitness Industry

By: Stephen Tharrett and Mark Williamson

Part III

Publisher's Note: In **Parts I** and **II** of this 3-part series on fitness Internet Middlemen, Stephen and Mark provided an overview of the Internet Middleman's business model, after which they proceeded to share insights into the value propositions of the leading fitness Internet Middlemen. In this final **Part III** of the series, they will initially look at the counter movement that is taking place with regards to ClassPass, despite it retaining 97% of its partner studios and will then bring forward strategies on how a boutique fitness studio can successfully partner with Internet Middlemen.

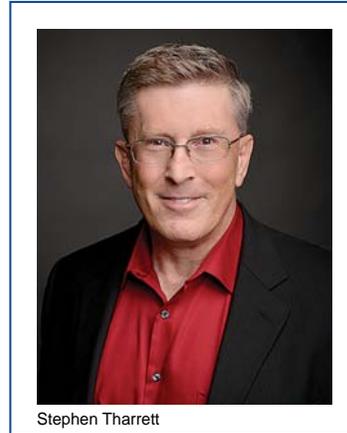
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In **Part I** of this series, we highlighted a quote from famous economist Joseph Schumpeter, which said, "*Situations emerge in the process of creative destruction in which many firms have to perish that nevertheless would be able to live on vigorously and usefully if*

they could weather a particular storm." Well, in this final part of our 3-part series, our overarching goal is to offer up some strategies that will allow your business to weather the present storm so that, instead of perishing, your business lives on vigorously.

The ClassPass Counter Movement Momentum is Building

There is presently an underground movement among some prominent club and studio operators that will soon move above ground. These operators, some of whom represent large and well-respected studio brands, feel that ClassPass has hurt their business models, and if allowed to continue, its juggernaut will permanently damage the studio industry. This growing group of dissidents is strongly opposed to the value proposition that ClassPass presently offers, believing it devalues their respective brands and ultimately takes money out of their pockets. Our guess is that, unless ClassPass and other prospective fitness Internet Middlemen reconsider their value proposition and take



Stephen Tharrett



Mark Williamson

into account the needs of the industry they serve, their businesses will experience considerable backlash and eventually a decline in profitability.

As of this moment, we are not aware of any counter movements involving the other fitness Internet Middlemen, but this may be because they are either still emerging and have not been embraced to the extent ClassPass has, or they have

managed to adapt their value proposition such that it does not incite the level of rebellion that appears to be headed ClassPass's way.

Five Tips to Successfully Partnering With Internet Middlemen

1. **Don't devalue your brand by** (See *Internet Middlemen* Page 25)

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Crunch Franchisees in West Florida and Atlanta Appoint Kevin Laferriere To Chief Operating Officer

NEW YORK, N.Y. - A team of Crunch Fitness franchisees managing locations in West Florida and Atlanta announced the appointment of Kevin Laferriere as their new COO. Laferriere, a 26-year industry veteran, former CEO of FITPRO and former COO and President at Lifestyle Family Fitness, has been an influential leader in the growth of many fitness brands. His proven success in operations and tremendous experience in the industry make him an ideal match for the Crunch brand and its team in West Florida and Atlanta.

Crunch Fitness, a renowned gym chain, is best known for its "No Judgments" philosophy and for making serious workouts fun through innovative group fitness programming and cutting-edge training offerings. Crunch introduced its franchise business in 2010 and has since opened over 120 franchise locations and grown to have one of the largest membership bases in the global health and fitness industry. The Crunch West Florida and Atlanta Team owns seven franchise locations with three more currently in development.

They expect to have 15 clubs operating or in development by the end of 2016.

Laferriere will join fitness leaders and Crunch Franchisees, Vince Julien, Geoff Dyer, Tony Scrimale and Jeff Dotson on the management team that has secured Crunch development rights to the West Coast of Florida, Orlando and Atlanta.

"We are excited to have Kevin join our team," said Vince Julien, CEO of Crunch West Florida and Atlanta. "We have our sights set on growing a great company with more than 50 locations in the Tampa

Bay Area, Orlando and Atlanta. Kevin will play a key role in the development of our professional staff and help develop the best team in the country with his experience, wisdom and resources."

"I'm grateful for the opportunity to join such an esteemed executive team," said Laferriere. "The aggressive growth plan, dynamic management team and culture were the leading factors in influencing my decision. I'm certainly looking forward to serving the team and our business objectives."

...Karen Woodard-Chavez

continued from page 22

for them as well as the company or family will be; the differentiation is how the desired behavior will provide a difference for them or the company or family; and the trial close is to wrap it up and move

forward with the new behavior. As a manager, how many times have you simply just put the feature (behavior) out there without the other elements of the complete conversation? Again, when the conversation is incomplete, we usually do not get the results we desire.

There is no reason for this tool to

sound "techniquey." It really is a logical flow of showing the person what is going to make a difference for them and why it will make a difference for them. When that happens you will be informative, inspirational and persuasive.

(Karen is President of Premium Performance Training in Boulder, Colorado

and Ixtapa, Mexico. She has owned and operated clubs since 1985 and now consults with and trains staff throughout the world. She provides her services on-site, online, by phone and through her books, CDs, DVDs and manuals. She can be contacted at 303-417-0653 or karen@karenwoodard.com)

...Internet Middlemen

continued from page 24

discounting too deeply (e.g., accepting a 50% to 60% discount). Katherine Pine said that, once you lower your price, you either sacrifice your reputation or your profit. Consequently, it's important to fight for a price that does not end up causing the business to sacrifice its brand reputation or future profitability. Discounting is additive, and once the business starts down that road, it's nearly impossible to return from. Negotiate for a price that reflects your studio's/club's value to the consumer. Remember, these Internet Middlemen need your studio or club to enhance their value proposition, so stand hard and negotiate for more. Even a few dollars more per class can make a significant difference. The more studios or clubs under your umbrella, the more negotiating power you have. By way of example, in video gaming, the digital platforms get 30% and the developer/publisher gets 70%; Massage Internet middleman Soothe takes 30% of revenues and gives the remaining 70% to the massage therapist. While neither is ideal, it's sure better than what is being offered by some middlemen players in today's fitness market. In the restaurant business, the Internet middlemen take a percentage of revenues, in some cases as much as 14%, but even in these instances, the restaurants control the pricing. As the seller, you are incurring all the risk and all the cost, so make it worth your while.

2. Protect your existing client base. Your clients are paying fair market price to engage with your studio or club. They shouldn't be shoved out to accommodate a lower paying guest who has no intent

of becoming a member or regular client. This means that, if you have classes that presently have high member occupancy levels (greater than 80 percent), don't open them up to low-paying guests. Take for example the yoga studio that was getting 75% of its visits from ClassPass. In essence, the guests were pushing out the regular clients. Furthermore, make sure you provide more for your members and regular clients than you do for the Internet middleman guests, such as making sure the members get the top instructors, the most convenient times, the signature classes, the best music and the most care. If you do this, you are likely to lessen switching behavior and not sacrifice high margin business for low margin business. Remember, your regular client base is the lifeblood of the business, and transient guests can never replace them. As a result, offer your regular clients that little extra, or they will lose sight of your value proposition and desert ship.

3. Limit your offerings. If you look at these Internet middlemen services from a yield management perspective (what airlines and hotels do with seats and rooms), then you can lessen the parasitic elements of the relationship and garner greater benefit. First, limit these guests to those classes with low occupancy percentages (below 50% occupancy). If offering gym time, place a limit on the hours they can access the gym. One studio told us that, when they limited the classes that ClassPass guests could access, the guests tend to leave negative online reviews (another reason these transient guests are not good for business). If all your classes have occupancy levels under 50%, then you have an entirely different set of issues to

address, and ClassPass or other Internet middleman might be what you need. Second, make sure that any classes you are opening up to Internet-driven guests are, at times, unappealing, or at least less appealing to your existing client base. You might even consider creating a few classes you know members will never visit and use these as your offering for Internet-driven guests. Third, manage the process. Monitor usage and occupancy on a daily basis so you know when the guest traffic may be interfering with your client's experience. We refer to this management process as yield management.

4. Create a conversion incentive. If you want more visitors to convert to your studio or club, then find an incentive that shouts at them it's a better value to be a regular client than a temporary visitor. This involves demonstrating the benefits of being part of your community (e.g., access to best instructors, best classes, social media communities, etc.) rather than a transient visitor. Remember, these Internet-driven guests will pass through your door no more than three or four times in a month in most cases, so you need to capture their heart and feet at the onset. As Tom Cruise referred to in the movie Jerry McGuire, you have to get them at "hello."

5. Monitor switching behavior. One of the dangers that come with any Internet middleman service is the possibility of existing clients, even the loyal ones, abandoning you for the middleman. If they can get what they perceive to be an equivalent offering for half the price, they will. Those who are at the highest risk of switching are infrequent users (visit less than twice per week), the quiet ones and

those you don't have as much personal contact with. It is critical that you monitor usage and identify the high-risk clients and reach out to them. Don't give them a reason to abandon you.

What happens in the future is anyone's guess. With new Internet middlemen emerging on the scene, it will place pressure on all of them to create value propositions that foster symbiotic relationships and bring value and profit to all the players. Not only will Internet middlemen need to reconsider their value proposition, but studio and club operators will need to get considerably wiser with how they negotiate and work with these Internet middlemen. While we would like to believe the future relationship will be symbiotic and fruitful, we are reminded of this quote by Marcel Proust, a famous French novelist:

"What we call our future is the shadow that our past projects in front of us."

Let's hope that we learn from the present so the shadow we cast doesn't impale us. In any event, fitness Internet middlemen are here to stay, so find a way to address the disruption to benefit your business!

To learn more about ClassPass, we will be presenting a **Bonus Article** on the subject in the **April 2016 Edition of CLUB INSIDER**.

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

Colorado Athletic Club Opens 8th Location

DENVER, CO - Colorado Athletic Club officially opened the doors at its Union Station location, occupying the entire second floor of 1601 Wewatta Street in the Lower Downtown (LoDo) district in Denver.

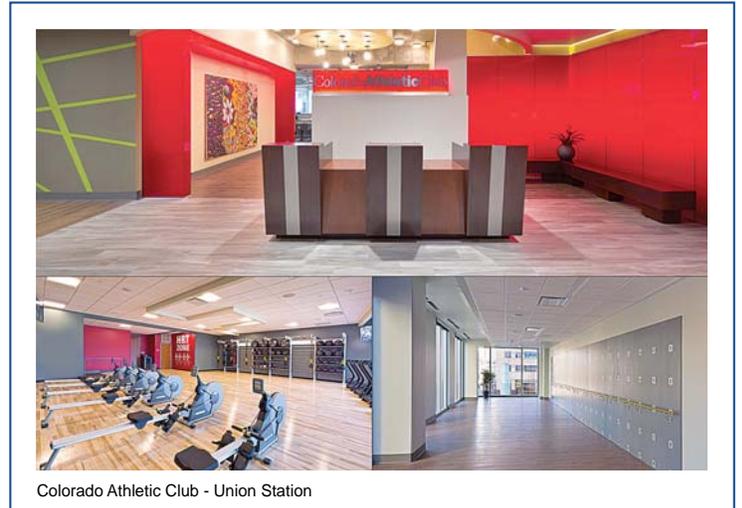
As part of the Wellbridge family of clubs, the 38,000 square-foot facility is the third in downtown Denver, all within two miles of each other along 16th Street. Featuring specialized studios to accommodate everything from heart rate training, a yoga wall, group fitness and hot yoga, the Union Station area now has a full-service, flagship athletic club.

"The club was designed to match the neighborhood's active and vibrant lifestyle, and we are thrilled with how it looks and feels," Wellbridge President and CEO Ed Williams said. "But, beyond just having great style, the club offers a variety

of programs, first-rate amenities and five-star service. It really sets a new standard in the active lifestyle community."

Part of this new standard is assuring members and guests can treat their bodies to the same energy and nutrition they expect from their workouts. The Energy Bar | Café is another highlight of Colorado Athletic Club - Union Station, specializing in made-to-order smoothies and juices from all natural ingredients; create-your-own trail mixes and salads; and craft beer and wine in its modern lounge.

"This club complements our Tabor Center and Welton Street locations," Williams added. "Members and guests now have more options, as they can choose a class from another group fitness schedule or enjoy everything from basketball to swimming."



Colorado Athletic Club - Union Station

David Patchell-Evans To Be Honored With 2016 Canadian Fitness Industry Leadership Award

EDMONTON, ALBERTA, CANADA - The Canadian Fitness Industry Leadership Award is Fitness Industry Council of Canada's (FIC) most prestigious honour. This award is given annually to a FIC member who has, throughout the years, proven to be an industry leader while operating a fitness facility. This individual is passionate about the wellbeing and promotion of the industry and has contributed significantly to its progression. FIC is very proud to announce that the 2016 recipient for Canadian Fitness Industry Leadership Award is David 'Patch' Patchell-Evans. Patch is the Founder and

CEO of GoodLife Fitness, and President of canfitpro.

At the age of 32, Patch contracted severe Rheumatoid Arthritis (RA) and was under physician's orders not to exercise. After weeks of pain and inactivity, Patch resumed exercising, and within four years, took up one of his life's passions, downhill skiing. Patch's experience with RA was instrumental in the establishment of GoodLife's core values and the added impetus for helping all Canadians, veterans, teens, children, adults, recovering cardiac patients, individuals with special needs,

discover the benefits of being active.

"Patch started with one club in 1979 and parlayed it into the largest privately owned chain of fitness clubs in the world, all while contributing to the development of the fitness industry through canfitpro and his support for Fitness Industry Council of Canada. He has been, and continues to be, an inspiring leader to club owners and operators all around the world. His hard work and valiant efforts is what keeps the industry strong and united," said David Hardy, President of Fitness Industry Council of Canada.

Not only has Patch promoted the growth of the fitness industry through various initiatives, such as lobbying for the Children's Fitness Tax Credit, standing up for public policy issues or fighting against music tariff legislation, but he has also involved himself in philanthropic efforts. Giving back to his community is of great value and proven by him regularly.

The award will be presented on March 22, 2016 at the Canadian VIP Reception during IHRSA's 35th Annual International Convention and Tradeshow in Orlando, FL.

Equinox CEO, Harvey Spevak, Supports Entrepreneurship Among University of Michigan Ross School of Business MBA Students

ANN ARBOR, MI - The Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies at the University of Michigan's Ross School of Business announced that Harvey Spevak (MBA '87), CEO of Equinox Holdings, Inc., has made a sizable donation to further expand the opportunities available to students with an interest in pursuing an entrepreneurial career path. The funds will be used to create **The Spevak Fund for Entrepreneurial Studies**, which will provide scholarships for students focusing on entrepreneurship.

Spevak is currently CEO and Director of Equinox Holdings, Inc., a luxury fitness company that operates four separate fitness brands: Equinox, PURE Yoga, Blink Fitness and Soul Cycle, as

well as its newest venture, Equinox Hotels. After starting his professional career in audit and financial services, Spevak quickly identified a desire to work in a more creative environment and co-founded Manhattan Sports, a sporting goods retail chain. This led him down an entrepreneurial path in the health and fitness sector that also included serving as Vice President and General Manager at Chelsea Piers Sports Center and joining Equinox as President when the company was a small family business of five clubs. Spevak then led a buyout of Equinox in 2000 and ultimately partnered with Stephen Ross and Jeff Blau in 2006 to further accelerate the growth of the company.

"I have been a great beneficiary

of everything the university has to offer, and it is a privilege to be in a position to give back to a school that has been so instrumental in my career by instilling in me not only the spirit of entrepreneurialism but also the ability to think creatively," said Spevak. "My hope is that this gift will support and inspire those like me with a desire to pursue a less traditional business path."

The Zell Lurie Institute is consistently ranked among the top graduate programs in entrepreneurship education by *The Princeton Review* and *Entrepreneur Magazine*, placing among the top five graduate programs in the nation for six consecutive years. This is due not only to robust programming, comprehensive

coursework and action-based learning opportunities pioneered by the Institute but also an active alumni base of entrepreneurs eager to help the next generation of Ross alumni entrepreneurs.

In addition to the creation of the Spevak Fund for Entrepreneurial Studies, Spevak's gift will also support a classroom in the Ross School of Business. The classroom is part of Michigan Ross' \$135 million dollar addition and renovation, scheduled to open in the fall of 2016. Beyond providing financial support, Spevak also supports students by giving generously of his time. He helped with the design of the Och Fitness Center and regularly returns to campus to speak to and mentor both BBA and MBA students.

Why It's Time We Paid Employees to Exercise at Work

By: Ryan Holmes

Publisher's Note: While the first sentence in the following article, *provided to IHRSA by Medium.com*, would indicate that this piece is for consumers, it also contains powerful information for you as a club owner/operator/employee. Thus, it was my decision to share it with you and your team this month.

• • •

Is your job killing you? According to death statistics from 2011 compiled by the CDC, the top three killers in the United States are heart disease, cancer and chronic lower respiratory diseases like emphysema. Collectively, these diseases killed 1,316,211 Americans that year.

Far too many of these deaths were preventable. It's no secret that regular exercise and a good diet can dramatically reduce rates of heart disease. Nonetheless, nearly 80% of American adults don't get the recommended amount of exercise each week (2.5 hours of moderate aerobic activity or 1 hour and 15 minutes of vigorous activity).

Given how critical fitness is to overall health, I think it's worth taking a look at exercise in the one place where nearly all of us will spend a good chunk of our lives: The workplace. My observations are anecdotal, pulled from experiences in my own company, but I think the lessons learned can apply more broadly.

In my office --we're a tech company with around 700 employees focused on social media-- exercise before, during and after working hours is encouraged. When we moved into a new headquarters several years ago, we installed a small gym and yoga room, as well as showers and changing rooms. Facilities are modest compared to those at some companies, but they're well used. Yoga classes are packed before work, at lunch and after work. In the gym, volunteers from our company lead sweaty boot camps and cross-training classes. Groups set out from our office for lunchtime runs and evening hikes. We have a hockey team, a road biking team and even a Quidditch team that does battle on broomsticks in the park.

But, when it comes to promoting fitness on the job, dedicated facilities and organized teams like these are hardly necessities. Having the right workplace culture is far more important. Back in the day, in our cramped startup offices on the industrial side of town, we couldn't afford a gym (in fact, we couldn't even afford phones). But, we did hang a fingerboard on the wall for pull-ups. We brought in yoga balls for chairs. We encouraged employees

to bike to work, even though that meant cramming our office entryway full of bikes because it was too sketchy to park outside. And, we made it clear that anyone could block off an hour for exercise during the day, provided it didn't conflict with meetings and they made up the time (by having lunch at their desks, for instance).

I'm picturing old-school managers out there rolling their eyes. The manager's job, after all, is to get results out of employees, not keep them fit. But, even on a ruthlessly practical level, allowing and encouraging employees to exercise at work makes *good sense*. I see employees return from workouts refreshed and better focused on their jobs. Time lost on exercise is made back and more in terms of improved productivity. There's some research to back this up. A study presented to the American College of Sports Medicine, for instance, found that workers who spent 30 - 60 minutes at lunch exercising reported an average performance boost of 15%. Sixty percent of employees said their time management skills, mental performance and ability to meet deadlines improved on the days they exercised. Workers in the study were less likely to suffer from post-lunch energy dips after exercising and also reported improvements in mood.

Then, there are the longer-term benefits to keep in mind. Healthy, active employees take fewer sick days and bring more energy to the workplace. A 2011 study published in the Journal of Occupational & Environmental Medicine showed that incorporating just 2.5 hours of exercise per week into the workday led to a noticeable reduction in absences. Perhaps most importantly, fit and healthy workers are less prone to exactly the kinds of preventable, debilitating illnesses that take such a heavy toll on families and on society.

As a personal aside, I don't think I could have steered my company to where it is now without regular exercise. Over the past six years, we've grown from seven employees to a global operation with offices around the world. It's been a fun ride but not exactly the smoothest one. In the beginning, I was responsible for everything from marketing and HR to sales, product development and finance, often working 16-hour days for weeks at a stretch. Later, came the stresses involved with scaling a tiny company into a worldwide operation, adding dozens of new employees a week and outgrowing offices every few months. For an entrepreneur, of course, these are all good problems to have. But, I wouldn't have been able to maintain composure and focus in the midst of this chaos without taking at least a little time each day for exercise, and in particular, for yoga.

Growing up, I had always been

active, playing lots of ultimate Frisbee, mountain climbing and cycling. But, right at the time that Hootsuite was ramping up, back injuries caught up with me. I turned to yoga as a way to strengthen my core and give my body time to heal. I quickly discovered that the physical benefits were easily matched by the mental benefits. Yoga is literally a moving meditation. It gave me time to clear my head, unpack the volumes of new information I was absorbing each day and then come back with a new, clearer perspective on the problems at hand. On top of that, it's a great workout.

At the end of the day, however, it's not the type of exercise that matters so much as providing a space in the workplace where fitness can thrive. There's a saying that couples who sweat together stay together. *I think it's just as true that companies that sweat together stay together.* Over the years, the culture of fitness in our office has grown with the enthusiasm of new employees and taken on a life of its own. Today, our staff include ultra marathoners who run 50 miles at a stretch, elite cyclists and triathletes, personal trainers, avid rowers and sailors, yogis and hardcore hikers, and of course, lots of people like me who just like a good workout from time to time.

Exercise in the office isn't a new idea. But, it's such a clear win-win in terms of health, morale and productivity that I think it deserves to be put in the spotlight once more. Considering how pervasive



Ryan Holmes

heart disease and other preventable illnesses are, it's not an exaggeration to say that our future as healthy individuals, healthy companies and healthy societies may depend on it.

(Ryan Holmes is a Canadian computer programmer and Internet entrepreneur. He is best known as the Founder and CEO of Hootsuite, a social media management tool for businesses. Holmes began developing Hootsuite in 2008 through his agency Invoke Media. Holmes is a contributor to the LinkedIn Influencers Program, where he writes about entrepreneurship and technology. Holmes also contributes regularly to news publications including Forbes, Fast Company and Inc.com.)

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MTVAC Presents Check to INOVA From 10th Annual Swing Pink Charity Event

ALEXANDRIA, VA - Mount Vernon Athletic Club (MTVAC), a Alexandria, Virginia area fitness and tennis club, donated money raised during their 10th Annual "Swing for Pink" tennis charity event held every October during Breast Cancer Awareness Month to Inova Mount Vernon Hospital. Since 2006, the club has been hosting this event and has raised over \$124,000 for the cause. The funds raised by Swing for Pink are used in the local community, specifically at the Breast Care Institute at Inova Mount Vernon Hospital and Inova Alexandria Hospital Cancer Center. Funds go directly to families who are fighting the disease and are seeking care.

One recent recipient was only one day from eviction as the inability to work and mounting medical expenses left her unable to raise enough money for her rent. The funds raised by MTVAC go directly towards helping those who are in need.

Lori Powell, Regional Manager of the Inova Alexandria Hospital Foundation and Inova Mount Vernon Hospital Office said, "We are truly grateful for the funds, and they couldn't have come at a better time! The positive impact this money has on the families in our community is so important during their fight against Breast Cancer. Thank you to MTVAC and its members for all you do for our community!"

The charity event was open to the public and included a tennis round-robin, a silent auction, dinner, wine tasting and more. The event sponsor was Joan Van Metre, the and host sponsor was Kihomac, Inc.

MTVAC has been a community fixture for 40 years. Providing outstanding Tennis programs, the facility is also a comprehensive health club offering a full fitness facility, exercise classes, expert personal training and an onsite Wellness Spa.



(L to R) George and Anita Murchie, Sharon Timmons, Ellen McMichael, Bonnie Christ, Aaron Volbrecht (General Manager of MTVAC), Melissa Huffman, Lori Powell (Regional Manager of the Inova Alexandria Hospital Foundation), Maggie Carragher (Foundation Development Officer with Inova Mount Vernon Hospital) and Deb Oelschlager

Blink Fitness Launches New Marketing Campaign, "Every Body Happy"

NEW YORK, N.Y. - Blink Fitness, a premium-quality, value-based gym unveiled their new ad campaign, "Every Body Happy." The spirited campaign, which features a variety of confident and happy gym goers who come in all shapes and sizes, taps into a larger cultural shift currently happening; not only are different body types being acknowledged, but they're being celebrated as well.

Instead of blanketing the market with aspirational images of "perfect" bodies and touting lofty weight-loss goals, Blink has chosen to represent the real, diverse range of people who belong to their clubs and who derive joy and confidence through exercise. This is something no other fitness brand is doing. Blink Fitness has long been committed to changing the rhetoric around fitness. The brand's DNA is rooted in their philosophy, "Mood Above Muscle," which places less focus on physical results and more on the mood-boosting potential that comes from being active.

A survey commissioned by Blink Fitness and conducted online by Harris Poll this month showed that 82% of Americans feel it is more important for them to feel good than to look good. Similarly, 90% of Americans who say they exercise, identified their top three benefits from working out as non-physical, stating it makes them healthier (49%), makes them feel good (35%), and it helps them deal with stress/anxiety (24%). These results ladder back to Blink's Feel Good

Experience, which comes to life in clubs through five pillars: friendly and respectful staff, clean facilities, open and bright design, motivating music, and affordable personal training, all to ensure members leave the gym feeling better than when they walked in.

"These survey results confirmed we were onto something," said Ellen Roggemann, VP of Marketing for Blink Fitness. "Blink stands for something different and offers a more universally relatable approach to fitness, which this campaign represents. 'Fit' looks different on everyone, and we celebrate that."

Beyond the overarching platform for the "Every Body Happy" campaign, supporting language encourages confidence and deflates industry norms. Copy includes: Feeling good is the new looking good; Do it for the mood, not the mirror; and Forget before and after. Focus on here and now.

"Every Body Happy" images feature real people illustrated by artist Benjamin Wachenje, who has developed national campaigns for BBC, MTV, Levi's, and more. The campaign also features digital video content that celebrates the booties, arms and bellies of all body types.

Survey results also showed that 71% of Americans don't relate to fitness ads or magazine covers because the people in those images don't have their body type. "Today's consumers are smart," said Paul Parton, Founding Partner, The Brooklyn

Brothers, the creative agency behind this campaign. "Marketing maneuvers with too-good-to-be-true solutions are not what people respond to anymore. Blink has always been vocal about their unique stance on exercise, and we wanted these ads to feature a range of body types, all inherently confident and owning their strength because fitness is for everybody."

The launch of the "Every Body Happy" campaign is happening at an exciting time for the company, which currently has more than 50 clubs open or in development throughout the Tri-State area, with goals of reaching 300 clubs by 2020 through their new franchising program that launched late last year. As of this January, Blink signed on their first two franchisees.

Industry Icon Neal Spruce Ramps Up to Grow Another Impactful Brand With Ptonthenet And PTA Global

DENVER, CO - Neal Spruce and his investment group have officially acquired two of the industry's most trusted and relied on development companies; Personal Training on the Net (PTontheNet) and Personal Training Academy Global (PTA Global).

Through the strategic alignment of resources, Spruce has founded, owned, operated and partnered to build some of the largest and most successful fitness brands in the business, such as Gold's Gym, Apex Fitness, National Academy of Sports Medicine (NASM), Bodybugg (winner in 2005 of "Best of What's New in Personal Health in the U.S." awarded by Popular Science) and 24 Hour Fitness, among others. Most recently, Neal developed the evidence-based fitness programming company, dotFIT Worldwide. His vision and deep understanding of creating resources for club operators and fitness

professionals has led him to be one of the most respected entrepreneurs in the industry.

Neal Spruce, Chairman, said, "We anticipate improving operating efficiencies; including customer support, rapid deployment of resources and expanded services. The new organization will quickly move to amplify its current position as the preferred provider for all customized health, sport, fitness professional and facility needs."

The new ownership's intent is to continually support talented fitness professionals and facilities that not only provide immediate results through complete programming but also set consumers up for long-term health and fitness benefits. The assets housed within PTontheNet and PTA Global are key to achieving this vision.

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Programming For The “Fun Of It!”

Step 2 of 7 to Becoming a Programming Professional

By: Laurie Cingle, M.Ed.

Inviting Program Prospects To Learn About Your Program

A programming professional is a person who is an expert in the skills required to implement and fill programs. What does it take to become a programming professional in your facility? There are seven steps or skills: (1) Find program prospects, (2) Invite them to learn about and understand your program, (3) Present the program, (4) Follow up with program prospects, (5) Enroll them in the program, (6) Ensure success in the program and (7) Grow programs by promoting events and additional programs. Let's focus on **Step #2, Invite Program Prospects to Learn About and Understand Your Program.**

Once program prospects are identified, the next skill is to properly invite them to find out more about your

program. This critical skill is about building relationships and trust with people than transferring the belief you have about your program to them.

The initial objective is to educate them on what the program offers. Then, let them decide if it is something they want to do. In other words, build a relationship and then offer common-sense solutions to their problems.

Rather than “pitching” the program, invite people to do one of two things based on the situation:

Attend an “event” - One-on-one meeting, group presentation, webinar, complimentary demo class or large facility event. Understand that personal interaction is critical to building trust and transferring belief so try to connect people as much as possible.

--OR--

Review a “tool” - A great way to educate. DVDs, CDs, articles, brochures, websites, meal replacement samples and online presentations are examples. While technology allows us to provide quality information quickly, there's nothing like a physical tool to make it real.

Of the two methods, events are the most effective in educating people about your program for many reasons:

1. Meeting with people helps build trust when they are seeing other people involved and finding out what they are like also has value;
2. Receiving education on program components and results achieved increases interest;
3. Feeling the excitement and urgency generated at events increases the desire to be involved;
4. Hearing others' experiences helps them feel like there are others just like them.

One downside to events is that they can be difficult to schedule and confirm. Therefore, a tool may be a better first step. The initial goal is for people to know about the program and understand how it can benefit their lives. To succeed, invite them to review a tool that you give



Laurie Cingle

them and follow it up with an invitation to an event.

(Laurie Cingle, M.Ed., is a fitness business success coach, club consultant and a member of the Leadership Team at Cleveland Clinic Akron General LifeStyles. Her specialties include creating successful club program champions through coaching, developing and operating non-dues revenue profit centers, establishing club market differentiation and designing programs that result in profit and retention. Contact her at laurie@lauriecingle.com.)

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Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 23rd Year of this home-based health and fitness club trade newspaper! The thought that this newspaper was founded to serve an industry I truly love, and so that I could become a Mister Mom for my son, Justin, is still intriguing and amazing to us. I wish to extend our most sincere Thanks and Appreciation to everyone that's made this amazing 23-year run possible.

A very sincere Thanks and Appreciation go to Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1 for helping me decide in 1993 what my home-based business would be. Thanks and Appreciation to my long-time friends, Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report for the tremendous assistance they provided us during our first 8 years of publication. Thanks and Appreciation to all of the folks at Walton Press in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our 267 monthly editions! Thanks and Appreciation to all of our READERS. Sincere Thanks and Appreciation to our CLUB INSIDER Advertisers, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, National Gym Supply, with over 21 years advertising with us! We also want to say sincere Thanks and Appreciation to all of our CLUB INSIDER Contributing Authors, past and present, who've contributed hundreds and hundreds of excellent articles to help our readers with their Best Business Practices. Thanks and Appreciation to IHRSA for all it does.

Sincere Thanks and Appreciation to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 23 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

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