

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



Steve and Sally Goldman

Steve and Sally Goldman...
Perfecting The Weymouth Club for 25 Years!

APRIL 2012

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Steve and Sally Goldman...

Perfecting The Weymouth Club for 25 Years!

By: Norm Cates

Twenty-five years is a long time, and only a few health, racquet and sports club owners/operators in America can boast of having achieved that significant milestone in their club business. For those who do, they get there because of a combination of good luck, very hard work and a great, never-wavering determination of mind and spirit.

Steve and Sally Goldman, the co-owners of Weymouth Club in Weymouth, Massachusetts, have reached that 25-year milestone by diversifying and growing their once tennis-only club. They have an awful lot to be proud of. They've been an integral part of the community with their club. It was fun speaking with Steve and Sally, along with their Executive Director, Jeff Linn, and their Publicist, Ed Carpenter, and I've enjoyed chronicling their trials and tribulations and the fun and excitement of their amazing journey in their quest for

their 25th Anniversary.

The Goldmans have benefitted greatly from being located in what I call the "Mecca of Great Sportsclubs," the New England corridor that offers a number of legendary clubs in several states, including Cedardale, Dedham Health and Athletic Complex, The Thoreau Club, The Mount Auburn Athletic Club, Hampshire Hills Sports and Fitness, Boston Athletic Club and The Longfellow Clubs, just to name a few of the stand-out operations in the region that have all served as inspiration to the Goldmans during their 25-year run.

Steve Goldman is very clear about how he and Sally have successfully diversified and grown Weymouth Club to be of world class status. He credits a list of people who have helped him and Sally grow and prosper. Here's what he said in an email memo to me, "Norm, this is a list of important people from our industry who have contributed to our success: Alan

(See *Weymouth Club* Page 14)



Robert Kennedy Passes - See Norm's Notes Page #4

IHRSA 2012 Draws Nearly 12,000

BOSTON, MA - The International Health, Racquet and Sportsclub Association (IHRSA) celebrated IHRSA 2012, its 31st Annual International Convention & Trade Show, March 14-17. The high-energy event, held at the Los Angeles Convention Center and L.A. Live Complex in Los Angeles, California, brought together over 11,800 fitness industry enthusiasts from 80 countries, underscoring the global fitness

industry's commitment to promoting exercise and wellness for a healthier, more prosperous world.

With chronic or lifestyle-related diseases now responsible for more deaths than all other causes combined, this annual event and the industry's health promotion efforts hold global significance.

"I extend my sincere thanks to every attendee, exhibitor, sponsor, and

speaker," said Joe Moore, IHRSA President and CEO. "Our industry continues to show its innovation and entrepreneurial spirit for developing products, programs and solutions that contribute to a healthier world. Every year, the collaboration of ideas and better business practices allows our industry to improve and advance itself. In turn, it equips club and fitness

(See *IHRSA 2012* Page 7)



Robert Kennedy 1938 - 2012

Inside The Insider

- The "Insider Speaks" - Former Veteran Canadian Club Owner, John Cardillo, Salvages 17 Clubs from a Broken Deal! - **By: Norm Cates**
- Why You Need to Redesign Your Workout Space - **By: Bruce Carter**
- The Importance of Lead Capture - **By: Erin Dalzell**
- Toothpaste as a Model For Your Club's Growth - **By: Will Phillips**
- How to Multiply Profits on Purpose - **By: Donna Krech**
- 5 Hot Facebook Marketing Tips - **By: Maria Parella-Turco**
- Ask Sandy! - **By: Sandy Coffman**
- California Sales Tax Proposals Threaten Health Clubs
- 51.4 Million Americans are Health Club Members, Up 2.4%
- Inactivity Levels in the United States Rise to 68.2 Million
- And of Course, *Norm's Notes*

Norm's Notes

• **Hello Everybody!** This is your **CLUB INSIDER** Publisher and Tribal Leader **Since 1993** checking in! Check out our terrific cover story this month featuring **STEVE** and **SALLY GOLDMAN's** **Weymouth Club** in **Weymouth, Massachusetts!** Great club operators, even better citizens!

• Is America a great country or what? Georgia Bull Dawg **GERRY LESTER "BUBBA" WATSON**, the 2012 Masters Champion! Go Dawgs! Hmm... Hmm... Hmm!

• **ROBERT "BOB" KENNEDY**, born in 1938 and Founder of **RKP/Robert Kennedy Publishing** passed away on April 12, 2012 at his home in **Caledon Hills**, north of **Toronto, Canada** after a heroic battle with cancer. Kennedy was producer of magazine brands **MuscleMag International**, **Reps!**, **Oxygen**, **American Curves** and **Clean Eating**, as well as hundreds of books. He personally wrote over 55 of them. He was also a **New York Times Bestselling Author** for **Hardcore Bodybuilding**, **Reps!**, **RockHard!**, **Beef It!**, and **Pumping Up!**. Bob was surrounded by his beloved wife, **TOSCA RENO**, and his four daughters, **CHELSEA KENNEDY (19)**, **RACHEL CORRADETTI (27)**, **KIERSTEN CORRADETTI (24)** and **KELSEY-LYNN CORRADETTI (20)**. Bob's

only son, **BRADEN ROBERT JAMES KENNEDY**, passed away last March at the tender age of 23. Bob's longtime friend, **Governor Arnold Schwarzenegger**, paid him a surprise visit on **Easter Sunday**. Bob and Arnold spent hours reminiscing about old times, and the two legends even flexed! Bob's wife shared, "It was nice to see the sparkle in Bob's blue eyes again."

Bob's devoted wife describes him as, "the greatest love and joy of my life. He was to me like sunshine to seeds, the life force I needed to discover myself. He was the finest man. His joy for life filled me. *I love you, Robert.*" Arnold added, "Bob was a great friend and a true fitness icon. He spread the gospel of health around the globe, and his impact can't be measured. I will miss Bob, but there is no question that his legacy of a fitter and healthier world will live on." **May ROBERT "BOB" KENNEDY Rest In Peace.**

• **Lawsuits... lawsuits... lawsuits!** Read on and learn what I'm talking about. Within these **NORM'S NOTES** pages, you'll see coverage I promised last month of a lawsuit by **BRYAN O'ROURKE** and **ROBERT DYER's** **Fitmarc, a/k/a Plaintiff, Fitness Marketing Systems, L.L.C. vs. Defendant, Les Mills North America Holdings Limited a/k/a as the U.S. distributor for Les Mills International**. And, you'll learn about a major 13-count lawsuit by **Planet**

Fitness' MIKE GRONDAHL, MARC GRODAHL and **CHRIS RONDEAU** against their biggest franchisees, the **New York City** area-based **INNOCENTI brothers, JEFF** and **JAMES**, and their other cohorts! Read on so you know what the **Barristers of America** are up to this lovely Spring!

• Last month, I reported news I heard at **IHRSA 2012 in Los Angeles** that industry veteran, **DAN BLOCK**, a really good guy (See Photo Below) had passed away on **March 11th**. Sadly, he leaves his wife, **KAREN**, and two sons, **RYAN, 27**, and **RILEY, 17**. There was a **Memorial Service** for Dan at the **Renaissance Club Sport Hotel** in **Aliso Viejo, California** on **April 15th** that was arranged by



Norm Cates

industry veteran **JON THORSELL** of **Life Fitness** and featured a eulogy by **ERIC STERNLICHT, PhD.**, of **Simply Fit**. Dan dedicated his life to our industry and worked at **Racquetball World** in **California**. Then, he joined **Flex**, and after that, he worked at **InTek Strength**. A year ago, Dan left **InTek** to go to work for **GP Industries** in **Paso Robles, California**. Dan will be missed greatly by his family, friends and co-workers. **May Dan Block Rest In Peace** (Credit and thanks to **IHRSA's MEREDITH POPPLER** and **Club Industry Magazine's STUART GOLDMAN** for some of these additional facts).

• Not long after we went to press last month with news in our **March Edition** that the (See Norm's Notes Page 8)



Dan Block

About Club Insider

Established in 1993

19 Years and Counting!

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The "Insider Speaks"

Former Veteran Canadian Club Owner, John Cardillo, Salvages 17 Clubs from a Broken Deal!

By: Norm Cates

Publisher's Note: First, let me mention that John Cardillo, the former owner of Premier Fitness Centers in Canada, has been suffering from cancer for the past three years. He's received extensive treatment and is hoping to recover and live on; however, there is no guarantee of such a positive outcome at this time. We wish John Cardillo God's speed in his recovery.

Over the past ten years, **CLUB INSIDER** has reported on self-induced problems that John Cardillo's Premier Fitness Center organization has been experiencing in the Ontario, Canada region with regard to their back office operations, and in particular, the offense of continued collections by his back office of funds after memberships have expired or were cancelled. We've chronicled, with support of several Canadian news agencies and TV stations, several incidents where Cardillo's Premier Fitness has been fined by the Canadian government for certain offenses. On December 12th of last year, Cardillo sold his 31-club Premier Fitness chain to Physiomed. Physiomed Fitness and Physiomed Health are organizations of chiropractors who run clinics throughout Ontario, and over the past 18 years, have been tenants within many Premier Fitness club facilities. This chain is owned and operated by Dr. Scott Wilson, DC. To say that the events since that sale are beyond bizarre, and speak to the total nastiness of some business deals, would be an understatement.

Without getting into further detail, we've published John Cardillo's writing below copied directly from a new website, www.premierfitness.ca, which he pointed out to us was a new website created specifically to "set the record straight." To further set the record straight, John Cardillo was completely forthcoming with information on all of these developments via a 30-minute phone call made to me before he told me about the new www.premierfitness.ca website.

In my opinion, after my conversation with John and reading his writing entitled, **Dear Members**, he's actually done a miraculous thing with the huge mess that ensued after Physiomed defaulted on the purchase. First, he got the 31 Premier Clubs back from Physiomed and tried his best to save all of them. But, certain unwilling landlords would not cooperate, thus those clubs could not be saved. So, the end result was that 17

of the 31 former Premier Fitness Clubs continue in operation today, and thanks to John's creativity, are now owned and operated individually by 17 of his former employees, under their own independent name brands chosen by them.

In the end, I say here today that John Cardillo produced a miraculous ending to an awfully nasty business dilemma, and he and his family should take great pride in the fact that he was able to salvage something from the terrible mess he inherited after the default on the deal by Physiomed's Dr. Scott Wilson. The writing below was copied directly from John's new website, and in the online version, there are numerous links to supporting documents. Should you wish to view them, you can do so at www.premierfitness.ca.

In closing, I want to wish John Cardillo the best with his battle with cancer, and I want to praise him for making the best out of a really bad business situation while fighting cancer for the past 3 years. I hope God will bless John with continued life and a new-found happiness and peace.

• • •

Dear Members of the Former Premier Fitness Setting the Record Straight Securing Your Fitness Future!

On December 12th, 2011, an agreement was made to sell the Premier Fitness clubs to Physiomed. Physiomed Fitness and Physiomed Health is an organization of chiropractors who run clinics throughout Ontario, and over the past 18 years, have been tenants within many Premier Fitness club facilities. DSM Leasing, the main lender to Premier Fitness, was required to transfer the business assets to Physiomed and entered into an agreement that simultaneously gave possession and control to Physiomed pending the completion of the documentation to implement the sale. Physiomed, as confirmed by court records, thereafter operated the facilities for its own account and undertook to pay all expenses from December 12, 2011 onward.

Physiomed had done seven months of due diligence and negotiation before taking over Premier Fitness, and on December 12, 2011, they took over all Premier Fitness bank accounts and all signing authorities. From December 12th onward, membership fees, personal training payments, etc were 100% in the sole control of and for the benefit

of Physiomed Fitness. Premier Fitness as a business no longer operated after December 12th, 2011.

As part of the purchase price, Physiomed assumed Premier's debt obligations to their main lender DSM Leasing and CRA, which included significant disputed amounts that were under appeal. Therefore, the DSM Leasing debt became the obligation of Physiomed CEO, Dr. Scott Wilson, DC; his holding company, Physiomed Health Holdings Inc. (as evidenced by a General Security Agreement signed by Dr. Wilson and the registration by DSM Leasing against Dr. Wilson and his holding company Physiomed Health Holdings Inc. for \$33 million dollars); and the individual chiropractors who became the owners of each former Premier Fitness location. Furthermore, each Physiomed Chiropractor signed their closing documents, which were delivered by Physiomed to DSM's office in early January to complete the transaction. These documents were all part of the court submissions supporting the opposition to the receivership.

On December 21st and 22nd, 2011, over 1,000 former Premier Fitness staff attended a Physiomed Fitness introduction/launch presentation conference at a Mississauga movie theatre where the CEO of Physiomed, Dr. Scott Wilson, DC, unveiled the plans for the new company. Shortly thereafter, all staff were given new Physiomed employment contracts and Physiomed uniforms.

As a member, you will recall that on or about December 23rd, 2011, a letter from Dr. Scott Wilson, DC was distributed to members at all clubs informing them of the acquisition of your club by Physiomed Fitness.

Between December 24, 2011 and January 1st, 2012, all Premier Fitness signs came down and all clubs were rebranded by Physiomed with Physiomed Fitness signs across Ontario. Physiomed spent over \$300,000 for the replacing of Premier signs with Physiomed signs and another \$50,000 to replace all interior club signs to Physiomed.

In the latter part of December, the Premier Fitness website was taken down by Physiomed and redirected to the new Physiomed Fitness website, which listed all the club locations as Physiomed Fitness locations. As part of their January promotion, Physiomed launched their "30 Free" campaign and sold all memberships on Physiomed Fitness membership

contracts. All sales, memberships, personal training, nutrition, guest fees, etc went into either Physiomed Health accounts or the former Premier Fitness account now controlled solely by Physiomed for their benefit, and which it was using on an interim basis while setting up its own new banking arrangements.

From the information received from the club managers, the Physiomed January advertising promotion was extremely weak in part due to the flyer not listing locations and containing a marketing call centre phone number that often went unanswered or to voicemail. The sales resulting from the Physiomed Fitness campaign in January were approximately 50% less than any other January in each of the clubs histories. From the start of January until mid-February, Physiomed held daily conference calls at 1PM with all Physiomed Fitness club managers for the purpose of reviewing sales results. All Physiomed Fitness clubs were totally under the management and control of Physiomed's Head Office at 80 Bloor Street West, Suite 1300, Toronto.

Physiomed's lack of sales placed pressure on their ability to cover operating overhead, the cost of which they were fully aware of prior to the purchase of the business. Their reduced cash flow prompted Physiomed to approach the secured lender DSM Leasing for the purpose of borrowing additional funds to pay their bills. DSM Leasing refused to grant Physiomed any further financing.

Physiomed and DSM then decided that they could solve their problems by changing the original deal that they had made with each other and with Premier. To do this, they took the position that the "Physiomed Fitness transaction had never closed" and decided that the former guarantees from the Premier Fitness operating companies could be called upon, thereafter allowing DSM Leasing to put most of the former Premier companies into receivership. This was done for the following purposes:

1. Once DSM had a court-appointed receiver, they could shut down less profitable locations without consequences.
2. By putting Premier Fitness in receivership, DSM and Physiomed would blame the failure on Premier and thus preserve the Physiomed name allowing Physiomed to continue to operate the
(See *Premier Fitness* Page 7)

...IHRSA 2012

continued from page 3

professionals with healthy solutions to bring back to their communities around the globe."

Historically the fitness industry's largest US-based gathering of health club operators, suppliers and fitness industry professionals, IHRSA 2012 showcased the newest and most innovative equipment, programs, technology, exercise trends and industry best practices. Each of the four days was jam-packed with networking, exercise classes, leadership sessions and fitness industry-specific education. Celebrating IHRSA 2012 were over 11,800 industry professionals, including over 7,500 convention and trade show attendees, with 335 exhibiting companies on a sold-out trade show floor, which occupied over 160,000 square feet of exhibit space.

More than 150 educational, exercise and networking sessions were held at this year's convention, including stimulating presentations by IHRSA President and CEO Joe Moore on the State of the Fitness Industry, Fast Company magazine founder William "Bill" Taylor (sponsored by Matrix Fitness), best-selling author Simon Sinek (sponsored by Precor Incorporated), best-selling author and former Apple Chief Evangelist Guy Kawasaki (sponsored by Technogym) and a special panel presentation (sponsored by SPRI Products) that included Cornell McClellan and Allyson Felix, members of the President's Council on Fitness, Sports & Nutrition (PCFSN).

Demonstrating the industry's commitment to serving local communities and "advancing the industry," four award recipients were honored during IHRSA

2012. They included John Doyle, the founder and owner of The Belmont Athletic Club, in Long Beach, California, the recipient of The Dale S. Dibble Distinguished Service Award; Polar Electro, the Associate Member of the Year; Trina Gray, the owner of the Bay Athletic Club, in Alpena, Michigan, who received the Outstanding Community Service Award, and Linda Mitchell, the director of marketing and public relations for The Newtown Athletic Club, in Newtown, Pennsylvania who was awarded The Julie Main Woman Leader Scholarship.

On March 16, IHRSA was once again proud to be Presenting Sponsor for the 7th consecutive year of the BASH for Augie's Quest, where the industry demonstrated its loyalty and support for fitness industry legend Augie Nieto. The one-night event, held every year in conjunction with the IHRSA Convention, raised over \$1.6 million to benefit Augie's Quest, which in conjunction with the Muscular Dystrophy Association (MDA), conducts an aggressive, cure-driven effort focused exclusively on ALS (amyotrophic lateral sclerosis), also known as Lou Gehrig's disease. Since 2006, Augie's Quest has raised over \$32 million.

Reflecting on his experience at IHRSA 2012, Art Curtis, Chairman of the IHRSA Board of Directors commented, "When you draw together roughly 12,000 people from around the globe who are deeply committed to promoting exercise and wellness for the health and prosperity of our world, the energy it generates is electrifying. IHRSA 2012 captured that energy."

IHRSA thanks all 61 of the IHRSA 2012 Convention and Trade



IHRSA 2012 Draws Nearly 12,000 (Photo Courtesy of IHRSA/The Photo Group)

Show sponsors who make this one-of-a-kind event possible: American Council on Exercise (ACE), Anytime Fitness, LLC., ASF International, Augie's Quest, Balanced Body, BIG ASS FANS, Chobani Fit, Core Stix LLC, Crunch Franchise LLC, CSI Software, CYBEX, Fiserv, Fitness Acquisitions, Inc., Fitness Brasil, Fitness Business Canada, Fitness Industry Council of Canada (FIC), Global Fitness, Inc., GOJO Industries, Inc., Gold's Gym, GP Industries Inc., Green Polka Dot Box, GymAround.com, Healthy Learning, Helix Company, iDesk Solutions, iGo Figure Software, Intel Corporation, Leisure Industry Week (LIW), Life Fitness, Management Around Sports, Matrix Fitness, Merrithew Health and Fitness, MINDBODY, Inc., Motionsoft, MYZONE, Nautilus Commercial Fitness, Paramount Acceptance, Parisi Speed School, Partnership Capital Growth, Pavigym, PFP Media, Polar Electro Inc., Power Plate, Power Systems, Inc., Precor Incorporated, Real Body World Wide Pty,

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To catch a glimpse of IHRSA 2012 events, visit www.ihrsa.org/live. Audio recordings of over 60 IHRSA 2012 convention sessions will be available for purchase in April at www.ihrsa.org/store and video recordings of more than a dozen select sessions will be available in May. Contact store@ihrsa.org for the session recording preorder form. Show images are available to the media by contacting IHRSA PR at pr@ihrsa.org.

Preparations are well underway for IHRSA 2013, IHRSA's 32nd Annual International Convention and Trade Show, which will take place at the Mandalay Bay Resort and Convention Center, in Las Vegas, Nevada, March 19 - 22, 2013.

...Premier Fitness

continued from page 6

remaining locations.

3. They could potentially avoid paying terminated employees from any closed down locations their earned vacation pays and severance pays.

4. They could renege on the deal made with the former owners for future obligations owed to them with respect to the sale of the business to Physiomed.

While the orchestration of the receivership was, in fact, a way for DSM Leasing and Physiomed to continue their control of the business and potentially avoid paying unsecured stakeholders, landlords, suppliers, members and employees of closed clubs, the position taken in DSM's court material related to the receivership claimed the real reason for the receivership was simply to conclude the Physiomed deal as originally negotiated, which they took the position had not technically closed.

The former owners fought the receivership and their lawyer argued that

the receivership was, rather, a scheme to achieve the purposes set out above.

The Honorable Justice Spence appointed a receiver but severely limited its powers by, in essence, allowing the receiver to preserve and protect the assets so that the deal could close as bargained. Specifically, no clubs could be closed or sold for 30 days, thus giving DSM the opportunity to close the deal with Physiomed. BDO was appointed by the court as receiver.

During the week of February 13th, BDO, the court-appointed receiver, and DSM proposed to return to court immediately for the purpose of asking the court for permission to close down approximately 12 clubs. The former owners again fought this. At the same time, DSM decided to refuse to fund the receivership any further, which in turn, forced the receiver (BDO) to go back to court on February 17th, where they advised the court that, after their review of the business and what they had learned over the 9-day receivership, the clubs should be returned to the former owners' control.

On February 17th, 2012, the court also ordered a 7-day Stay of Proceedings to

facilitate an orderly transition as the former owners took back control of the clubs.

What was learned was startling! Although Physiomed had been in total control of the business for almost two full months (prior to the appointment of the receiver) in the best sales season and had control of all the money coming in, there were nevertheless hundreds of thousands of dollars of unpaid obligations, including payroll.

From February 17th, at approximately 5PM, onward, the former owners took back control of the facilities and started paying all employees from that point going forward. They began the painful process of negotiating with landlords to get the unpaid rents settled. In some cases, the landlords were terrific in working toward a positive outcome and others were unreasonable.

In many locations, long-time club managers stepped up and invested their personal fund and have taken ownership of their clubs.

Club Closures: With some landlords being unwilling to negotiate a feasible repayment plan of Physiomed's past due rents, there was no choice but to close some locations.

In these cases, the members' memberships are being honored at nearby locations or arrangements were made with other local clubs who agreed to honor the memberships. In the case of facilities where there were no other clubs nearby to accommodate members, the operators have had staff onsite giving members refunds for fees they had paid for prepaid time after which the club would be closed.

The facility operators would like to thank the dedicated and loyal members and staff who have so patiently stood by them during this most unusual and difficult time. Their commitment to you has never changed, and they will continue to serve you for many years to come.

Please visit your club for any questions regarding your membership.

For customer service for the following locations, please email customerservice@healthholdings.ca:

- Highbury Road, London;
- Bunting Road, St. Catharines;
- Milton;
- Meadowdale Town Centre, Mississauga;
- Oshawa;
- Kingston.

...Norm's Notes

continued from page 4

Premier Fitness Centers in the Ontario, Canada area had been acquired by a chiropractor company called **PhysioMed** pursuant to an agreement approved by the **Bankruptcy Court**. I learned that deal had fallen through. In January, 2012, Dr. Scott Wilson announced the launch of Physiomed Fitness and began managing the clubs on behalf of Premier, pending the completion of the transaction to transfer the assets. However, shortly after that announcement, Physiomed and DSM Leasing discovered the many debts, **rendering the big deal**

null and void. A lot went on and **JOHN CARDILLO**, the former Premier Fitness owner, wanted to set the record straight about what had happened (By the way, Cardillo has been suffering from cancer for the past 3 years and is trying to survive it. Good luck, John!). So, he created a new website, www.premierfitness.ca, to set the record straight. You'll see the entire website message in the **Insider Speaks** on **Page #6. Stay Tuned!**

• **STEVE BORGHI** could be described by any reasonable person as a *shady guy* up in **New England** because he's in court records as having plead guilty to *two misdemeanor*

violations of the **New Hampshire Consumer Protection Act** and *two felony violations* of the **same Act**, also in New Hampshire. Borghi *received a 30-day jail sentence*, which was *suspended*, for the two misdemeanor violations. Borghi also *paid a \$15,000 fine for the felony charges* that a Borghi-owned **Work Out World** pre-sale location was never even registered with the State and never opened after taking money from hundreds of people. Even with his background, the news has broken that Borghi is acquiring **30 Bally Total Fitness Clubs** under the purchase name of **Blast Fitness, LLC**.

More trouble appears to be right around the corner for this very active guy, though, because the reliable word I get is that Borghi doesn't even have the name Blast Fitness registered! I know this because I know **who does** have it registered, but I'm not at liberty to disclose that right now. In fact, if you visit **Blast Fitness' website** and then **Click on Join in the section for the States of Massachusetts and Rhode Island**, you'll see that the website changes its name from Blast Fitness to Work Out World! Have you ever seen a website do that? What a **Cybertrick** that is!

Moreover, if you look further on **Google**, you'll find that the name Blast Fitness is also being used by at least two other independent operators in California and Florida, probably also in violation of the name registration rights I previously mentioned. But, if you were to speak to **ABC Financial's PAUL SCHALLER**, who by the way, I missed seeing in Los Angeles and had wanted to congratulate on his skinny body now, Borghi is not such a bad guy. In fact, Paul says Borghi is a good operator that serves 100,000 members in the clubs he owns now. So, I guess that should count for a lot.

With Borghi's track record, though, I fear that he's going to make a real mess out of these Bally acquisitions, if that could be possible. I fear for our industry in general because, based on what I know about Borghi, he just does not have the organizational skills and organization to take on such an influx as 30 clubs at one time. Hell, he has showed a marked inability to do things according to the laws in multiple places, and I don't see him all of a sudden becoming a good operator in areas that really count. I sure hope I'm wrong, though. I mean our industry needs all of the help in the form of good PR we can get. We don't need bad publicity, but I can see it coming a mile away on this Borghi/Bally deal. You just cannot take the spots off a leopard and call him a lion.

In fact, over the past 19 years, I've tracked and reported on a number of less-than-upstanding characters operating in our industry, such as back in the mid-1990s when **Bally Total Fitness'** record number of consumer affairs violations during their Boston area pre-sale for five yet-to-be-finished locations hit over 1,500! Yes, I wrote 1,500 pre-opening consumer violations! How can you do that!? Then,

of course, what list of deadbeats in our industry would be complete without **South Florida's BRIAN HOMAN**, who made off with his bosses' club membership mailing list and opened up a competing club two blocks up the Boulevard in Coral Springs, Florida. This was just a start for Homan, and since then, he's repeatedly done things that showed no ethics at all and border on illegal, if there were not illegal. This was back in the 2000s, but I lose track without pulling out several of our now 220 monthly editions! Then lately, of course, we have the one and only **SHANE FRANKLIN**, a dirty tricking health club vagabond whose path has taken him first as a Powerhouse Gym owner wannabe whose travels took him to Reno and Las Vegas, Nevada and San Diego, California, where he used a 3' wide x 5' high throw rug as signage for a Powerhouse Gym. Then, it was on to a Gold's Gym in Indianapolis, Indiana. I learned at **IHRSA 2012** in Los Angeles, that he's off and running again to another location. **Stay Tuned!**

• **Credit** and **many thanks** go to **IHRSA** and **The Photo Group** (www.thephotogroup.com) for the photos we published last month in our post **IHRSA Convention** edition. Special thanks to **JAY ABLONDI**, **IHRSA's Executive Vice President of Global Products** for sharing those shots with **CLUB INSIDER**.

• I had a very interesting conversation with **MIKE GRONDAHL**, **Planet Fitness Co-Founder** and **honcho**, and I'll share some of it with you here. First, Mike tells me that Planet Fitness is now up to **526 operational locations**, and they have **1,606 signed deals** in the pipeline. They now have **3.6 million members!** He also told me that, contrary to what others have reported, he started work on a **Planet Fitness franchise association** last **June** and that the recent announcement that some of his franchisees had started a **second PF franchise association** a couple of months ago was a result of a backlash from a few of the franchisees over the **new Planet Fitness rule of no one-on-one personal training in their centers**. That change started in January, 2012. Grondahl also tells me that **DAVE LEON**, a **prominent Upstate New York Planet Fitness franchisee**, is **chairman** of the 7-member **Board of Directors of the new Association**, which is called the **Planet Fitness Franchisee Advisory Council**.

Moving on, we discussed the **lawsuit** that Planet Fitness filed a few months ago **against Planet Fitness franchisees JEFF and JAMES INNOCENTI**, who are prominent owner/operators of a bunch of Planet Fitness clubs in the New York City area. I've learned that problems arose while Planet Fitness Corporate was doing necessary preparation for the possibility of a **Planet Fitness IPO**, which was going to require them to consolidate all company-owned clubs under a single ownership. Since

(See *Norm's Notes* Page 10)

JLR Associates Announces the placement of

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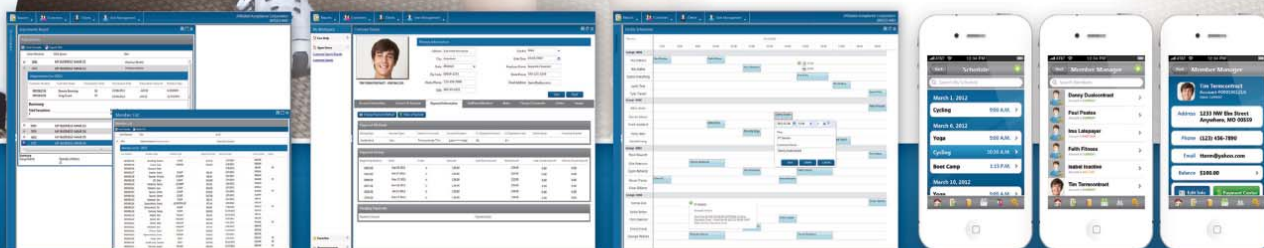


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...Norm's Notes

continued from page 8

Mike, his brother, MARC, and partner, **CHRIS RONDEAU**, own a **majority interest** in the Innocenti's entire group of Planet Fitness clubs, they would have had to combine the Innocenti's gyms with their own gyms before going public. Based on the content of the lawsuit I read, the Innocenti brothers were doing some pretty awful things behind their back. Mike made this comment about the situation, "I am very hurt because I felt like we were friends, and I am extremely upset about this lawsuit. Sometimes, franchising isn't much fun, and this is one of those cases."

The Plaintiffs are seeking a **Jury Trial**. The **Complaint** has **13 Counts: Breach of Fiduciary Duty, Breach of Loyalty, Misappropriation, Conversion, Unjust Enrichment, Diversion of Corporate Opportunities, Petition for Accounting, Constructive Trust, Civil Conspiracy, Access to Books and Records, Fraud, Negligent Misrepresentation and Judicial Dissolution of PFNY**. **Discovery has started**, so I'll be covering details about the case as they develop and become available. Calls to the Innocenti brothers were not returned by press time.

•About 10 years ago, **MARIO BRAVO-MALO** and **DARON "ROCKETMAN" ALLEN's Visual Fitness Planner (VFP)** had 160 client clubs. Now, they have over 1,000 and are growing fast. VFP CEO, Daron Allen, is one of our industry's greatest movers and shakers. He and VFP Founder, Mario Bravomalo, really have VFP cooking! One of their latest thrusts is **VFP Salesfusion**. They launched seven new products at IHRSA and are making significant gains as the **United States Distributor of TouchPoint, "powered by InTouch."** If you've not viewed the Visual Fitness Planner website, go to **www.vfpsalesfusion.com** and be ready to be impressed! Also, be sure to check out the **Article on Page #24** by **ERIN DAZELL, Vice President of Sales, InTouch Follow-up** and a VFP Salesfusion Strategic Partner.

•**Welcome to Crunch Franchising, LLC**, as they're our newest advertiser, and you'll see their **New Ad on our Outside Back Page!** **BEN MIDGLEY**, an industry veteran who got his start in **Maine at Saco Sports and Fitness**, now runs the **Crunch Franchising** business. He's off to a good start. Midgley joined **MARK MASTROV's Crunch Team** in **April, 2009** after working with **MIKE GRONDAHL's Planet Fitness** for several years and Mastrov's **24 Hour Fitness** before that for almost 10 years. Ben, the winner of the 3rd ever **IHRSA Sales Person of the Year Award** back in 1995, is also a great family guy who's married with three children. Ben tells me that Crunch Franchising was officially authorized to sell franchises in July of 2010, and they were legal in all States at that time. They

hit the 100-location milestone last August with that number continuing to increase, and 14 Crunch locations are now open for business. Viewing the new Crunch Ad on our Outside Back Page, I noticed that Crunch is *targeting conversion of existing clubs, as well as operators that would like to own another brand* in addition to their own, and is focused on full-service models that offer group exercise and personal training. The Crunch full-service offering is going to be extremely popular in markets where they arrive because they're coming in with a low-price rate of \$9.95 per month or \$19.95 per month. The Crunch model now being rolled out even includes group exercise for \$9.95 per month! Club owners who might be interested in becoming franchisees should know that Crunch franchising offers three levels of involvement: (1) Single club; (2) Multiple Clubs; and (3) Area Development Agreement, where the franchisee may develop all the Crunch locations he wants in a specific geographic area where they acquire the rights.

DENNIS CIERI, a Rutherford, New Jersey-based real estate developer and founding partner of **Eden Property Company**, has signed on to build 30 Crunch locations. During our phone conversation on April 10th, Ben shared the same mindset he shared with me when I did a cover story on him in 1995. Talking about being a franchisor, he said, "There are a lot of wannabe franchisors out there. You have got to commit to the support of the franchisee. Your manuals. Your training programs. Your technology. We spent an awful lot of time and money making sure our back office infrastructure was better than everybody else's! We want to be better than the others."

Ben's Father was in the franchise business for a long time and serves as a mentor for Ben. Midgley commented, "You can't underestimate the importance of back office organization and support. I'm very lucky because my Dad is always looking over my shoulder. He told me that, when those big real estate franchises he saw when he was with Century 21, ERA and Weichert Realtors Real Estate Franchising started going to video training and webinars and started scaling back the internal support, that's when they started losing stores. It's textbook. The store performance goes down and you lose locations. That's the unsexy part of the business. But, I want Crunch to be a franchise that's up there with the big guys, not necessarily in our industry, but in any industry. You're not going to get it without a sophisticated support system. You have got to make sure that you're doing the best you can for your customers. It's about relationships and that kind of relationship is what I was built for. The only other thing I want to say Norm is that I'm happier now personally than I have ever been. The group of people that I work with are amazing."

This Crunch Franchising, LLC group Ben is talking about has some real

heavy hitters behind it, including of course, **MARK MASTROV, JIM ROWLEY** and **CRAIG PEPIN-DONAT**. Combined, this group has over a hundred years of health and fitness club industry experience and will be very competitive in every market they enter. **Thanks for the update, Ben! Stay tuned, folks!**

•If you missed **IHRSA 2012** in **Los Angeles** in **March**, here's the next best thing. You may catch a glimpse of IHRSA 2012 events by visiting **www.ihrsa.org/live**. Additionally, audio recordings of over **60 IHRSA 2012** convention sessions are available for purchase now at **www.ihrsa.org/store**, and video recordings of more than a dozen select sessions will be available in May. Contact **store@ihrsa.org** for the session recording preorder form.

•**Les Mills International**, the industry **SKUNK** I wrote about last month, is showing more problems! The latest big news item I have on **PHILLIP MILLS' LMI activities** is that **BRITT HALLO, CEO of the FitPro in the United Kingdom**, has ceased being the **UK Distributor for Les Mills**, for reasons not disclosed. My bet, however, is that the reason is the same one that I reported on last month in my **SKUNK ALERT**, and that was that LMI has hooked up with **BeachBody.com** to make their group exercise programs available to any consumer with a credit card. Folks, **you club owners need to know** that these programs are the **SAME programs Phillip Mills is peddling to you** and collecting money from you to pay for, if your club is an LMI client! Last month, I also mentioned that the **American Les Mills Distributor Rebellion** continues to be alive and well with **Les Mills Central Region Distributors**, **Fitmarc** partners **BRYAN O'ROURKE** and **ROBERT DYER**, filing a lawsuit on **November 17, 2011 to stop Les Mills International from offering the same Les Mills Group Exercising programming via the Beachbody.com website and other marketing efforts**.

To read this lawsuit and the one I mentioned earlier, where **MIKE GRONDAHL, MARC GRONDAHL** and **CHRIS RONDEAU** sued the **INNOCENTI Brothers**, you can do what I do to get access to lawsuits, and that is to go to **www.pacer.com** and establish an account for yourself to give you access to the case. And really, any other case... They will charge you 10 cents per page, so it cost me \$2.30 for the 23-page lawsuit. Check it out, and you will see why you need to be *wary of what's going on with Les Mills International in the United States*. The **Court is: Eastern District of Louisiana**, the **lawsuit Case # is: 2:2011-CV-02870** and is styled: **Plaintiff: Fitness Marketing Systems, LLC vs. Defendant: Les Mills North America Holdings Limited**. By the way, the **Fitmarc** guys are the **3rd Distributor Group** to leave Les Mills

following the first U.S. LMI Distributor to jump ship, **GEOFF DYER of Lifestyles Family Fitness** in Florida, who left a couple of years ago, and **Northeast Region Distributor, BILL AUSTIN**, who also left.

Now, let me tell you exactly what I think. Based upon what I've reported on for the past seven years and know about, if I were a club owner in the United States that's depending on Les Mills now for my group exercise programming, I would sure be looking for a replacement and be prepared to make a move if LMI finally crashes and burns here in America. I am not saying that will happen. But, I am saying it is always wise to be prepared. It is my job to give you facts to help you make decisions, and in my opinion, there's **no better replacement** than **Body Training Systems** for truly high quality group exercise programming!

•**Life Fitness** is expanding the **Personal Trainers to Watch** competition to be global this year. The program was launched in Chicago last year at the last **Chicago Club Industry Conference and Trade Show**. Here's information from **CORY DIMITRAKOPOULOS, Account Executive of JSH&A Public Relations**. Cory writes:

"Life Fitness knows the important role personal trainers play in society and in the growing fitness industry. For the first time, Life Fitness is offering fitness professionals the chance to be named the world's top personal trainer by expanding its **Personal Trainers to Watch Awards** to a global market. Beginning now, personal trainers, gym owners and clients alike can visit **www.lifefitness.com/personaltrainers** to nominate fitness professionals who are excellent at what they do. Life Fitness has teamed with world-renowned fitness organization **FitPro** to take the program global in 2012 and offer winning personal trainers top-notch educational training and resources as a prize. The entry period begins now and is open until July, 2012. In November, a judging panel of five industry veterans will select the personal trainer who's worthy of holding the title of **The World's Personal Trainer to Watch**. Ten finalists will also be selected and recognized for their outstanding work. **One grand prize winner will also receive \$5,000** toward his or her personal training business, a select piece of Life Fitness equipment, a one-year membership and continuing education course package from world-renowned **PTontheNet (FitPro)**, international media recognition as the global 2012 Personal Trainer to Watch and a personalized award plaque. **Stay Tuned!**

•Our industry is at great risk in the future should your State's legislators begin to outlaw the use of EFT dues collections. It's a really good idea to support IHRSA's Public Policy efforts because, when State
(See Norm's Notes Page 12)



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...Norm's Notes

continued from page 10

legislators come up with new ideas for laws that might potentially be harmful to the interest of American club owners; there's nowhere to turn except for IHRSA! So, to solidify and repeat my warnings, take into consideration the **new House Bill #2065 that's been proposed in Missouri** that, if approved, **will restrict health clubs' use of EFT by prohibiting health club contracts from collecting membership dues via EFT for more than twelve months at a time.** So folks, this is the beginning, and I warned the industry repeatedly that this

kind of legislation could be coming. Are you going to ignore this? If you are, do so at your own potential peril because, one day, such proposed legislation could hit your State. Overnight, the future of your club could be altered forever.

As an alternative to being shocked by such an event and unable to respond in time, consider stepping up now and supporting IHRSA's Public Policy efforts so that, *if and when* such proposed legislation hits your State IHRSA clubs in your State will be ready and able to get involved rapidly and fight back on behalf of the clubs in your State as a Team with IHRSA. Otherwise, club owners

in your State might be totally screwed if such legislation is allowed to proceed unopposed, which is what would happen in Missouri were IHRSA not involved. Thank goodness they are on this case because the news of this proposed new law restricting EFT terms to one year was sent to me by IHRSA. **So, take the step now to call IHRSA's MEREDITH POPPLER and tell her you want to support IHRSA's efforts in your State.** Meredith may be reached at (800) 228 - 4772, Ext. 129. You will be glad you did!

•I noticed in **Club Industry's Newsbeat** that industry veteran, **JOHN BRINSON**, the **Founder and Owner** of the **Lehigh Valley Clubs in Pennsylvania**, had filed **Chapter 11** for his business, so I emailed John to ask if the news I had heard was accurate. John replied, "We filed Chapter 11 to force the bank to cut our interest rate. Didn't want to, but they left me no other option." Brinson's other three clubs, he now calls 24-7 Fitness Clubs in Lehigh Valley, stayed in business. After the Bankruptcy filing, the local paper quoted Brinson as saying, "The interest rate on the company's \$8 million mortgage is 'too much to handle,' and we want to get a more reasonable rate." Part of the problem was new competition in South Whitehall, where several newer clubs operate, including an LA Fitness and a Planet Fitness. In a heartfelt letter to his members and employees when Allentown closed in 2010, Brinson stated that the Allentown Club only had 5% of the 9,450 members he had in his four clubs. He continued:

"We fought for years to save this club from the declining market in Allentown. Our other three clubs prospered while Allentown did not. The club has lost money for years, but we kept hoping the market in downtown Allentown would improve. It has not. A constant parade of top businesses left town, but we persevered. Our Allentown Club has had thousands of members over the years. I watched babies grow into young adults. We still have hundreds of loyal members who love the club. They are also members of our other clubs, Bethlehem, West End and Trexlertown, so they'll still be with us. So will our Allentown employees, except for part-timers who can't work in our other clubs for one reason or another. Our Allentown Manager, Howie Cessna, has worked at the Club for 22 years and will go to West End. We will keep our Corporate offices in the Allentown Club. I give my personal thanks to our employees who started with us at Allentown: Diane (26 years), Sharon (30 years), Howie (22 years), Alexa (18 years), Jodi (21 years), Marty (13 years), Karen (10 years), Rick (5 years) and Denise (4 years). They will all remain with our company. So will Trish, who started at West End. Finally, I am most grateful for our terrific members. They made the club the great pleasure it has always been. They have our eternal gratitude."

Hopefully, the Chapter 11 will give Brinson's club enterprises the relief they need to go on successfully. Best of luck, John. **And, the beat goes on...**

•**Correction!** Last month, I incorrectly stated that **IHRSA 2013** will be held at the **Las Vegas Convention Center** next year when, in fact, it will be held at the beautiful **Mandalay Bay Resort in Las Vegas, March 19-22nd, 2013.** Additionally, I am correct in saying that the **Club Industry 2012 Conference and Trade Show** will be held at the **Las Vegas Convention Center, October 10 - 12th!** Be sure and **Save The Dates** for both of these very special events and make plans to be at both because attendance will put money in your pocket, as long as you don't have too much **FUN** at the tables in **Vegas!**



Mister Bill

•**MISTER BILL**, my beloved buddy, age 10 (see photo), was **diagnosed with bone cancer on March 6th**, one week before I had to head to **IHRSA 2012 in Los Angeles.** To say that it was tough being away from him during those four days would be a huge understatement. I spoke with a few of you at IHRSA 2012 about Mister Bill's illness and even showed you his photo. I know some of you have been saying prayers for him, and I want to thank all of you for your prayers, as it truly seems like our prayers are working! Mister Bill's medications seemed to have worked, at least for now. He is stable, he's still eating well and still able to get around our home and yard, even though he's moving slower. We will continue to do whatever we can to help him live on. **Stay Tuned!**

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...Weymouth Club

continued from page 3

Schwartz, Rick Caro, Laury Hammel, Lloyd and Roberta Gainsboro, Ed and Zoe Veasey, Ada McKenzie, Todd and Faith Pulis, Rick Devereaux, John McCarthy, Will Phillips, Roger Ralph, Tim Rhode, Tom Johnston and Rich Synnott. Lots of great people have helped us, and I don't want to leave anyone out. Within the club, there are employees who were just as passionate. It took all of us."

Weymouth Club Family Team

Let me tell you about Steve and Sally Goldman and their family.

Steve is 65 years old. He's a high school graduate and did not attend college. Steve went to work after high school graduation at age 18 and has spent a large portion of his life involved with tennis, tennis clubs, and for years now, the diversifying, upgrading and perfecting of Weymouth Club. Steve is a past recipient of the USTA Tennis Pro of the Year Award. He has coached numerous young players to excel at tennis, thus enabling them to receive college grants and even go on to playing tennis at the pro level. Steve and Sally together have created a club that has been acknowledged for its excellence on a local, regional and national level.

Sally, a high-achieving tennis pro and businesswoman, is younger than her husband, Steve. She's led the way in Weymouth Club in their summer camp programming, which is now and always will be a very important aspect of their overall operation. Possessed with a passion for exercise and tennis since her youth, Sally was a USTA junior player who reached the rank of #1 in the Girl's 18 and under category. Then, she attained the #1 spot as a Women's Open player. Sally graduated from Bentley College in Waltham, Massachusetts, where she played in the #1 spot on the Men's Tennis Team! She

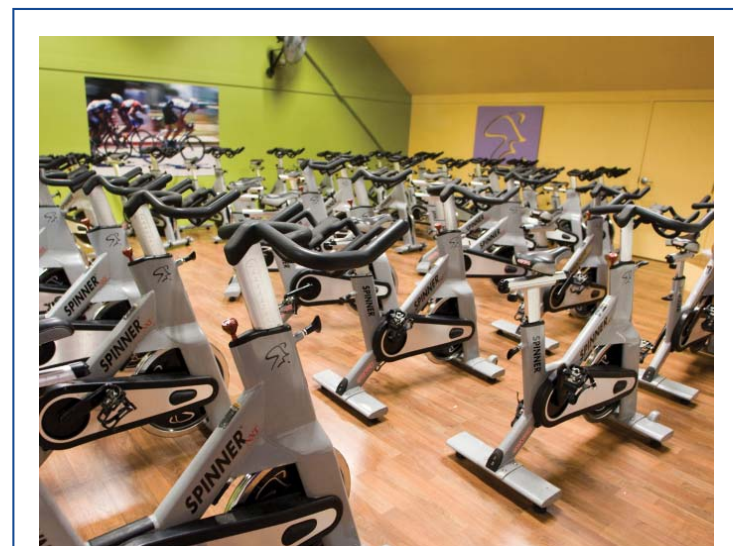
was honored with the prestigious William Hoblitzelle Sportsmanship Award, and her family was named "Tennis Family of the Year" by the USTA. Since 1988, when the Goldmans acquired Weymouth Club, she has taught tennis as a USPTA Certified Tennis Professional, founded and directed the Tennis, Fitness and Arts Camp, took over the club's marketing and was chief researcher of club trends and improvements. She also coaches Middle School basketball and high school tennis.

This amazing couple have three grown children, Greg, age 31; Diana, 29; and Leah, 26, and they have a 4-legged family member, Lizzy, their 11-year old dog, who is the subject of an upcoming children's book, set to be released this summer. Their daughter, Diana, now married and known as Dianna McDevitt, works full time as the Marketing Director for the club.

In 1988, when the Goldmans acquired Weymouth Club, it was all-tennis and had 900 members. Now, Weymouth Club is a super-club of 165,000 square-feet (180,000 when you include the bubbles that are up during the winter) on 12 acres. The Goldmans employ 50 people full-time, with a supporting cast of 150 part-time employees. Remarkably, according to Executive Director, Jeff Linn, Weymouth Club offers 500 different club programs of all kinds, and it's this major focus on club programming that has kept Sally and Steve Goldman's Weymouth Club very high in the pecking order of their market, which currently offers about 35 competitors of all kinds. When you hear the comments from Steve and Sally and their Executive Director, Jeff Linn, and Publicist, Ed Carpenter, in the following interview, you will understand how and why Weymouth Club has the high standing in this industry that it does and why they are now celebrating 25 years.

Weymouth Club Mission

We are a family-friendly health,



Weymouth Club Spin Studio

fitness, wellness and recreation center dedicated to the continuous improvement of our members' experiences as we deliver M - O - R - E:

- Meticulous Facilities
- Outstanding Programs
- Results
- Exceptional Service

This Mission Statement summarizes a can-do, will-do professional mindset that, in essence, drives the entire Weymouth Club operation. We're pleased to present this interview with Steve and Sally Goldman and their Teammates, Jeff Linn, Executive Director, and Ed Carpenter, Publicist.

An Interview With Steve and Sally Goldman, Jeff Linn and Ed Carpenter

CLUB INSIDER - (C.I.) - When and where did you and Sally meet and get married? Tell us about your family. How many children do you have? Are your children involved in your club business?

Steve Goldman (StG) - We met at the Quincy Tennis Club, as we both played tennis there. We got married on September 2nd, 1979, so we will be married 33 years in September. We have three children. Our oldest is Greg, and he's 31. Diana is 29, Leah is 26 and our dog, Lizzy, is 11. Our middle child, Diana, works for Weymouth Club as our Marketing Director. Also, let me mention that Diana is married, and her last name is now McDevitt. Over the history of the club, they have all been involved in working here. Now, our oldest, Greg, and youngest, Leah, are off on their own careers.

C.I. - What did you two do before you became owners of Weymouth Club?

StG - Immediately before we acquired Weymouth Club, I owned the Randolph Tennis Center in Randolph, Massachusetts.

I bought it in 1978 and owned it for seven years.

Sally Goldman (SaG) - First of all, I am ten years younger than Steve, so that's kind of an interesting fact. We started dating as I was just leaving for college. I did work at Randolph Tennis Center as well. I was a competitive tennis player. So, we got married and started to have the first of our three children while we were at Randolph Tennis Center.

C.I. - I noticed that you acquired your club in 1988, yet it was 1991 before your first major court conversion. Please describe the thought and planning process you went through during those first three years before the tennis court conversions actually began?

StG - I would say, in the first two years, there was really no planning process. We were both working really hard in the club just to make it exist. Just to be open... teaching a lot of tennis and paying the bills. We ran the club basically ourselves, pretty much, and had very little staff. The third year is when Sally got the idea of conversions because she was reading up on our industry. We started thinking about changing our model after a little input from Cedardale and what they had already done and also input from Laury Hammel from Longfellow Club, who was a little bit ahead of the game as well. We hired Laury as a consultant, and he gave us some good input as far as how we could transition the club. At that time, one of his first suggestions was for us to find a good General Manager. We hired Tom Johnston, who had experience at Club Fit in New York. So, Tom came down, and between all of us, we were able to start to make our first transition, which was adding a group exercise studio, a couple of thousand square-foot fitness center, a nursery and an improvement to the outdoor pool. That was the conversion of one indoor tennis court.

(See *Weymouth Club* Page 16)



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...Weymouth Club

continued from page 14

C.I. - How did your members respond to your first diversification and growth thrust?
StG - Our first transition was a little rough because we were just a tennis club. We lost about 200 members right away in that first few months because we changed our whole dues structure and went to EFT. We went to monthly dues, and we kept court fees. That was quite a transition, but within the first year, we had 1,400 members. So, we went from about 900 to 1,400 to 1,500 members.

C.I. - What's your goal for your members' experiences?

SaG - Basically, this does tie in to the previous two questions in that, between the construction improvements and the management improvements and changes, we were targeting in on what people wanted. We were not an early adopter of the changeover. We had people who had done it before and hired them. I think that's a trend that's really served us well throughout our whole life. When we really don't know something, we're not afraid to hire experts in those areas to help us through that process quicker. It has also strengthened our relationships throughout the industry. Laury Hammel was absolutely wonderful for us in those early years, and he even had some of the construction people that we could use to make our changes. So, from that experience and then having Tom Johnston, we really realized what we didn't know and how great it was to bring in people who knew what they were doing. So, that was our first big lesson.

Then, this goal for our member experiences led into that because we knew what the public was looking for. When you think about the first Lifecycle, the first treadmill, the first group-ex classes, things like that... We were matching up what was going on out there. We had the positioning of not being an early adopter, seeing what other successful clubs had done, then

basically making sure that's what our area wanted and giving them that. I may have read it in CBI Magazine, or maybe in **CLUB INSIDER**. You can survey what your people want, but you can also tell them what they want and they don't even know it yet! So, it's been the combination of those two things.

C.I. - What are the key features of Weymouth Club?

StG - We have 13 tennis courts, 3 swimming pools and a warm-water therapy pool as well. We have physical therapy on site, a basketball court, a 15,000 square-foot fitness center, an approximately 12,000 square-foot children's center, 3 group-ex studios that include spinning, Pilates, yoga and general group exercise classes. We offer 65 group exercise classes per week. We have a restaurant, Café at Weymouth Club, and a very exciting, innovative tennis program, Quickstart Tennis, which develops skills in young players. Our strength is our programming.

Jeff Linn, Executive Director (JL) - We totaled up our programs, and we have over 500! 50% of our revenue is program-based. So, we have 50% from membership and 50% from programs. We also do a tremendous amount of non-member programming. So, we offer non-member swim lessons and non-member tennis lessons. We have a dance program, plus the physical therapy and medical services department, so you can add another 200 to 400+ visits per day depending upon what is happening. There is just something going on all day long!

C.I. - What are some of your proudest achievements over all these 25 years?

StG - I think the biggest achievements is...

SaG - Being here 25 years later! (everyone laughs)

StG - We've had so many achievements, but personally, our biggest achievement is just being a husband and wife team and



Weymouth Club Fitness Center

being able to put this all together to build a business around both of us with our three children. That's number one in everything that we've done. Each of us in our own way have our own strengths and have been able to sort of pull those strengths together. One of the most important pieces of the club is my wife's summer camp, her TFA Camp (Tennis, Fitness & Art Summer Camp and Tennis Academy). Without that, we probably would not have survived in those early years, and that camp is still extremely successful. We're celebrating our 25th year with the camp as well.

Family is obviously always our first and foremost and proudest achievement. Not to be egotistical, one of my proudest achievements is that everybody told us that we would fail! I don't think that it was about showing off that we wouldn't fail and telling people, 'HaHa' as much as we felt that we could just do this. Along the way, with the achievements that came about, what we've done for people in our communities, how many lives we've touched and helped people through all these programs, and how many employees we've been able to have here and giving them a job. Those are just mentally the best things that make us feel good about everything that we've done, from winning awards and accolades --there have certainly been a lot of those; Best of Boston, for example. Our biggest achievement is really how we've grown the club and been able to put our time and our money back into our business.

A valuable lesson we learned (given that there are a lot of operators that have many clubs) along the way, we decided to keep our eye on our business by being here all of the time. A very good friend of ours who has passed away now, Tom Flatley, really backed us when no banks would help us when we were trying to get into business. He said to us that we can run our business at maybe 70% of its potential by not being here, or we could run it at 90% by being here. Our path was to

stay focused on our club, keep growing it, keep reinvesting into it and keep updating what's going on. Fortunately, I think we've done the right thing, given all the competition that has come in, but we've been able to stay very strong. Another couple of very important people who have also been in our lives that I want to mention are Alan Schwartz and Rick Caro. Also, along the way, something that's been really important is that we've only had three General Managers, whom we call our Executive Directors. We've only had Tom Johnston, Rich Synnott, and now, of course, Jeff Linn. In my mind, these are very big achievements because we started here with 15 employees, and now we have about 200.

SaG - A big fat payroll. (everyone laughs)

StG - I hope this answers your question about what my proudest moments are.

C.I. - If I may ask, how much did you guys pay for Weymouth Club in 1988?

StG - \$2,050,000. At that time, if you want to know, we felt we overpaid by about \$500,000!

C.I. - Well, do you feel like you overpaid now?

StG - No, but we knew that going into it. That was why we couldn't convince the banks at that time. Amortizing \$500,000 over the course of 25 years isn't really a lot of money. It's always that first getting started with that scary number to a bank that is asking how you're going to do it. I looked at it long term. I wanted the business more than losing it over a small amount of money.

C.I. - Well, let me ask you all a question. What if somebody pulled up in a great big Rolls Royce and had a big trunk full of money and wanted to buy your club lock, stock and barrel. What would you sell it for today? You don't have to answer now. You (See *Weymouth Club* Page 18)



Toddler Swimming Lessons at Weymouth Club

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...Weymouth Club

continued from page 16

could answer after conferring with Sally. (Sally says, "Thanks Norm!")

StG - Uhhh... you know there's two pieces there. There's the real estate value of the land and buildings, and there's the business value.

C.I. - Well, I'm looking for a number that I can compare to what you paid in the beginning, **\$2,050,000**, because based upon what I hear, my bet is your gross revenues are really hoppin' and that place is probably extremely valuable.

StG - I don't think I can put a value on something that we will never want to sell.

C.I. - Well, that's a fair answer for sure. Because if you're going to do that, you might as well put a \$100 million price tag on it!

StG - Exactly, and you can put that along with the statement that this is a labor of love. There is no number that could entice me to consider selling.

SaG - I think we would consider \$100 million! (everyone laughs)

StG - I'll tell you what! If we get \$100 million, I'll share \$10 million with everyone that's on this phone call!

C.I. - Well, thank you very much, Steve!

StG - You're welcome! (everybody laughs)

C.I. - (laughing) Well Steve, I'm glad we've finally arrived at who's in charge over there!

StG - I didn't know that would come out!

C.I. - What's your Enrollment Fee, and what are your monthly dues?

JL - Our enrollment fees range from \$25 to \$75 depending on what promotion we might be offering. Our monthly dues are \$56 and up for individuals.

C.I. - What's your competition within a

15-minute drive time of the club?

JL - We have two YMCAs, one in Hanover and one in Quincy, which are our primary multi-purpose club competitors. Of course, there are a lot of low-price competitors, Boston Sports Club, Bayshore and Fusion that are in the \$39 range and a few Planet Fitness locations.

SaG - And, the independents, such as somebody teaching Yoga in the basement of a church, which definitely cuts in.

C.I. - If you could guess, how many total competitors do you have in your 15-minute drive time range?

JL - I think we analyzed this once, and we found there are in the 30 to 35 range.

C.I. - What was the competition like in 1988?
SaG - Seven competitors.

C.I. - Let's talk about your club's community relationships and involvement.

StG - I should talk about the South Shore Hospital because we have a very good relationship with them. We have quite a few members from there. They approached me this year about funding the Cancer wing that they had built two years ago. I lost my Dad to cancer a few years ago, and we've lost a lot of members to cancer, so this kind of hit home. It's a very mean disease, and we wanted to contribute to defeating it, so we donated \$50,000 with an allocation of \$10,000 per year.

Ed Carpenter, Publicist (EC) - Let me add that we support the ACEing Autism organization and Special Olympics. We give to Thayer Academy by donating to their tennis programs and all their athletics and science. We provided a \$50,000 donation to their brand new art center. In Weymouth, we give a \$2,500 a year scholarship to a high school student that they pick. We get our share of a lot of other requests that we try to accommodate through membership opportunities, such as



Weymouth Club Indoor Tennis Courts

3-month memberships. These are a few of the things that we do.

JL - Sally and Steve started this program called the Business Alliance Member (BAM) before I got on board six years ago. This created a win-win-win for the business community to market and be affiliated with the club. This provides a great resource for the members to receive discounts and special offers for services and goods they want and need. The club can make some revenue by having the membership be involved with these companies. We've been able to work hard on it, and we've gone from 5 local businesses to 35 that are part of BAM, and we are still growing, actively looking for quality businesses. So, that's been able to create a really great involvement with local business, giving them the opportunity to have an exclusive ability to market to our members. The members have a great resource, and the club is able to have this relationship, plus generate a lot of money to the program. I also want to point out that the number of kids who've come through here and gotten scholarships is amazing!

StG - If you go through and look at what we've done in tennis together in getting people to learn the game and wanting to become professional tennis players, we've covered the gamut of all of that. Most importantly, the staff we have on board that teach tennis is incredible.

EC - A lot has been said here about tennis, but there is also a terrific swimming program here. The team is called The Weymouth Waves, and a number of their swimmers have received Division I college scholarships, in addition to an Olympic hopeful, who is presently on the team. I also want to mention the Energy Center that was built here years ago. That area serves members, from youngsters who are a month old to a lady who's in her '90s!

C.I. - Sally, would you like to add something here?

SaG - I think that, while tennis has really been the foundation and the fundamental part that got us into this business, some of the transition things that I've learned is that I'm really into fitness now and I love learning the business side of the industry. I went from being a tennis player into a businessperson. I thought that was actually an incredible leap. I've also been coaching basketball for 12 years. And, having my own children brought up in the summer camp that I run, it's really wonderful to see Jeff have his second child here. We've seen a lot of people, members and employees start with us, we've seen them get married, buy their first home, have children, and now those children are in our programs. Some of those things are the most fulfilling things that I've actually witnessed and we've been able to be a part of. We were part of a lot of people growing up. I think the core of it all is that we believe in health and exercise. It's what we believe in. It's what we're committed to. We really do believe it's like the magic bullet. When you get to spend time with people and their families and watch them grow and develop themselves, through sports and exercise, I would feel like we're the luckiest people, you know? It's just such a great environment to be in.

C.I. - Well, it is Sally! And, guess what? You've earned it! I bet it's really great because you guys can't go anywhere without seeing members or former members, friends from all these years.

SaG - My favorite story is about when we were literally on a deserted small island in the Virgin Islands, walking on the beach. There was not another person in sight. Steve and I were walking along the water's edge, and before long, we could see a person walking toward us on the beach out in the distance. You could not tell if it was a man or a woman. As we got closer, we recognized that it was one of our members. Her name was Ruth Monsees, and
(See *Weymouth Club* Page 19)



Treadwall at Weymouth Club

...Weymouth Club

continued from page 18

unfortunately, she has since passed on.

C.I. - Wow, what an amazing story! But, you made my point well! Let's talk about where you are here. What's it like being in the hot bed of amazing multipurpose clubs here in New England? There's probably more super clubs near your market than any place in the world. I mean you have this amazing list of world-class mega clubs, including Cedardale Health and Fitness, Dedham Health and Athletic Complex, The Mount Auburn Athletic Club, Hampshire Hills Sports and Fitness, Boston Athletic Club, Thoreau Club, Laury's Longfellow Clubs and others.

SAG - They taught us a lot about being able to adapt and evolve within our own marketplace.

StG - First of all, we have great relationships with all of them. We're a phone call away from help. They've come to our club, and we've been to their clubs. The nice thing is to go and see what they've done to see if it fits Weymouth Club. Or, we do our own version of what they have done; the same for them. They've been down here. Laury's been here. The Cedardale folks have been here. Lloyd and Roberta Gainsboro of Dedham Health and Athletic Club and The Manchester Athletic Club folks have visited. We were recently down at Roger Ralph's Hockessin Athletic Club down in Hockessin, Delaware. With the communication that goes on between us, it's just a very, very good community on the multipurpose level of clubs.

C.I. - Club owners in New England are blessed with the presence of both IHRSA, our great international club Association, and NEHRSA, The New England Health, Racquet and Sportsclub Association, both based in Boston. How have you benefitted from having IHRSA and NEHRSA, the Regional Association, so close to your club? How have you been involved?

JL - It really is incredible how many resources there are in this region for multipurpose club operators. Our former Executive Director here, Rich Synnott, was on the NEHRSA Board and was the President. Our Fitness Director, the current President of NEHRSA, is doing an incredible job for them, as well as putting together some great weight loss programs for us. She made presentations at both the NEHRSA and IHRSA's conferences. These

have been really positive relationships for us.

SAG - We've become really big advocates and supporters of both IHRSA and NEHRSA.

C.I. - How do you guys feel about celebrating your 25th Anniversary?

StG - Sally has put a lot of time into preparing for having the celebration here at the club. I think there is so much more to do. I just think it's another milestone that we've hit which we can be very proud of, just as we have other milestones in the course of our life. We're just looking forward to continuing growing the club and just doing what we love to do. We've taken a business from a tennis-only facility and built it to where it is today. There's a lot more to do. It's still fun doing it, but it's a lot tougher to make the same dollar. We've got to work much harder at it. We know that, but we're still doing it. We've always had this philosophy to surround ourselves with great people as employees.

SAG - I think there are two words that definitely sum it up for me for 25 years. One is endurance. The other is overwhelming. I did a Weymouth Club timeline project in one of our hallways. We collected as many pictures as we could from the early days, and we made a photographic timeline with narratives underneath. It took three months to make it, and we also made it into a slideshow with captions. Those were the two words that came out: Endurance and Overwhelming. A third one would be: Disbelief. When you look at it in that context, you're like 'Wow! I can't believe we did all of that!' I think it's not just the employees. It's the commitment to reinvesting back into our business. We own the real estate, so I feel like that has always been a good motivator to reinvest back in the business. I think when we time-lined it we have had 17 physical improvements to the club. That is all due to Steve. He loves that area. He's been able to surround himself with good general contractors. He has a good vision. I was often the one to say, 'Steve, we need this,' and he would build it. We'd always find out how to run a program.

Certainly, there were many things we didn't do so well initially, but we had to learn how to get better at it. Looking at those pictures, we see the members that have been with us for 25 years and that again is just so heartwarming because they're still here! We made a special 25-year bag of goodies. A lot of members are

our good friends. That's the nice thing about being in this business. There is a TRUST relationship, and then you end up being invited to their children's weddings and bar mitzvahs. You watch them have babies and now their babies are in our programs.

C.I. - Steve, you mentioned major plans for the next five years.

StG - Well, it depends if you get me that \$100 million there! Jeff came in with the idea about our children's center and said, 'We've got to do this, Steve!' So, I'm the kind of guy who goes, 'Okay, show me the numbers. Show me how it's going to work.' So, Jeff really came up with the next expansion. With my wife's experience in spas and traveling a little bit around the country, she's convinced it's about the mind/body experience, so I'm going to give you to Jeff on this.

JL - Let me first say kudos to Steve and Sally. You may find few other owners that are similar in the industry, but I've never met anybody in the industry that's more dedicated to the business than both of them. It's their lives, and it totally flows on for the experience for the members because they understand they have owners onsite that will do whatever it takes to deliver the great member experience. They love it, and they are here all the time. I'm telling you, you've never seen anything like it! To work for an organization you have to have an entrepreneurial spirit.

With that being said, I was able to walk in here six years ago and say, 'Hey, Steve and Sally, you need two million dollars to do this.' For them to trust you, number one, and number two, to believe in it. So, we're off to the next thing. The next wave: Mind/Body for the long term. People have come to realize over time that proper diet and exercise is good for your health. Studies have shown more and more how your mind connects to your body is just as important as proper diet and exercise. We've done a lot of research, and we're building a mind/body center. We're

look forward to that. We're also adding a multipurpose space on turf for adults and kids. The last thing we're wrestling with is how much socialization through food and beverage matters here, and we're looking at moving our food operation from upstairs to the ground floor.

C.I. - What a great interview today, folks! Thank you Steve, Sally, Jeff and Ed for your time on this special Weymouth Club cover story project. It's been my great pleasure sharing your terrific story with my readers, Steve and Sally. Now, let's close this great interview with comments from Steve Goldman.

StG - We're certainly honored that you called us and wanted to do this cover story. We're extremely proud of what we've accomplished as husband and wife. We just want to continue doing what we love to do, giving back to community and giving back to our members.

• • •

In closing, let me add that if you own a facility and are planning to diversify and grow your club business like the Goldman's have done, contact them for consulting work or invest in a plane ticket to Boston, Massachusetts. Because within driving distance from that airport, you will find more high quality, very excellent, big multi-purpose sports and health clubs than you will find anywhere in America, or the world for that matter.

(Norm Cates, Jr. is a 38-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 19th year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)



Weymouth Club Dance Rehearsal - God Bless America!!!



Why You Need to Redesign Your Workout Space

By: Bruce Carter

Recently, an individual who moved to a new area went shopping for a new club. At her previous club, this individual had been introduced to newer types of training, so she was looking for certain specific things in a club. Off she went from club to club visiting national chains and local clubs. But, with most of the clubs, she could not find the key areas she needed to continue her rewarding fitness regimen. Sure, most of the clubs had all kinds of machines and cardio equipment, some with rows and rows of equipment. What she was looking for, though, were two kinds of space, or the more recent "new" kind of training spaces. Both would allow her to keep training the new empowering way she had learned.

First, she wanted to do functional training using a wide range of exercise tools such as medicine balls, bands, exercise balls and more. This type of training is credited with creating a renaissance in training because it gets people better results and helps them start feeling like

energetic kids again. Sure, she wanted to use some machines, free weights and do cardio, but her workout now had a new balance with core body movements using her new exercise "toys."

She had learned that functional training enabled her to use her body in such a way that related to how she used her body in her daily life. Functional training was rejuvenating her and is also rejuvenating fitness training throughout the country. This is the main reason that personal training is the fastest growing profit center in clubs; however, if clubs do not properly plan for functional training, the profits will go to their competitors that do.

Second, she wanted to also be able to do small group training classes, again another "new" kind of training space. So, when this individual went out looking for a new club, the one thing she did not find in most of the clubs she visited was the space to do this type of training, nor did she find the training tools needed for this training. Two of the clubs were 45,000 square feet, and each had only approximately 250 square feet for people to do "floor work"

and stretching. Another club had some of the tools, but they were in piles here and there with no place to properly store them or adequately use them. Most clubs had plenty of equipment but no place to get a complete workout. Industry trends show that those clubs do not allow for a minimum of 400 - 1,200 square feet of open visible space for numerous people to move freely performing a wide range of movements including both standing and floor exercises.

In addition, an additional 800 - 1,500 square feet to do such things as Cross Fit and TRX type group training classes is ideal. These are in increasing demand, and members pay extra for the classes. Also, equally important is easily accessible space needed to store all of the wonderful choices of apparatus that individuals will use and experiment with in moving and conditioning their bodies to new levels.

New clubs should not even dream of opening without such space, and existing clubs should even get rid of some fixed movement machines (could it possibly be that fewer machines might



Bruce Carter

even be better?) to make way for some open training spaces.

Training spaces are that powerful and profitable, and therefore, are absolutely necessary for any "club of the future." If this space is not made available, a club will limit its ability to generate more training revenue, have fewer satisfied customers and

(See **Bruce Carter** Page 21)

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Or, stick your head back in the sand and hope your competitors don't read this and beat you to the punch!

...Bruce Carter
continued from page 20

have a major competitive weakness in the marketplace.

An additional important fact that clubs are learning is that training spaces work far better when there are qualified trainers who believe in and are well versed in functional training. When the trainers start to adopt a new training prescription for people to reach their goals combined with the new space and necessary apparatus to do such training, the training space produces the highest revenue per square foot in a club.

Training spaces serve the evolving needs of the market place and the physical activity requirements of the average inactive adult. Wonderful opportunities are waiting for those that take advantage of this and progressively educate people on what is now considered "lifestyle" training. Take a look at your club and see if you are benefitting from this renaissance of training. Your members will be rewarded with more satisfying fitness and you with more profits.

(Bruce Carter is the Founder and President of Optimal Design Systems International, a Weston, Florida-based design firm. Bruce may be reached at bruce@optimaldsi.com or 954-888 - 5960.)

Make It Fun!

The Importance of Lead Capture

By: Erin Dalzell

I was chatting with a friend about his business, and I asked him why he used Facebook so much even though he didn't like it. His answer hit me hard, "**Because that's where my customers are.**"

Are you where your customers are? Most of your potential customers have a smart phone, text regularly and are frequently on Facebook. Not only that, but we have learned that, given a choice between something complicated and something simple, people will pick the simple action, i.e. "if it's hard, they won't do it." Ask yourself which is an easier way to enter a contest, filling out a form and putting it in a lead box or texting your name to a number? Or, finding a club on Facebook and then having to find their number and calling versus quickly entering your email and clicking "I'm interested?"

If you are not where your customers are and are not easy to contact, they simply will not reach out. Unfortunately, by sticking with the "tried and true" methods (lead boxes, etc), many clubs are difficult to reach. This mobile revolution has taught us that people **will** gladly share information if it is fun and easy. So, why aren't you making it easy?

I'd like to focus on three ways you need to be "there" for your customers:

1. Website;
2. Facebook;

3. SMS/Inbound Mobile Marketing.

Website: When you look at your website, is your customer "one click away" from reaching you? And once they do fill out their information, are you 100% confident that that lead is captured **and** followed up with? I heard from an owner of a club who found out that they had 600 leads from their website just sitting in an email inbox that had never been followed up on! If each of those leads cost \$50 to get, that club just wasted \$30,000!

Facebook: Facebook has over 850 million users. That's not a typo. **EVERY** one of your potential customers is on Facebook, which is why you have a Facebook Page. But, are you passive with it, waiting for leads to come to you? Or, are you active, like the top clubs, and answering questions, posting advice and updates? Like your website, is it quick and easy for people to contact you or send you their contact information?

When people give you their information, they want to know what happens next, so make sure you are sending an automatic response indicating you will contact them within 24 hours. Then, don't forget to actually contact them!

Inbound Mobile Marketing: Did you know that every day 5.81 billion text messages are sent in the United States? Also, consider that shows like American

Idol have trained people to "Text in to WIN." You are missing out on a lot of leads if you are not utilizing inbound mobile marketing to gather leads.

In the past, clubs would use lead boxes in local business. However, those leads were not that valuable for several reasons:

- Difficult to collect;
- Can't read the handwriting;
- Many businesses won't allow them.

Inbound Mobile Marketing has none of these problems:

- People are used to texting;
- Contact information is correct;
- Easy to advertise.

A mall kiosk is another great use of Inbound Mobile Marketing. Two years ago, clubs would struggle to (1) get people to enter their contest and (2) fill out the form legibly.

Now, picture today's club, with a simple banner that reads, "Text in to WIN a free membership." When people visit the kiosk, all they are asked to do is text in their name to win. No form, no friction, no problem!

Conclusion

To be successful, you must do three key things:



Erin Dalzell

1. Be where your customers are and make it easy for them to reach out;
2. Make sure that every lead is captured in a centralized location;
3. Ensure that each lead gets contacted both automatically and on a follow up schedule.

It sounds like a lot to do, but if you have a centralized system that works for you (automatic lead capture, auto-responders, automatic follow up, etc.), you will find that, with the same team you have now, you can take it to the next level!

(Erin Dalzell is Vice President of Sales, InTouch Follow-up and a VFP Salesfusion Strategic Partner. Erin may be reached at edalzell@intouchfollowup.com.)

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Toothpaste as a Model For Your Club's Growth

By: Will Phillips

Before Pepsodent hit the market, only 7% of Americans had toothpaste in their bathrooms. A decade later, it was up to 65%. For your target market, it is likely over 95%. This is real market penetration. It was not because the technology of toothpaste improved, it was all a result of Claude Hopkins understanding how

to change people's habits. He turned Pepsodent into one of the most well-known products on earth. He understood how the habit loop worked.

Telling people to "brush their teeth for dental health" just did not sell toothpaste. Improving the quality of toothpaste did not sell more toothpaste. Like most breakthroughs, it was necessary to get out of the box the business was

in, the box whose walls were built on industry assumptions, industry values, industry technology and industry wisdom. All together, these only got 7% market penetration.

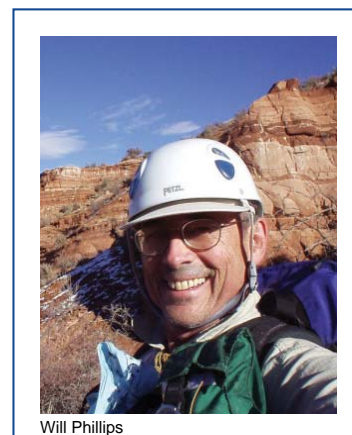
Like many industries, initial success in solving a problem creates other problems. When the industry does not grapple with and solve these secondary problems, it limits the industry. I believe we in the club industry may have reached a limit: single digit organic growth, 50% turnover, 15% market penetration, etc. This is not a growing industry with two exceptions. Low-price, high-volume clubs are growing a bit in the United States (much faster internationally), but they still have 50% turnover. The second growth area is smaller markets which have never had a strong, modern club.

Back to the toothpaste. Claude came from outside the toothpaste industry. He had a fresh viewpoint. Through extensive reading of dental research, he realized that there was a natural film that built up on everyone's teeth. You can feel it with your tongue. He used this as a "cue" and began creating ads such as "Why would any woman have a dingy film on her teeth? Pepsodent removes the film! Pepsodent restores your smile."

The brilliance of these appeals is that they relied upon a cue to stimulate a routine behavior (brushing), which led to a reward (Shiny Smile). This basic habit loop (cue, routine, reward) appears to be universal. By understanding the research on habits, you have the opportunity to use this "technology" to build new habits in your members.

The basic idea is to understand what a habit is. In the simplest view, it consists of three components, a cue or a stimulus that launches a routine behavior, then a routine or set of actions that the cue stimulates that invariably leads to a reward, which reinforces this circular route: cue, routine, reward; cue, routine, reward; cue, routine, reward. Do this enough times, and it literally changes the neurons in your brain. Now, the best research points out that you can't remove habits very easily, but you can build stronger habits, which override them.

This is one of the opening examples in a new book, *The Power of Habit: Why We Do What We Do in Life and Business*, by Charles Duhigg. The health club industry, like many industries, solves an important problem in its marketplace by providing beautiful facilities, amazing equipment and energizing classes to exercise in any weather. It inspires many, many people to join but just about as many leave. Clubs have learned a lot about getting people in the doors and little about keeping them.



Will Phillips

In part, we are contending with a world where no one has enough time, and everyone is multitasking. Add on top of this the deep seated human characteristic that the tonight guy always wins over the tomorrow guy. This is Jerry Seinfeld's way of showing us that short-term, immediate pleasures (the donut or sleeping late) tend to win out against the long-term benefits of healthier life style. Tonight Guy: "Hey, let's party and stay out late and have a good time tonight!" Tomorrow Guy: "Remember, you have to get up early, and last time you partied, you were sick as a dog the next day!" Tonight Guy: "But it's tonight now! Don't let the pleasure slip by, and don't forget, you deserve it!" And, so it goes!

Add on to this situation our habits, powerful, programmed responses to cues that lead to the same behavior. Recent research at Duke University suggests that close to 50% of all our daily decisions are really habits. Habits are favored neurological pathways that lead from cue (the Golden Arches) to reward (instant salt-grease hit). Over time, this positive feedback loop strengthens. Not following your habit loop appears to create neurological cravings.

Principle One in Habits: You cannot eliminate old habits, only build stronger new habits. Without conscious, focused help in building new habits, behavior does not change.

I believe that to a significant extent, the attrition of health club members is due to the inability of the new member to build a new habit of exercise. We have all sorts of resources in our clubs to build muscle and endurance and flexibility. We lack the models, the tools and the people who are skilled in helping a member build new habits. You may ask where do we find such resources? In the book, *The Power of Habit*, the author illustrates the principles of habit building with Alcoholics

(See Will Phillips Page 25)

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...Will Phillips

continued from page 24

Anonymous. You may know the principles are now the same for Gamblers Anonymous, Overeaters Anonymous, etc. And, they work, not by eliminating the old habits, but by building new ones. With an AA meeting every night in most every city in the world, I cannot believe that the skills of habit building are that rare.

In this book, the author points out how many businesses have made astounding breakthroughs into their market by helping people change their habits. This only occurs when your business understands habits. Target now has a team of statisticians dedicated to studying consumer habits. They look at ages, incomes, job history, what credit cards they have and almost every other item a customer purchases in its stores or even looks at online. Then, they send precisely-timed awarded coupons and reminders to adjust the buyer's habit without them even realizing it.

In the appendix of this book, there is a reader's guide to using these ideas on changing habits. There's not a simple way to change habits, obviously, or we all would have done it. There is a set of

tactics on how to approach habit changing, which appeared to be quite effective, but it does take some commitment to become a habit change specialist. My thoughts about improving retention is that the common knowledge in the industry about being more active in the beginning of a membership makes people stay longer are correlations, not cause and effect. Meaning, there's something else in the individual that leads to using the club more up front and staying a member longer. These people have already changed their habits by learning how to do this. Our job is not to simply truck people into our health club three times a week so they get used to using it but to help them understand how to build a new habit. The members that stay for decades have done this on their own. We must help the rest.

This is not much different than helping someone learn how to build strength by exercising regularly. Probably everyone in your club has a good idea on how to help someone build their physical strength, and it is simply a matter of applying these straightforward tactics, such as work out three times a week, work on strength and cardio, vary your exercises from time to time, increase the intensity as your conditioning and

strength improve, etc. I'm not an exercise physiologist, but I do expect that if you follow those guidelines, you will make significant progress.

We have the same kind of guidelines in terms of building habits. Here are the tactics: Identify the routine, experiment with rewards, isolate the cue and have a plan. Now, reading that may not give you a clue on what to do, and that's because you are not used to changing habits. You are used to building strength and cardiovascular conditioning. If you want to help your members, you may have to help them learn how to change their habits. Obviously, they have not learned how to do this, so they are waiting for your club to help with this.

This book goes on and gives a wonderful example of how Tony Dungy, a professional football coach of the Tampa Bay Buccaneers changed their fortunes and led them to become the only team in the NFL to reach the playoffs in ten consecutive years. Coach Dungy had a firm commitment that you can't extinguish bad habits, but you can strengthen good habits and almost any behavior can be transformed if the cue and the reward stay the same. This insight is critical in building new, strong habits. You can read more

about his specific approach to coaching and how he changed habits in *Chapter Three of The Golden Rule of Habit Change*.

Principle Two of Habit Change: Do not try to change the cues or rewards, only the routine that connects them.

Habit change is a new endeavor. It is not all settled, but there is a large amount of research for the interested.

Resources:

Will Power by Baumeister and Tierney is a prime resource in this area;

Will Power is Trainable;

The Will Power in Sync by the McGunigal; *Immunity to Change* by Robert Kegan and Lisa Lahey. This is a significant and deep approach to habit change based on a proven method.

(Will Phillips is the founder of REX Roundtables. REX' seven facilitators orchestrate over 120 club owners in health club roundtables worldwide. For more information, visit REX on YouTube at www.youtube.com/REXRountables)

How to Multiply Profits on Purpose

By: Donna Krech

The words "on purpose" mean to do something intentionally, with a specific meaning, to achieve a specific destination. The words "multiply profits" simply mean to increase income. Let's get started.

I am SUPER excited about what I'm going to share with you this month! Relative to business, it's the *closest thing to my heart*, and the thing that has enabled me to grow from having one health club to serving hundreds of clubs all over the world. It's also provided us with consistent increases in cash flow and impact on the people around us every time we've applied it.

This *thing* is about *Profiting on Purpose*, and today, we're going to focus on 1 of the 8 great laws of doing just that. I believe this concept will strategically transform your club, and I believe this because it transformed my club!

The concept of Profiting on Purpose didn't come overnight. It's been years in the making. As my team and I looked back over the decades we'd been in business, we saw a pattern. *Purpose Led Profit* has been our way of doing business for many years.

I believe it's the right way to do business, not to mention the best way to live life. I'm not alone in my philosophy either. Some of the most well-known businesses and most lucrative empires on earth operate using a Purpose Led Profit philosophy.

"So, what is it, Donna, and how can it help me make more money in my club?" It's a road to travel featuring proven systems for making more money, for a particular reason that's beyond the money. There are actually three roads. I've been down them all. You may have as well.

One road was where my focus was mainly on purpose, inspiration and education, where my attention was nearly exclusively on making a difference in someone else's life. Fitness folks travel this road often because we're very passionate about our solutions.

I've also been down the road that is dedicated to profit, where I focused on pro formas, P&Ls, statistics and marketing that produced big returns. I made money on this road, but here's the thing, the best road I've travelled is the blissful and bountiful road where those two come together.

Purpose Led Profit, or How to Profit on Purpose, is where the two combine. On this road, I saw more money than I'd ever seen on just the profit road because we began to share the difference we make as we used the proven systems. *Plus, I Had Peace Of Mind*, and everyone around me commented on how magnetic

we were. They were drawn to being with us, a formula for making more money by simply attaching the difference you make to proven, systematic marketing tools. Pretty cool, right?

So, how does this relate to you? There are typically two types of people in the club business. Decide which you are and you'll know where to begin to multiply your profits.

Some are so passionate about making a difference they just want to serve and touch lives and change the world, but they have no clue how to make more money doing that. They don't know how to integrate their passion with proven marketing and money-making systems.

Then, there's another group of people who really have their head around making a business work and achieving a great profit, but they don't realize how much more they could be making by knowing their personal purpose (why they're here). Or, at least knowing their club's difference-making purpose and attaching that to strategic marketing methods that produce 100 times return on investment...

But wait, there is that not-so-typical third group who know how to put those two outcomes together to make a lot of money using the fact they're making an enormous difference. Once I realized I'd been down all three roads, I realized my story wasn't that different from everyone else's.

So, what's your story? Are you more about meaning and purpose and making a difference? Are you passionate but aren't quite sure how to turn that into money yet? Or, are you the person who knows how to make money, but the meaning isn't there and it's so not as magnetic as it could be or bringing you both riches and peace?

Purpose Led Profit is dedicated to you, and quite honestly, it's my life story. It's about how to have *massive* success with substance. It's marketing, meaning and money put together, and it's like nothing else you can imagine in business. It's a system to show you how to make a lot of money from your meaning, by attaching proven results marketing tools to the equation.

About a year ago, I produced four Purpose Led Profit training audios. In them, I share my story. I also teach how to multiply profit by using Purpose Led Profit and what that actually means. I give nine sure-fire tools that will increase your business using zero to low-cost marketing.

Within this program is a workbook. In the workbook is a 4-quadrant sheet that helps you figure out where you

are in the Purpose Led Profit model. You can draw a large plus sign on a sheet of paper to create four quadrants as well.

The place you least desire to be, and unfortunately, where many failing clubs are, is in Quadrant 4, not knowing how to profit or what your purpose is. People want to make money and want to make a difference, but those in this quadrant don't know how to do either.

In Quadrant 3, they know their purpose, they're fulfilled personally and know what they're passionate about, but they don't know how to make these things make them money. These are the clubs that will fail eventually.

Then, there's the group that knows how to make money, but they don't know what it will take for them to be fulfilled or what will bring them peace of mind. They have a lot of cash --many billionaires live in Quadrant 2-- and know how to make a lot of money, but they don't know their purpose. Many here are married several times, their health is bad and their children are estranged. Knowing only how to profit is not the ideal quadrant to be in. Business can succeed here, a great life can't.

But, if you know how to make money and find your purpose, it's the easiest way to have a bigger "piece" of the pie and "peace" of mind. That's Quadrant 1, where you know your purpose and you have systems for making more money.



Donna Krech

The 8 Great Laws of Profiting on Purpose, plus the Purpose Led Profit Quadrants are shared in the workbook. My story is shared in the first training audio. If you want either of them, they're my gift to you for making a move to multiply your profits on purpose.

No purchase is required, just visit www.purposeledprofit.com. Will you take an action step to see profits multiplied in your club?

(Donna Krech is the founder and owner of *Thin & Healthy Total Solutions*. Donna may be reached at Donna@donnakrech.com)

IHRSA Legislative Update

California Sales Tax Proposals Threaten Health Clubs

A possible state sales tax on health clubs has emerged in California, as lawmakers aim to replenish state coffers and close a reported \$9.2 billion budget deficit. The proposal, Assembly Bill 1963 (AB 1963), would require health clubs to impose the state sales tax on services at a reduced rate of 4%.

"The bill's introduction is indicative of a national trend," says Tim Sullivan, Senior Legislative Analyst for IHRSA. "It's a typical reaction on behalf of legislators in difficult economic times to look for additional sources of revenue," he said. Sullivan tracks legislative activity related to health clubs in all fifty states and says IHRSA sees around 3 - 5 sales tax battles per year. This is a trend he sees continuing to grow due to prevailing economic deficits. IHRSA is also currently fighting a sales tax battle in Maryland and monitoring a potential threat in the city of Chicago.

But, Sullivan says, taxing health



clubs is the wrong solution. Regular exercise and healthy lifestyles help reduce health care costs and boost employee productivity, which are critical to rehabilitating an economy. "Governments should encourage these behaviors, not discourage them by taxing health club memberships and services."

IHRSA has begun advocacy efforts to oppose Assembly Bill 1963. California fitness professionals can stay updated on the bill's progress and learn ways to get involved in IHRSA's fight against taxing healthy lifestyles on www.ihrsa.org/california in the coming weeks.

advice, etc.

AUSTIN THOMAS,

It still blows me away that we're able to sell a \$100+/month package for a year or two AND sell product. The numbers are a no-brainer. I never would have believed until I saw it for myself that we would close at the rate we're closing. It's 100% because of Thin&Healthy's Total Solution systems.

On February 27th, 2012, Washington, North Carolina's Thin&Healthy's Total Solution marked the end of their pre-sale by breaking every record on the books! "In one day we grossed \$113,190!"

What Thin & Healthy's Total Solution (Thin&Healthy's Total Solution) does is give us a full round of ammunition to go into a new market. It just gives me so much more perspective on what our actual market is, who we can pull from, versus the gym people. From a business stand point, it gives me a ton more confidence going into a new market, because I've seen this thing working.

I've seen how much demand there is for something that is 3x more than we were charging for before, and we're closing we're closing at 3x the rate. It still blows me away that we're able to sell a \$100+/month package at a year or two AND sell product. The numbers are a no-brainer. I never would have believed until I saw it for myself that we would close at the rate we're closing and that is 100% because of Thin&Healthy's Total Solution systems.

64% of our member base has been sent toward Total Solution as prospects. We've been able to duplicate the Thin&Healthy's Total Solution systems in other areas of the club, and have focused on becoming as good

with closing percentage in other areas as we've become in Thin&Healthy's Total Solution. Check out how using the systems across the board affected the pre-grand-opening cap party totals:

Total Solution:
20 Sales totaling \$33,855

Club Memberships:
83 totaling \$61,387.50

Total Solution Product:
\$4,200

Massage Gift Certificates:
\$1,640

Tanning Product:
\$745

Personal Training:
18 totaling \$11,352.70

X-Fit Class Bundles:
7 totaling \$1,050

The biggest impact we've seen as a whole has been the folks that are using our club. The population in here has changed so much in such a positive way. Folks who would not have stepped foot on the club floor before are over populating it now and loving it! You hear a lot more excitement; the buzz is everywhere.

If we look at raw numbers, we've gone from \$22K/month on EFT to \$63K/month since October. Our average draft is up almost \$20 per draft. The cash flow has changed so much. We've increase in every department.

What is exciting for us is that we are still so green. We've still got so

much to learn, myself included, that for us to do what we've done with limited knowledge and a learning curve... I feel we've only scratched the surface.

Two months ago I would have said, "How much longer before it ends?" In the club business, you think, "We're just having a run." I've gained so much more knowledge, I see it sustaining itself because of the results.

Every day on Facebook we've got people hitting their goals. This thing is like a monster; it's feeding itself! There is so much you don't have to do on the marketing side. You have to be on the phones, but so many people are telling us they are watching on Facebook and waiting for us to call. I can't put enough credit on Facebook. It's been full force from the beginning, and the only reason I ever got on was because I was going to a session Thin&Healthy's Total Solution was giving and didn't want to look like an idiot. Everything I know about marketing on Facebook I learned from Thin & Healthy's Total Solution.

The biggest thing for folks to understand is... if you are going to buy into Thin&Healthy's Total Solution, you can't do anything halfway. You've got to use the systems, the interview processes, go thru the clinical training in Ohio, use the continuing education Thin&Healthy's Total Solution has in place; just use the systems. I can't think of one thing Thin&Healthy's Total Solution does that I disagree with and that is why we have the numbers. X

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51.4 Million Americans are Health Club Members, Up 2.4% *Club Usage at Record High, Industry Revenue Up 5%*

BOSTON, MA - The International Health, Racquet and Sportsclub Association (IHRSA) announced that U.S. health club industry revenue reached \$21.4 billion as memberships totaled 51.4 million in 2011. Memberships grew slightly from 2010 by 2.4 percent, while industry revenue increased by 5%. The total number of health clubs remained flat, with a marginal increase from 29,890 to 29,960.

"With total membership exceeding 50 million people for the second consecutive year, it's clear that the health club industry is growing to meet the needs of a more health conscious and value orientated consumer," said Jay Ablondi, IHRSA's Executive Vice President of Global Products. "More Americans are utilizing health club services than ever before, and they are going more often."

In addition, the survey showed a slight increase in the total number of health club consumers, which includes members and non-members. The number of consumers grew from 58 million in 2010 to 59 million in 2011, another positive indicator for the industry. The number of non-member consumers remained consistent at 7.8 million. Overall, roughly

20.8% of Americans ages 6 and older were health club consumers. Health club membership penetration reached an all-time high of 18.1%.

"The health club industry continues to attract new members and is engaging them with innovative programs that are driving up frequency of club visits. Operationally, the industry is doing a better job at balancing new member acquisition with member retention and customer service," said Ablondi.

In efforts to engage and retain members, club operators attracted members on a regular basis, leading to an improvement in usage from 97.5 days in 2010 to 102.5 days in 2011. This represents an all-time high for health club utilization. Increased usage often denotes member engagement. Non-dues spending and increased usage are the key drivers in revenue growth as frequent usage is typically associated with increased spending in ancillary services. "More Americans are making exercise part of their weekly routines, which is encouraging since research clearly demonstrates that regular physical activity has numerous health benefits," Ablondi stated.

Last week, the Physical Activity Council announced that fitness sports remained a form of popular physical activity in 2010. The participation rate held steady at 60% for the fourth year in a row. Fitness activities, like yoga, boot camp-style training and other classes, continued to drive this set of activities.

"Although the industry is well-positioned to serve the needs of an aging population with specialized non-dues services, club operators are also serving the needs of younger generations," said Melissa Rodriguez, IHRSA's Senior Research Manager. "Over the fourth quarter of 2011, roughly one out of five Generation Y Americans were health club members and attended for both the fitness and social aspects of the club."

According to the *IHRSA Trend Report: Fourth Quarter 2011*, a separate health club consumer study, 19% of Generation Y Americans were members of a health club over the quarter ending December 31, 2011. Nearly half cited "for overall health/wellbeing" and "to make progress with goals" as reasons for continued health club usage. Three out of 10 Generation Y Americans also cited the

"social aspects of a health club" as a reason for remaining health club members.

Methodology: Each year, IHRSA conducts an annual health club consumer study as part of the Physical Activity Council (PAC). The PAC is made up of six of the leading sports and manufacturer associations that are dedicated to growing participation in their respective sports and activities. During January, 2012 and early February, 2012, a total of 38,742 online interviews were carried out with a nationwide sample of individuals and households from the U.S. Online Panel operated by Synovate. The total panel has over 1 million members and is maintained to be representative of the U.S. population. Oversampling of ethnic groups took place to boost responses from typically under responding groups.

The *IHRSA Trend Report* is available free to members at ihrsa.org/research. Member login is required to download. Non-members can purchase the report for \$49.95 at www.ihrsa.org/store.

Inactivity Levels in the United States Rise to 68.2 Million *Physical Activity Study Indicates Children are Slightly More Active*

BOSTON, MA - The number of inactive persons in the United States increased to 68.2 million in 2011, up from 67.2 million in 2010, according to a new study released by the Physical Activity Council (PAC), a partnership of six major trade associations in the sports, fitness and leisure industries, including the International Health, Racquet and Sportsclub Association (IHRSA).

However, the study shows that inactivity among children ages 6 to 12 fell slightly from 4.6 million people in 2010 to 4.5 million people in 2011. This may be an early indication that efforts to engage children in sports, recreation and other related physical activities are starting to have a slight effect on America's youngest generation. Those adults ages 18 and older not participating in any of the physical activities measured continued to increase, rising from 58.7 million in 2010 to 60 million in 2011. The research is part of the 2012 Participation Report, an annual study tracking sports, fitness and recreation participation in the United States.

The PAC's annual Participation Report measures overall levels of activity and identifies trends in 119 specific sports, fitness and recreation activities. The report

also examines spending habits, the effect of physical education, participation interests among non-participants, and new this year, how physical activity affects voting plans. The report was conducted by Sports Marketing USA, and the findings are based on an annual online survey of more than 38,000 Americans ages six and older.

"The 2012 Participation Report shows very clearly that there is a lot more work that needs to take place to get Americans more active. With 68.1 million people totally inactive, part of the country's national agenda to reduce obesity and get health care costs in line has to include a component that addresses ways to get people off their couches and moving," said Tom Cove, President and CEO of the Sporting Goods Manufacturers Association (SGMA).

The following are highlights from the Physical Activity Council's 2012 Participation Report:

- Participation in outdoor sports, such as camping and hiking, saw the only increase in overall participation for the grouped participation categories, regaining the two percentage points it lost in 2010.

- Fitness sports remained the most popular physical activity. The participation rate held steady at 60% for the fourth year in a row. Fitness activities, like yoga, boot camp-style training and other classes continued to drive this set of activities.

- Core participation, those people who participated on a regular basis, in racquet sports gained one percentage point.

- Human-powered snow sports were up in the low single digits despite a decline in motorized snow and winter activities.

- Most states had an inactivity rate of over 18.8%. Inactivity tended to be higher in the southern United States, while more active populations are usually located in northern and western states.

- The economy still had a slight impact on sports and recreation spending. While many active Americans are still not spending money on sports and recreation, more people did spend the same amount or increased spending, rather than spending less. People plan to increase spending in 2012, rather than decrease spending.

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- There are significant opportunities to engage inactive populations in swimming, working out with weights and working out using machines. Swimming ranked as a popular "aspirational sport" for inactives ages 6 to 12 and ages 45 and up. Working out with weights and working out using machines were the top "aspirational sports" for inactives ages 13 to 44.

"With the support of the PAC and recent findings, the health club industry is well-positioned to help address the challenge of inactivity," said Joe Moore, IHRSA President and CEO. "Growth in fitness participation supports the important role clubs play in encouraging activity within and beyond the health club."

5 Hot Facebook Marketing Tips

By: Maria Parella-Turco

Facebook continues to be the most powerful social network on the globe with over 845 million users. Over 350 million of those users are accessing Facebook on their mobile phones. Health clubs simply can't ignore Facebook as part of their online marketing strategy. Over 50% of the North

American population is on Facebook, and the average user has 130+ friends. The average user spends 55 minutes per day on Facebook, and Facebook sends more traffic to websites than Google.

If you haven't heard the news, Facebook filed for their IPO on Feb 1, 2012 with a valuation estimated at \$100 billion, making it four times the value of

Google when it went public in 2004. While the buzz is that most people dislike the new "Timeline" feature, launched on March 31st this year, I on the other hand, think it's great for our business, and I'll tell you why in my tips below. Take your Facebook marketing to a new level with these 5 Hot Facebook Marketing Tips!

1. Give people a reason to become fans

- You can give people a reason to become fans by encouraging the visitor to first "Like" your fan page in order to receive a free trial, coupon or even specialized information. Although Facebook's new timeline feature has done away with a custom welcome page, you can install a "Fangate" on your pages and easily achieve the same result. I've seen many clubs now offer incentives at point of sale for new members to "Like Us," such as free t-shirts, club bucks, points, etc.

2. Ask questions that are easy to answer

- Comments weigh about 4 to 1 over "likes" in gaining you an edge rank with your fans. One of the best ways to get your fans talking on Facebook is to ask interesting and entertaining questions that are easy to answer, questions that require just one-word responses such as "Do you know how many calories are in a pound?" or "What weighs more, muscle or fat?" An even better strategy is to ask questions about your Facebook page's fans, such as "What kind of successes have you experienced at the club?" or "What's your favorite class or activity in the club?" Remember, people LOVE to talk about themselves, so when you make it about them, they are more likely to jump into the conversation.

3. Run a Facebook contest

- Everyone loves a contest and a chance to win. If you need a little excitement on your Facebook page, a contest will spur your club community to action. You can run a photo contest, a video contest or a sweepstakes where people just enter their name and email to win. To run a Facebook Contest, you'll need to use a third-party app such as Wildfire or Easypromos. Facebook has many rules about how a contest or promotion can be run that you should read here <http://on.fb.me/IUvUna>. Your prize does not have to be expensive to garner a lot of entries and good buzz.

4. Run an ad or sponsored story

- I recommend advertising a Facebook Page, Event or App. There are several clubs creating events, such as Zumba Dance Party, and creating a targeted ad to individuals that reside within the radii market of the club. When running ads, I recommend per click instead of impressions, which have



Maria Parella-Turco

consistently shown a better result. Running ads is a great way to drive traffic into the club and promote events to your existing member fans. Sponsored Stories promote the organic interactions between members and your club. How it works is, if a member likes your Page, posts on your Page or checks-in to one of your locations, a story about this activity can appear in the news feeds of your member's friends, which they may or may not see. Sponsored Stories increase the visibility of these stories by showing them more prominently, both on the right-hand side of Facebook and in the news feed itself (mobile and desktop).

5. Measure your Facebook marketing!

- Some people still make the mistake of thinking that, just because you post something, all your fans will see it. Now, with the new admin feature right at the top of your page, it makes it easy to click on your insights and measure your Facebook marketing efforts. Measure "Reach," the number of unique people that have seen your post; "Engaged Users," the number of people who have clicked on your post; and "Talking about this," the number of people who have shared or are talking about your post. Once you start measuring, you will be able to fully understand your fans, and the next time you'll come with an even better targeted offer. Now, with the new Timeline feature, you can "pin posts" or "highlight them" so they are at the top of your page.

Sign up for Maria's Facebook for Health Clubs webinar, scheduled for June 13th, 2012. Visit www.newparadigmpartners.com for more information.

(Maria has been working in the fitness and wellness industry since 1990. As a Senior Partner of New Paradigm Partners, Maria serves as a professional consultant to the fitness industry. Maria can be reached by email at map@newparadigmpartners.com or phone at 609-332-5689.)

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Ask Sandy!

By: Sandy Coffman

Publisher's Note: Sandy Coffman is the **Dean of Club Programming** and has served our industry through her company, **Programming for Profit**, for 40 years! Sandy wrote an amazing book entitled, **Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas**, and for the past few years, **CLUB INSIDER** has offered a monthly column we called, **Sandy Coffman's Programming Tip of the Month**. Recently, Sandy spoke at IHRSA Los Angeles on two occasions, with the second presentation being her last for IHRSA, Club Industry and all other conferences. However, even though Sandy is going to step back from the trials and tribulations of traveling to conferences for speaking engagements, she believes, and I agree, that she can and should remain an excellent resource for our industry. It's with this spirit that we are very proud to announce the creation of a new **CLUB INSIDER** approach to learning in the club programming field. We're calling it **Ask**

Sandy, and it will be a monthly column beginning next month in our **May, 2012 Edition**. In the meantime, Sandy is going to describe the plans for her new **Ask Sandy** column. We believe that Sandy has a plethora of teaching still to do, and we think this new format will provide the opportunity for Sandy to do that. We wish all of you well in your clubs as you submit your own questions on club programming via the **Ask Sandy** opportunity. Please read on for comments from Sandy.

• • •

Sandy Says:

Every club has programming ideas, but successful programs require much more than just ideas. Successful programming includes marketing, promotional, scheduling and follow up techniques, as well as programs themselves.

This column is to help you with those initial *ideas* and to provide the *tools* to ensure that those ideas are successful.

Your questions can include many facets of programming, such as:

1. Creating a programming service culture in your club - Your programs will define the personality of your club and the type of interaction between your staff and your members. What will make your members talk about how much fun they're having at your club and about all the new people they've met through club programs?

2. Hiring and training the right people to deliver your programs - A good employee in our industry needs a good personality and a willingness to improve his communication skills. Do you know how to develop engaging personalities?

3. The pros and cons of hiring a Program Director - Your staff needs to be accountable to four groups of members. A program director keeps your programmers on track.

4. Promotions, marketing strategies and retention techniques - Know the difference between promotion and marketing.

5. Niche marketing - Do you have programs *tailored specifically for different niches in your club*?

6. Programming for the aging market - The active aging members of your facility offer unique challenges for programming. Stay actively engaged with this market. It's here to stay!

7. Programming Court Sports - Volleyball, racquetball, tennis, etc; what do they have in common in a fitness club?

8. Programming in the Fitness Center - Cardio and weight training can be much more than putting a member on an exercise schedule. The fitness center can actually be fun!

9. Group exercise programs - They are key to retention, and the goal of programming is increased retention.



Sandy Coffman

10. Specialty Programs - If you need a seasonal, annual or one-time programming idea, ask me. I'll share some success stories.

I'm really excited to hear from you! Please send your questions to me by email at slcoffman@aol.com or to Norm at Norm@clubinsideronline.com.

You may remain anonymous if you wish, but please sign your question with the State in which you're located.

Do you have questions on specific programs, specific markets or specific techniques? Do you want to *Program For Profit*? Ask me. I'm looking forward to hearing from you.

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

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All who have advertised, purchased subscriptions, pitched in as Contributing Authors and read **CLUB INSIDER**! We are now in our 19th year of publication! All of you are on the "Team" that makes this publication, and we will be grateful to you forever. **I appreciate and LOVE 'Ya!**

Very Sincerely,

Norm Cates, Jr.

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