

Norm Cates'

CLUB INSIDER

CELEBRATING 26 YEARS OF TRUST

2019 IHRSA Convention & Trade Show is Another Home Run!



IHRSA Ex-Officio, Derek Gallup, and IHRSA Chairman, Jim Worthington



IHRSA President & CEO, Joe Moore



Rick Caro Moderating the 23rd Annual IHRSA Financial Panel

APRIL 2019

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More Than 12,000 Convene in San Diego for IHRSA 2019

SAN DIEGO, CA - Health and fitness club industry professionals from nearly 80 countries convened in San Diego, California for IHRSA 2019, the International Health, Racquet & Sportsclub Association's 38th Annual International Convention & Trade Show, held March 13 - 16, 2019.

IHRSA attendees experienced the cutting edge of fitness industry equipment and technology during the two-day Trade Show and early morning workouts, attended education sessions given by industry experts, worked out and power walked, networked and socialized.

IHRSA 2019 by the Numbers:

- More than 12,000 health club operators, suppliers and fitness industry professionals attended;



- Attendees traveled from nearly 80 countries, taking advantage of simultaneous Interpretation for the keynotes and sessions into Spanish, Portuguese, Russian, Chinese and Japanese;

- The Exhibit Hall, with nearly 400 exhibitors, burst at the seams with vitality and motion throughout the two-day Trade Show and early morning workouts;

(See *IHRSA 2019* Page 10)

Augie's Quest to Cure ALS Celebrates Strong Night at 14th Annual 'BASH'

SAN DIEGO, CA - On the evening of March 15, Augie's Quest to Cure ALS held its 14th annual BASH, a celebration of research advancements for ALS, or Lou Gehrig's disease. Coinciding with the annual International Health, Racquet and Sportsclub Association's (IHRSA) International Tradeshow and Convention, the BASH represents an opportunity for the fitness industry to celebrate advancements in ALS research and reinforce the critical importance their generous giving offers to those affected by this disease. Because the health of our bodies is such a personal matter for the industry, thousands of fitness clubs across the country have contributed to the fight against ALS alongside Augie's Quest to date.

Hosted by International Zumba Education Specialist, Loretta Bates, and featuring entertainment from world-



renowned vocalist Sheléa and *America's Got Talent* comedian Preacher Lawson, the evening raised close to **\$1.9 million** for the organization's efforts to fast-track effective (See *Augie's Quest* Page 12)

IHRSA Applauds Reintroduction of PHIT Act into the 116th Congress

BOSTON, MA - IHRSA announced its support for the Personal Health Investment Today Act (PHIT), just newly introduced into the 116th Congress. The legislation champions Americans in their efforts to live healthier lifestyles by making it easier to cover exercise expenses with pre-tax dollars. IHRSA's pivotal role in promoting this bill is part of its broader leadership stance in advancing physically active lifestyles in the battle against chronic disease and out-of-control health care costs.

"We congratulate and thank Senators Thune and Murphy and Representatives Kind and Kelly for recognizing that we can't fix our health care problem without addressing the largely preventable diseases that drive so much of the spending," said **Helen Durkin**, IHRSA Executive Vice President for Public Policy



and President of the National Coalition for Promoting Physical Activity (NCPA), a coalition of over 40 of the leading national health promotion organizations advocating (See *PHIT Act* Page 16)

Latest IHRSA Data: Over 6 Billion Visits to 39,570 Health Clubs; And An Update on IHRSA's 2030 Initiative

BOSTON, MA - More than 71.5 million consumers utilized U.S. health clubs in 2018, a record-high since IHRSA began tracking health club utilization in 1987. The number of individual members totaled 62.5 million, up 2.6% from 60.9 million in 2017. In all, consumers frequented their health clubs for more than six billion visits in 2018.

"We're proud to highlight that the U.S. health club industry is increasingly serving the health, fitness and wellness needs of consumers," said **Joe Moore**, IHRSA President and CEO. "More than 62 million health club members use a club or studio for an average of 104 days a year, while 9 million non-member users attend a club or studio for an average of 24 days a year."

Based on a study conducted by The International Health, Racquet &



Sportsclub Association (IHRSA) as part of the Physical Activity Council (PAC), more than one out of five Americans (20.8%) belong to at least one U.S. health club or studio. Since 2008, membership has grown by 37.1%, while the total number of club-goers has increased by 34%. The total number of health club visits has also increased, amounting to 6.1 billion visits in 2018, up from 4.3 billion in 2008.

(See *IHRSA 2030 Initiative* Page 19)

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Norm's Notes

■ **Hello Everybody!** This is your **Club Insider Publisher and Tribal Leader** checking in on this beautiful **Spring Day here in Atlanta, Georgia!** Folks, I welcome you to read these **Norm's Notes** and all the terrific articles provided this month by our **great Club Insider Contributing Author Team** (See **Directory on This Page**). This is our **304th monthly edition of Club Insider**, and in case you didn't know, we have **over 10,000 pages in our Club Insider Archive Library dating back to November of 1993**. If you subscribe for one year for just **\$89**, you get **12 printed editions, PLUS you get Online Access to all 304 monthly editions and the aforementioned 10,000+ page Archive Library!**

■ **Is America a GREAT Country, or what?** Every time I spend several hours in a jet traveling across our beautiful **United States of America**, I always come home with **Thanks and Appreciation** in my heart and mind. I write here about my thanks because I am **very thankful to be an American**. **OH, you've heard that from me before? Haha! I'm just kidding around with you.** I write here every month about my appreciation of America because, in my opinion, none of us appreciate America as much as we should. **Every one of us should appreciate our beautiful America because we are so blessed to be among the tiny 4% of the world's population who ARE Americans.** I'm always amazed

at the beauty of our incredible country we are blessed to be part of. **Reflecting back on my years serving America as a U.S. Air Force jet instructor pilot, and then becoming an airline pilot in the mid-1970s**, I can't help but get a little misty eyed when I think about how gorgeous America truly is from way up there. **May GOD Bless America!!!**

■ **IHRSA's 38th Annual IHRSA Convention and Trade Show was a roaring success!** I want to **CONGRATULATE JOE MOORE, IHRSA President and CEO**, and his **IHRSA Team** on another **great convention and trade show production**. I also want to **CONGRATULATE JIM WORTHINGTON, Chairman**, and his **Board of Directors** on the **great job they've done over the past year with Jim serving extremely well as the IHRSA's Chairman**. **CONGRATS JIM and IHRSA Board Members!** And, **Congratulations, Thanks and Sincere Appreciation to LARRY CONNER, RAY O'CONNOR and MISSY MOSS** as they complete their terms on the **Board of Directors**. **Special congratulations to IHRSA Board Member, JASON REINHARDT**, who was elected to be **IHRSA's incoming Chairman of the Board**. **Welcome to new IHRSA Board Members: Frank Lawrence, CEO of Little Rock Athletic Centers, LLC; Chris Smith, CEO and President of SNFW Fitness BC Ltd.; Chris Stevenson, Owner of Stevenson Fitness; and Greta Wagner,**

Executive Director, EVP of Chelsea Piers. Last, but not least, **farewell to the great DEREK GALLUP**, as he's finished his terms as **IHRSA Chairman and Ex-Officio Chairman!**

■ **Special CONGRATULATIONS to the IHRSA Award Winners in San Diego: MINDBODY** was honored with **IHRSA's Associate Member of the Year Award; FRANCESCA SCHUELER, CEO of In-Shape Health Clubs**, was honored with the **JULIE MAIN IHRSA Woman Leader Award; and Midtown SANCTUAIRE in Montreal, Canada** was honored with **IHRSA's Outstanding Community Service Award**. **CONGRATULATIONS to all on these very special IHRSA Honors!**

■ **RICK CARO's 2019 IHRSA Financial Panel had an overflow crowd of owners and senior club executives from the U.S. and many other countries.** **Rick Caro moderated it again for the 23rd year.** The panel included: **FELIX GERBURD of KKR & Co.; ROB SCARAMELLA of Delos Capital; and JEFF MANASSERO of Clearlight Partners.** **Rick Caro commented, "The panel this year covered many of the key segments of the club industry, including high-end/high-service clubs, mid-priced clubs, franchised HV/LP (high-volume, low-priced) clubs and single-activity specialty studios. Each of the three shared keen insights into their perceptions of the industry, its key drivers, economic outlooks,**



Norm Cates

the status of available debt financing, potential concerns and the future winners for the industry."

■ **March 29, 2019 was AUGIE NIETO's 14th Anniversary of his ALS Diagnosis**, and it's a date to remember. With the average life expectancy of someone who has been diagnosed with ALS being **two to five years**, Augie has already accomplished the impossible. **When ALS is finally cured because of his and the industry's efforts through AUGIE's QUEST, the impossible will once again have been achieved, and it will change the world.**

(See *Norm's Notes* Page 7)

About Club Insider

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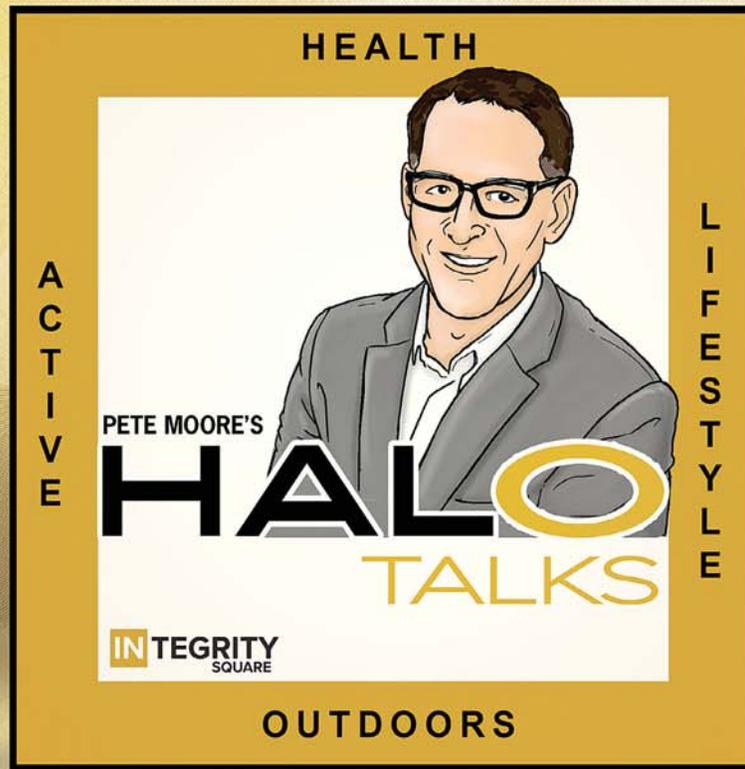
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Exercise IS Medicine!

By: **Mike Alpert**

Each year, we provide scholarships to 150 financially disadvantaged children for our summer camp programs. For my article this month, I want to share a letter that was written to my *Childcare Director, Cathleen Garner*, from a PE teacher at Alta Loma Junior High School.

Hi Cathleen,

I would like to introduce you to one of my favorite 7th grade students, Sammy Goehring. Sammy is 278 pounds. Her measurements are: Bust 53"; Waist 52 1/2"; Hips 55"; Calf 21" and Thigh 30 1/2". Sammy loves life but would be a lot happier if she lost some weight. Sammy's goal is to return to school next fall looking different. Sammy and I have been working together for about four weeks now after school in the fitness room at school. Sammy does the Resistance band circuit and walks on the treadmill. We do one mile on the treadmill, a round on the ten-station circuit, then end with 1/2 - 1 mile on the treadmill. Sammy needs to be pushed a little. She does want changes, but being only 12 years old, she needs guidance. Sammy is very active in PE but wants to be able to move quicker.

I have a note from her doctor, and I have 100% support from her parents. As of

right now she has no restrictions. Sammy would be a great candidate for camp. She will be away from her peers. Being away from mom will also be good (mom means well but gives in easily at times). Sammy has been eating lunch with me this week. We have been eating spinach salad with spinach; green, yellow, red and orange peppers; zucchini; almonds; dried cranberries; cheese and a little dressing. We add a little chicken or tuna. Sammy has not been used to eating vegetables but is eating the salad. We also have a piece of fruit before our workout and lots of water. My goal for Sammy is to love working out and seeing a difference in how she feels by working out and eating good food. When Sammy reaches a loss of 50 pounds, I am taking her to Disneyland (this is a surprise only her mom knows so far). My dream for Sammy is to see her walk into school in August with a smile on her face, a new haircut, weight loss that is noticeable and new clothes. I want her friends to say, "Sammy, you look amazing." I will do all I can to help make this dream come true. Thank you so much for helping me.

A little side note... I had another student in my PE class eleven years ago. She hated exercise and didn't eat right. She called me almost two years ago now. She wanted help to lose weight and run the Disneyland Half Marathon. I am 63 years

old, and I run 5Ks and marathons. I always share that with my students. I tell them that, if I can run 13 miles, they can run two miles on a Friday run day... I agreed to help her. It took a year, but she lost 70 pounds. Last Labor Day, she ran the Disneyland Half Marathon. When she crossed that finish line, I was there... we hugged and cried together. She continues to work out every day and eats very healthy. She has run many 5Ks since then and will run another Disney Half this year. I'm so proud of her. My life as a PE teacher is complete when I can write success stories like these. After 41 years of teaching PE, it kills me to see what is happening to our kids. I am not in perfect shape myself, after breaking my neck, but I do what I can to stay in pretty good shape.

Thanks so much for this opportunity for Sammy, and hopefully, many other overweight kids who may come our way. You are very much appreciated. We look forward to meeting you May 22nd at 2:30 at Alta Loma Junior High School.

Thank You,

Vicki



When we think back to the



Mike Alpert

teachers who helped mold us and who made such an impact on our lives, isn't it amazing that there are teachers like Vicki? And, I am blessed to have a Childcare Director like Cathleen.

Exercise IS Medicine.

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

The Five Love Languages for Employees

By: **Melissa Knowles**

You've no doubt heard of the wildly popular self-help book, *The Five Love Languages: How to Express Heartfelt Commitment to Your Mate*, by Gary Chapman. It suggests that every person has a primary language that "speaks" more deeply to them than others in terms of communicating love. I won't weigh in on the validity of this theory as it pertains to personal or romantic relationships, but when it comes to how our employees receive "messages" that communicate their value or standing within your organization, there are definitely different primary languages. What works or is clear for one employee can be ineffective for another.

In this article, we will take a look at the five love languages for employees. Surprisingly, apart from one of Chapman's original five, the languages are identical!

1. Words of Affirmation - Using words to build up the employee.

Do you think an employee does a great job? Do you appreciate their contribution? Then, this one is pretty simple. **Tell them! Better yet, tell them with an audience from time to time!** A quick shout out in a meeting or a mention in a company email does so much to validate

an employee's efforts.

2. Gifts - A gift says, "They're thinking about me."

Gifts are symbolic. If you purchased something for an employee, it shows that you remembered them. It's less about the value and more about having a tangible "Thank You." Gift cards, hand-written Thank You notes or items for their workspace work well.

3. Acts of Service - Doing something for your employee that you know they would like.

As the saying goes, actions speak louder than words. It's one thing to say you appreciate your team; it's another to put those words into action. Little things like providing lunch, bringing snacks, hosting employee appreciation functions and putting on team challenges go a long way. One of the best ways to speak this language is to get in the trenches with them. When work loads are massive and hands are short, roll up your sleeves and hop into the fray.

4. Quality Time - Giving your employee your undivided attention.

Yep, it's all about face time. One of the common complaints from employees

is that they feel their supervisor can't be bothered to sit down with them. Carve out some time to sit and talk with each of your team members on a regular basis. It can be something as quick as a small check-in each Monday. Just make sure it is indeed *quality* time. This means turning off your email notifications and putting away your phone. Technology is a significant deterrent in relationships, both personal and professional.

5. A Bright Future - Being forward focused WITH the employee shows that they're part of the big picture.

The standard 5th love language is **physical touch**. You can see why that would prove problematic in the workplace. I've replaced it with what I consider the most widely desired and most satisfying of all languages when it comes to a career: **a future**. It's up to you to show an employee where they're headed and make them feel confident in the fact that you're committed to taking them on that journey. No one likes to guess about their future. And, in the absence of communication, employees are left to fill in their own blanks.



There you have it. Hopefully,



Melissa Knowles

you've already tackled taking care of the loved ones in your personal life today (or you have a plan in place to do so). Now, it's time to loop in your work team. What can you do today to start speaking their love language?

(Melissa Knowles is Vice President of GymHQ, A ClubReady Company, and she can be reached at mknowles@gym.club.)

...Norm's Notes

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■ *Speaking of Augie Nieto and Augie's Quest, CONGRATULATIONS to IHRSA's JOE MOORE, as he was honored at Augie's Bash in San Diego on Friday Night, March 15 with The Augie's Quest Leadership Award for his service to Augie's Quest over the past 14 years. Moreover, in my view, Joe Moore should be honored by our entire industry worldwide for the truly great job he's done as the CEO and President of IHRSA since he stepped in after BIG JOHN McCARTHY's retirement going on 15 years ago now. Congratulations and Thanks Joe!*

■ These stories out of IHRSA 2019, and more, are being reported on Page #3. If you attended IHRSA, and especially if you did not, be sure to check these out! And, Save the Date for March 18 - 21, as IHRSA 2020 will take place once again in beautiful San Diego!

■ Thanks very much to BIG JOHN McCARTHY for inviting my wife, Ilena, my Son and Partner, JUSTIN CATES, and me to sit at his table at Augie's Bash with he and his wife, GAIL. Also, at John's table we had the pleasure of the company of our friends, CECIL and MARK SPEARMAN, JENNIFER URMSTON, and CHUCK and JOSH LEVY.

■ I want to thank PETE MOORE and his Integrity Square Team for their hospitality at their special HALO Sector podcast taping, and I want to extend special thanks to Pete for his advertising on our Prime Ad Page #5!

■ While I'm saying thanks, I want to thank our friend, Contributing Author and Advertiser, BILL McBRIDE, for his hospitality at his Active Connections Party during the IHRSA Convention and Trade Show. Thank goodness both of those happenings were just 100 yards from our hotel!

■ I want to reach out and tell all of you that I had the pleasure of seeing in San Diego at IHRSA's 38th Annual Convention and Trade Show that it was great seeing you there, and I'm very happy that you attended! And, to those of you who WERE there, but I didn't see in person, Thanks, for showing up! I'm very sorry I missed seeing YOU! I want all of you to know that, as we all move on in life, I realize things happen that can or may have prevented your attendance. For example, among the following Norm's Notes, I include a Note about why I was not able to make my normal annual Trade Show walk in which I stop by and visit with all of our advertisers who're exhibiting, something I have always done but could not do this year. I want you kind advertisers who support Club Insider to know that I did

not make my annual walk this year to visit with you and others because I have been dealing with a bad hip, and during this show, it was hurting like hell. And, frankly, I wish that I had a motor scooter to ride instead of walking on that dadgum concrete for four days! But, I didn't. So, I just dealt with the pain, and thankfully, I made it to and from the Marriott Marquis Hotel to my Trade Show Booth, two days in a row... BAD HIP and all! I'm hoping that, by next year, I will have my right hip squared away, and I'll be full speed ahead at the 39th Annual IHRSA Convention and Trade Show, which by the way, will be in San Diego AGAIN next March, 2020!

■ News credit to our friends at Club Industry: ABC Financial has launched the ABC Financial Fitness Industry Innovation Podcast for health club, gym and fitness studio operators, owners and professionals. In the podcasts, host KELLY CARD brings you interviews with leading global influencers who are at the intersection of fitness, innovation, technology and operating best practices in the ever-changing, growing and evolving fitness industry. You'll gain understanding, insights, ideas and the tools you need to stay connected to what matters most for your business, career and future in the fitness industry. Listen now at bit.ly/ABCFitnessIndustryInnovation1. Check out ABC Financial's Center Spread Ad on Pages #14 and #15.

■ Speaking of our friends at Club Industry, folks, please make plans to be at the Chicago Hilton, October 9 - 11, for the 2019 Club Industry Conference and Trade Show! Sessions and speakers are now being finalized and will be announced in June, as will the keynote presenter. This year's show will again feature an exhibit hall, a welcome reception (on October 9), a community breakfast, a keynote address and the Networking Nightcap (on October 10). Plus, the wellness track is being expanded with exciting details to be announced. This year's track chairs, who're helping to put together another stellar conference program, are: BILL McBRIDE, CEO of Active Wellness and BMC3 Consulting; KEVIN STEELE, President of PTA Global and PTontheNet; CHRIS STEVENSON, Owner of Stevenson Fitness; MARISA HOFF, General Manager of Stevenson Fitness; and new track chair MATT WRIGHT. The 2019 group of brand ambassadors has been selected, and Club Industry will be announcing them soon, too. To register today, go to www.clubindustryshow.com. We hope to see you there!

■ CONGRATULATIONS to JOHN QUATTROCHI, STEVE STRICKLAND and MARK de GORTER as their company, WORKOUT ANYTIME, was voted The Best Fitness Center/Gym in Cobb County, where I

live. Cobb County has a population of over 750,000! Way to go guys! Be sure to check out Workout Anytime's Full Page Ad on the Outside Back Cover of This Edition.

■ Welcome back to RON ALTERIO, as he's rejoined our prestigious Club Insider Contributing Author Team. You'll see his article on Page #22.

■ A recently released study by Planet Fitness has found that a fear of judgement prompts a majority of Americans to try to get in shape before ever stepping foot

into a gym! Now... just THINK about that for a minute! To me, that's like someone saying, "Okay, I want to lose weight and get in shape. But, before I can lose weight and get in shape, I must first lose weight and get in shape!" HUH!? That's what they said in the first place! I think it's great that Planet Fitness has commissioned this study; however, I think there's one more step that's needed: I think that consumers everywhere should be pummeled by you all in every form of health and fitness club type known to man, with this message.

(See Norm's Notes Page 8)



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People everywhere should be made to feel at ease about going into a gym for the first time ever in their life and saying to club operators across the land: "Hey, I heard about that 'study,' and I'm one of those people. I want to kick that thought out of my mind and get to work by setting some goals and starting to work out right this minute. Right now! Please help me with that, will you?" **IF WE, as an industry worldwide, decide to take this message to consumers in every single market everywhere, someday, we could hit the roof in terms of new members JOINING and USING clubs! Stay Tuned!!!**

■ **Sunshine Fitness Growth Holdings, LLC** ("Sunshine Fitness"), a leading owner and operator of Planet Fitness clubs in the Southeast United States, backed by TSG Consumer Partners ("TSG"), has announced its acquisition of 13 additional Planet Fitness clubs in South Carolina and Georgia from Anchor Fitness, LLC. With this acquisition, Sunshine Fitness now operates 80 clubs across Florida, North Carolina, South Carolina, Alabama and Georgia. **SHANE MCGINNIS, Co-Founder and Co-CEO of Sunshine Fitness commented:** "We are thrilled to welcome these exceptional new club members and employees into the Sunshine Fitness family. As we continue to grow, we are excited to provide an affordable and non-intimidating fitness experience to even more members and even greater growth opportunities for our employees."

■ **Anytime Fitness, the creation of CHUCK RUNYON and DAVE MORTENSON, will make history soon as the first health club franchise ever to be on all seven continents! Also, Anytime Fitness is now approaching 4,500 franchises worldwide, and that's an amazing achievement in and of itself! Congratulations guys!**

■ **JAIME COTTINI** is the new PR Director for VASA Fitness, our Club Insider Cover Story subjects for February, and she reached out to me with this news about her client. **VASA Fitness has announced the appointment of MINDI BRIDGES as Chief Marketing Officer (CMO).** Bridges, a seasoned marketing leader with a track record in leading successful marketing programs for respected brands, including In-Shape Health Clubs, Abercrombie & Fitch, Treasury Wine Estates and the GAP, will oversee all aspects of marketing and club design to help usher in the next stage of VASA's rapid growth. **VASA currently operates 36 clubs in five states, with ambitious plans to complete 12 new clubs in 2019. Stay Tuned!**

■ **LADDER, the digital marketplace for health and wellness coaching, has**

announced that it has established a **Fitness Advisory Board** comprised of six leaders within the commercial fitness space. The new Fitness Advisory Board will offer **strategy and guidance** as the company looks to drive change within health clubs. **RICK CARO** will serve as Chairman for the group, which also includes **RICK BEUSMAN, JOE CIRULLI, MEL KLEIST, TIM RHODE** and **RODNEY STEVEN**. All six Advisory Board Members bring decades of experience in health club ownership and leadership, and they have served as strategic advisors for other organizations within the fitness industry. My friend, **RICK CARO, commented on LADDER:** "I truly believe that Ladder will be an asset to the club industry in many ways, from identifying consumers who want 24/7 fitness expertise, mentorship and guidance on their health and wellness journeys, to helping clubs gain new clients. Ladder will also empower personal trainers with the technology they need to grow their businesses and increase clientele. Whether it's the consumers, clubs or trainers, I believe that anyone who intersects with Ladder will see a benefit. I am looking forward to helping the company become a more powerful voice in the overall wellness movement." **STAY TUNED, Folks!**

■ **LONG AGO... way back when I had hair under my black cowboy hat, and in one of our earliest editions of Club Insider way back in the previous century, I had the pleasure of reporting on HARVEY SPEVAK's comments about his growth plans for his then fledgling company called Equinox, a chain of upscale fitness centers. Harvey's always memorable comment went something like this: "We're definitely planning to grow our company aggressively, but I don't believe we'll be planning on showing up in Albuquerque." I thought Harvey's sense of humor with this comment was one for the ages, and all these years later, I still remember it and share it with you all from time to time because I thought it was such a classic and humorous comment. Now, Harvey's doing things that even he probably didn't have in his vision for his future way back then. As reported in the April 3rd Edition of Club Insider Weekly, produced by JUSTIN CATES, Harvey will soon open the first EQUINOX HOTEL at 35 Hudson Yards in New York City, and he's simultaneously launched their online booking platform for room reservations. In addition to bookings going live, Equinox Hotels has also released the first wave of details for the property, including design partners, room features and guest amenities. **This is to Harvey... Dude, keep up the great work!** And, be sure to tell the folks in Albuquerque I said "Hello" when you finally get there with the dynasty you're building!**

■ **Here's a good one!** A 1/4-page ad in the April 6th Edition of **The Atlanta**

Journal Constitution newspaper has a headline that reads: **GET FIT. GET PAID. 2.50% APY. JOIN THE FIRST BANK TO REWARD FOR FITNESS.** The ad is for a new bank, a bank called **FITNESS BANK**, and should you want to learn more, go to FitnessBank.fit.

■ **Life's a Bitch (sometimes)... and then you die!** Well, I write these words sincerely but not because I'm planning on kicking the bucket anytime soon. I'm NOT. In fact, **my Pappy, a/k/a my beloved DAD, lived to be 92 and had it not been for a freak accident, I believe he would have lived to be a 100. So, even though I've still got a lot of weight to lose (again), I have the heredity card to play and the regular exercise card (extra fat or not) that I've played almost every day for the last 20 years (except the last six months as I have been fighting a hip problem and just got some great help from a great team of local Orthopedic Doctors).** I'm writing this Note, because six months ago, I developed a problem with my right hip joint. I fooled around with it until it was too late to do something about it before the IHRSA Convention and Trade Show. So, I jumped on the plane and went anyway. To say that the four days in San Diego pounding the concrete at the airports, convention centers and hotels was not good therapy for my hip would be an understatement! But, what I'm writing about here is the organization, **RESURGEN's ORTHOPEDICS**, where I've gone for treatment. This fine organization was referred (independently) to me by two friends of mine, my former partner and great friend, **RICH BOGGS**, and **LYNN POWELL**, a friend of mine who owns a gas station I frequent. These referrals were given to me by Rich and Lynn within a span of about two weeks of each other, and neither of these guys knows each other. But, all three of us had been dealing with HIP problems. So, when such a thing happens in an area the size of 6+ million that the Atlanta Metro area has, you've got to think you're onto something good (no, GREAT!) and **RESURGEN'S ORTHOPEDICS IS a great team!** I went to Resurgen's for a cortisone injection, and I was amazed at the efficiency of the organization I was exposed to there! One week since the injection, my hip is feeling better, and I have not had any pain from it (yet)! **Thank you and my sincere appreciation to all the folks at RESURGEN's ORTHOPEDICS for the care they provided!**

Tiger's Back!

■ **JUSTIN and I want to say THANK YOU for reading Club Insider!**

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

(Norm Cates, Jr. is a 43-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of Club Insider, now in its 26th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. In 2017, Cates was honored with Club Industry's Lifetime Achievement Award. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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...IHRSA 2019

continued from page 3

■ Over 150 education sessions, networking opportunities, exercise classes, workshops, and new this year, Fireside Chats;

■ More than 25.2 million social media impressions, reaching over 4.2 million people from posts mentioning IHRSA and the #IHRSA2019 hashtag.

Highlights Included:

■ Keynote presentations from **Chris Riddell** (sponsored by Myzone), **Mel Robbins** (sponsored by Technogym), **Rohit Bhagarva** (sponsored by Matrix Fitness) and **Denise Lee Yohn** (sponsored by Gympass);

■ The **10th annual IHRSA Women's Leadership Summit** headlined by **Sarah Moshman** (sponsored by Club Automation & CSI Spectrum), Award-Winning Filmmaker and director of *The Empowerment Project: Ordinary Women Doing Extraordinary Things*;

■ The standing-room only **23rd Annual IHRSA Financial Panel** moderated by **Rick Caro**;

■ The **22nd Annual IHRSA ILC Industry Leadership Summit** (sponsored by ABC Financial) and **Reception**;

■ The **14th Annual BASH for Augie's Quest**, which raised over **\$1.9 million for ALS research**. During the BASH, **IHRSA President and CEO, Joe Moore**, was awarded the 2019 Augie's Quest Leadership Award (See **Page #3**);

■ **Jason Reinhardt** of *Go M.A.D. Fitness* was elected as IHRSA Board Chairman for the 2019/2020 year;

■ Four new directors were welcomed to the IHRSA Board: **Chris Smith**, **Chris**

Stevenson, **Frank Lawrence** and **Greta Wagner**. **Missy Moss**, **Ray O'Connor**, **Larry Conner** and *ex-officio* **Derek Gallup** were thanked for their service as they leave the Board after this year.

2019 Award Recipients:

■ The *Outstanding Community Service Award* was presented to **Midtown Sanctuaire** of Montreal, Canada;

■ The *IHRSA Julie Main Woman Leader Award* was presented to **Francesca Schuler**, *CEO of In-Shape Health Clubs*;

■ The *Associate Member of the Year Award* was presented to **MINDBODY**.

For more information about IHRSA's annual industry awards, please visit ihrsa.org/awards.

IHRSA 2019 Resources:

■ Audio (MP3) recordings of select IHRSA 2019 educational sessions will soon be available for sale at ihrsa.org/publications.

■ Official show images are available for a limited time at thephotogroup.com, access code: **IHRSA19PRESS**.

IHRSA 2019 Sponsors:

IHRSA gratefully acknowledges all of the sponsors that helped to make IHRSA 2019 possible: 9Round Franchising, LLC; ABC Financial; Active Management; Airex AG; Aktiv Solutions; American Council on Exercise (ACE); ASF Payment Solutions; Augie's Quest; Balanced Body; ChinaFit Trade Co. Ltd.; Club Automation + CSI Spectrum; Club OS; Eleiko Sport, Inc; Fitness Brasil; Fitness Business Canada; Fitness Industry Council of Canada; Fitness Master, Inc.; First Degree Fitness / GDINA; Fitness Master, Inc.; Freemotion Fitness; Functional Remedies; Genavix, Inc.; Gympass; HydroMassage; InBody;

Intenza/HealthStream Taiwan Inc.; Iron Grip Barbell Company; JumpSport Inc.; Keiser Corporation; Les Mills Shared Services Limited; Lumen; Management Around Sports; Master Lock Company LLC; Matrix Fitness; Merrithew; MINDBODY, Inc.; Motionsoft, Inc.; MYE Fitness Technologies; Myzone; NormaTec; Perfect Gym Solutions S.A.; Polar Electro, Inc.; Precor Incorporated; SportsArt; Stealth Detox Performance Water; Styku; Technogym; Texas Capital Bank; The Helix Company; Torque Fitness; Total Gym; Trainerize; True Fitness; TSG; TuffStuff Fitness International, Inc; Twin Oaks Software Development, Inc.; Upper Hand; VersaClimber / VersaPulley; Virtuagym – Digifit BV; WaterRower and Zumba Fitness LLC.

Joe Moore, *IHRSA President and CEO*, commented to **Club Insider**, "Members loved IHRSA2019! The keynotes were awe-inspiring, the trade show was a dream come true for fitness professionals, and

the atmosphere was electric. Through the years, it has become clear San Diego is a favorite venue for members and vendors. Everyone can check out *IHRSA 2019 in Photos and Videos* on our website, IHRSA.org. **IHRSA 2020** will be **March 18 - 21, 2020** again in sunny San Diego, so tell everyone to register now and bring as many friends as possible to 'Experience the Energy!'"

To register for IHRSA 2020, go to: www.xpressreg.net/register/IHRSA0320.



IHRSA President & CEO Joe Moore Opening IHRSA 2019



Current IHRSA Board Chairman, Jim Worthington (right), Welcoming Chairman Elect, Jason Reinhardt



The Packed Floor of the 2019 IHRSA Trade Show

125 New Members Avg. Per Month, Who Would Never Have Stepped Foot Into a Gym Before!

How We Added \$1.6 Million in One Year

We'd built our boot camp to over 400 people, and then the oil field crisis happened. It just crashed, plummeted, and fitness was not something that people were willing to pay for.

Plus, we knew we weren't reaching all the people we wanted to reach. We were only reaching just a sliver of the people, and so we were looking for more ways to help more people in East Texas as far as weight loss, fitness and health overall.

"...in the first month, we made over \$250,000 just with the 20/30 program!"

We had just gotten back from IHRSA. The week before that, Aaron was sitting in bankruptcy lawyer offices. It was very scary at the time. We didn't know what our future was going to be.

I was terrified. We didn't have the money to do this license, and then the home office wanted me to come and ask these people that didn't have any money, to drop this amount of money on a 30-day program, because

at the time I didn't know it was a long-term program. They wanted me to do this and I thought, "Who's going to work this stuff and we're going to run a boot camp and I have a son, and we have a marriage. I don't even understand. Where is your mind in all of this?"



Jennifer Stafford - 20/30 Fast Track Licensee

"...now we have people that would have never stepped foot into a gym."

I had NO IDEA how simple it all really was going to be.

"Within the first year, we put over 1,500 people through the program..."

You actually get to DO the program before you introduce it to your club. So, I said, "If I lose 15 pounds, it would be a win. The first week I was down 13 pounds and super excited, pumped! and They said to me, "Oh, you've only got two pounds to go and you'll be at your goal." Of course, I'm competitive, so I thought, "Oh no, we'll see how far we can take this!" By the time I got to training, I was already down 20 pounds in two weeks!

"We produced 1.6 million the first year! It's just been phenomenal."

From that point, we got introduced the 20/30 program and in the first month, we made over \$250,000 just with the 20/30 program!

Our clientele now is completely different than the clientele we had before. We had people that were

interested in fitness, and now we have people that would have never stepped foot into a gym. They would not have even considered it. It was the last thing on their mind. They wanted to lose weight before they got into the gym.

Within the first year, we put over 1,500 people through the program, and it's just continued to progress. We produced 1.6 million the first year! It's just been phenomenal.

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...Augie's Quest

continued from page 3

treatments and an ultimate cure for ALS.

Augie Nieto, *Founder of Augie's Quest to Cure ALS*, and a fitness industry business icon who himself was diagnosed with ALS in 2005, noted, "Our partners and donors from across the fitness industry are one in a million. Their competitive spirit, significant financial support and fierce commitment as a collective industry to actively champion the health of so many people affected by ALS is driving real change and research results."

During the event, **Joe Moore**, *IHRSA President and CEO*, was awarded with the **2019 Augie's Quest Leadership Award**. Moore commented to **Club Insider**, "It was both a surprise and honor that, during the BASH, I received the 2019 Augie's Quest Leadership Award, but the real story is that the industry came through again, raising over \$1.9 million for ALS research! The BASH was better than ever; it seemed to flow seamlessly. The dinner was excellent, the fundraising struck the right note, the musicians rocked, and the dancing was fun to watch."

Prior to the event, Fernando Vieira, M.D., the Chief Scientific Officer at the ALS Therapy Development Institute, spent time with area Southern California families recently diagnosed with ALS. Vieira provided insights on the role the fitness industry has played in the way scientists are tackling ALS today, particularly through ALS TDI's innovative Precision Medicine Program that tracks ALS progression on a patient-by-patient basis.

The event was generously supported by companies including IHRSA,

ClubCorp, Jenny Craig, Newtown Athletic Club, The Atlantic Club, Zumba Fitness, Stone Creek Club & Spa, Club Automation, Workout Anytime, Fitness Formula Clubs, Club Greenwood, Hemelgarn Racing, Myzone, North Castle Partners, Orangetheory Fitness and Planet Fitness.

Concluded Nieto, "This truly was my favorite BASH for Augie's Quest yet. Now, 14 years later, it is still so inspiring to see that the fitness industry is as dedicated as ever. With this community at our side, ALS doesn't stand a fighting chance. ALS isn't incurable, it's only underfunded. This is a problem we can, and will, solve."

**A Special Message From Augie Nieto
March 29, 2019**

Fourteen years ago today, my life changed forever when I was diagnosed with ALS. For those of you who don't know, ALS is a neurodegenerative disease that attacks the motor neurons in otherwise healthy individuals, until you cannot walk, or talk, or move.

I know my wife, Lynne, and I are one of the lucky ones with ALS. I am so fortunate to still have a voice to raise funds for critical research and spread awareness about this destructive disease.

It is a lot harder for me to speak now, so I choose my words carefully:

ALS can only be cured if all of us work together!

Please consider donating to support our quest to fast-track innovative ALS research that can help end ALS once and for all. Every single dollar counts! Thank you. To donate, go to bit.ly/augiesquest.



Augie and Lynne Nieto On Stage at the 14th Bash for Augie's Quest



Joe Moore Being Presented the 2019 Augie's Quest Leadership Award By Lynne Nieto



The 14th Annual Bash for Augie's Quest Raised \$1,897,610 for ALS Research



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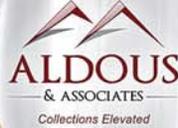
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...PHIT Act

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for policies that encourage Americans of all ages to be physically active.

PHIT is federal legislation that would let people use pre-tax accounts, like Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA), to pay for qualified fitness expenses, including youth sports fees, exercise equipment, health club membership and other exercise costs. If passed, families could use \$2,000 pre-tax for fitness activities, and individuals could budget up to \$1,000, effectively saving consumers 20% to 30% on exercise costs.

Senators John Thune (R-SD) and Chris Murphy (D-CT) introduced PHIT (S.680) on March 6, 2019. Representatives Ron Kind (D-WI) and Mike Kelly (R-PA) introduced PHIT (H.R.1679) into the House on March 12, 2019.

"Exercise is extremely instrumental in helping to prevent many costly chronic diseases and in supporting good mental health for people of all ages," Durkin continued. "The universal appeal of this particular bill is that it supports people in their personal efforts to take charge of their health and lead more physically active lifestyles by giving them greater choice in how their health care dollars are spent."

For many Americans, it isn't so much the lack of will to exercise that stands in their way. Rather, other barriers, including budgetary constraints, too often tip the scale in their decision making. But, if a family could use their HSA or FSA to pay the fee for their 10-year-old to play on a community soccer team so he stays physically active, or if a single-mom could use these accounts to pay for a yoga class to help better manage stress, or if an 80-something living alone could use those health care dollars to go to the local gym and take part in a group tai chi class, these taxpayers would be more likely to take steps toward better health, adding up in the long term to savings for the healthcare system.

"PHIT is really about empowering people to choose how their health care dollars are spent so making the health-sustaining choice is so much easier," Durkin continued. "PHIT just requires a simple adjustment to the tax code. But, importantly, it's a common ground issue that everyone can stand behind. While helping hardworking Americans today, PHIT would move us toward a healthier, stronger nation for tomorrow."

For more information on how PHIT would make physical activity an easier financial choice, including fact sheets, and background information on PHIT, visit ihrsa.org/phit.

Join the Industry Leadership Council

Protect your health and fitness club business from harmful legislation, restrictive

regulations and short-sighted taxes:

Sales Tax: IHRSA opposes any bill that adds barriers to health club membership and works to repeal taxes where they currently exist. IHRSA believes that government should encourage regular exercise and healthy lifestyles, not discourage them by taxing health club memberships and services.

Contract Restrictions: IHRSA protects clubs from proposals that seek to limit contract length, cap what a club can charge or prohibit automatic renewal.

EFT Restrictions: Legislators are seeking to stop subscription services which could restrict the use of EFTs for dues collection.

Personal Trainer Regulation: IHRSA fights against legislation that would limit a club's access to qualified personal trainers or make access to fitness services more expensive and difficult to access.

AED Mandates: IHRSA works to ensure AED requirements include adequate liability protections for club staff, contain reasonable staffing requirements and provide adequate compliance time.

Consumer Protection: IHRSA supports consumer protection legislation that safeguards the public against fraud, deceit and financial hardship while fostering and encouraging competition and prosperity in the health and fitness industry.

Bonding: IHRSA opposes bonding legislation that creates an undue burden on club businesses, while failing to safeguard the consumer.

As the health club industry continues to grow and evolve, the legal and regulatory challenges club operators face are becoming more numerous and complex. Tracking these evolving issues over the past few years, IHRSA is actively creating resources and best practice guidance on a range of issues:

- Data Privacy;
- Utilizing Biometrics and Facial Recognition;
- Natural Disaster Preparedness;
- Preparing for an Active Shooter;
- Preventing Lawsuits;
- Injury Liability;
- Privacy and Gender Identity Issues in Locker Rooms;
- Hiring and Staffing issues like Independent Contractors;
- Music Copyright in the Streaming Era;
- Facility Safety Regulations;
- Dealing with Eating Disorders;
- Handling Difficult Members/Situations Fairly and Legally.

To join the **Industry Leadership Council**, go to www.ihrsa.org/ilc or complete the form on **This Page**.

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Why We Do What We Do... *and Who Cares?*

By: **Bill McBride**

I have my own perspective on this wonderful industry of ours. I'm not a wealthy independent club operator who owns his own club and land and dominates the local market. I'm not a mega franchisor/franchisee. I'm not affiliated with a national or large regional chain of clubs.

I've been involved in two large

regional club companies (Sport&Health and Club One), I know and have consulted with some of the top independents in our space as well as two large franchisee groups. And, I'm close to some of the major leaders of many regional and national club companies, franchisors and franchisees.

Now, I'm heavily involved in the management space of fitness facilities of a multitude of models: Corporate, Medical,

Community, Commercial and Multi-Tenant. I also have some limited experience in one studio model.

So, as I travel domestically and internationally, I'm always trying to learn about the various models, business practices and consumer consumption behaviors surrounding fitness delivery and what makes companies successful. I've drawn some perceptions along the way:

- People consume fitness in very consistent and similar ways throughout the world.

- Different places are sometimes on different learning curves with modern fitness center and program delivery; some markets are more mature than others.

- Different companies and models are at different points in their "life cycle."

- Most are facing more challenges today than ever before.

- Many operators "copy" their competition.

- Some models are timeless, some are trends that will grow and some are fads that will vanish.

- Some modalities/programs are timeless, some are trends and some are fads: Think "sports-based," "sports-inspired" and "practices." People cycle, people box, people practice martial arts, people practice yoga and Pilates... these are just some of many examples.

Recently, I was at a very high-end commercial club working out while away from home. Beyond the fact that it was a week-day night between 5:00 - 6:00 PM in an affluent area and very scarcely attended (the club is relatively new at a few years old), the members there weren't talking to each other. Everyone was doing his own thing. This particular club is one of the best in its market with a lot of social activities and programs. It is in a highly competitive market. The classes seemed average/mediocre for the caliber of club that it is, at least from the schedule and observing three classes going on during my visit.

This stimulated more thoughts about "the club experience." I know how to exercise. What I did today at the club I could have done in my neighborhood and garage, but I did feel better, "good" being there. The dues at this club are very high per month for an individual. People in that area can afford it, but are they willing to continue paying for feeling "good" being there, not "great" or emotionally attached to the brand?

Regardless of how far someone lives from the club, it does take some



Bill McBride

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

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

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

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

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

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

time and effort to commute to a club, bring your things, stay motivated, feel comfortable around other (mostly fit) people, etc. There's also the fact that people can get motivation by many other means, like their Apple Watch, mobile app, streaming service; Peloton; walking/running/biking/hiking/swimming/tennis/golf/etc. buddies & groups... you name it. People can get convenience from their own equipment at home, their exercise-friendly neighborhood, the hotel, the park, their apartment complex, their country club, their active living community, their hospital, their parks and recreation department, their community center and on and on.

So, where does our product experience come in to justify the spend for the value at the middle and higher end of the price spectrum? What are we truly selling and offering? Why are we in the business we are in? Why should our customers care to use our services?

Some in our space may have an affordability issue, but most in the locations of middle- to high-end clubs don't have an affordability issue as has been proven by the higher-priced studio models. It's truly a *value proposition* issue.

Unfortunately, I don't have an easy answer to this dilemma in some profound way. I do have a big fear that our industry as we have known it is on its way to further transformation, or as is commonly said today, "disruption." I am concerned that many independent clubs will face increased hardship. We have discussed "clubs within the club," "being the third place," "The Member Experience," Etc. But, in reality, what are we truly doing other than just trying to outsell attrition?

Most of us entered this industry to really make a difference in people's lives. Over the years, we have found that we were the best in the world as a percentage of the population using our facilities (recently Number 2 - U.S. = 20.3% and Sweden = 21.4%).

(See **Bill McBride** Page 21)

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...IHRSA 2030 Initiative

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At 39,570, the number of health club facilities increased by 2.8% over the previous year, up from 38,477 locations. In 2018, U.S. health club industry revenue increased to \$32.3 billion, up from \$30 billion in 2017, an improvement of 7.8%.

"We are happy to report that, along with consumer growth, the number of fitness facilities and total industry revenue increased in 2018," said **Jay Ablondi**, IHRSA's Executive Vice President of Global Products. "Consumers in the U.S. continue to place a high value on their health, investing in club access and services in order to meet their health and wellness needs as well as fitness and athletic goals."

Later this year, IHRSA will release the *2019 IHRSA Global Report* (June) that will provide an overview of the worldwide health club industry and the *2019 IHRSA Health Club Consumer Report* (September), which will provide analysis of health club consumer growth, demographics, utilization, and trends as well as insights and applications for club operators.

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 2018, a total of 20,069 online interviews were carried out with a nationwide sample of individuals and households from the US Online Panel of over one million people operated by IPSOS. The total panel is maintained to be representative of the US population for people ages six and older. Oversampling of ethnic groups took place to boost responses from typically under responding groups.

An Update on IHRSA's 230 Million Members By 2030 Global Membership Initiative

During IHRSA 2018, the Association set an industry goal to reach 230 million global health club members by the year 2030. During his IHRSA 2019 presentation, **Derek Gallup**, IHRSA ex-officio, noted that the health club industry served 174 million worldwide health club members in 2018, a 7% increase over 2017's 162 million.

Gallup presented the ten countries with the highest number of health club members as a percentage of population:

1. Sweden: 21%
2. Norway: 21%
3. USA: 21%
4. Denmark: 18%
5. Netherlands: 17%
6. Finland: 17%
7. Canada: 16%
8. Australia: 15%
9. UK: 14%
10. New Zealand: 14%
4. South Korea: +21%
5. Denmark: +17%
6. Indonesia: +12%
7. Guatemala: +11%
8. Hong Kong: +11%
9. Costa Rica: +11%
10. India: +10%

Gallup also presented the ten countries with the greatest increase in membership penetration rates:

1. Philippines: +33%
2. China: +30%
3. Finland: +25%

Gallup noted that the biggest competition for health clubs is not other fitness facilities but the living room couch (i.e. inactivity). "Only 6% of the world's population has a health club membership," noted Gallup. "As an industry we can and must do better. It is our mission to increase the number of people globally who are physically active."



Derek Gallup Presenting an Update on IHRSA's 2030 Global Membership Initiative

What Employers Need to Know About Background Checks

By: **Paul R. Bedard, Esquire**

A company is only as good as the people it employs. Character and integrity should rank highly among the list of personal attributes that employers seek when selecting employees. To quote the great Warren Buffet, "Somebody once said that in looking for people to hire, you look for three qualities: integrity, intelligence and energy. And, if you don't have the first, the

other two will kill you."

One of the ways employers work to ensure that employees of integrity are joining their ranks is by reviewing the backgrounds of their prospective hires. This might include a person's education, work history, credit history, social media presence and criminal record. However, federal laws and varying state and local laws protecting applicants and employees from discrimination must be adhered to.

Given the financial impact attached to legal violations, this article is not intended as legal advice. **Please consider the following comments as an educational guide, and please consult an attorney for specific direction.**

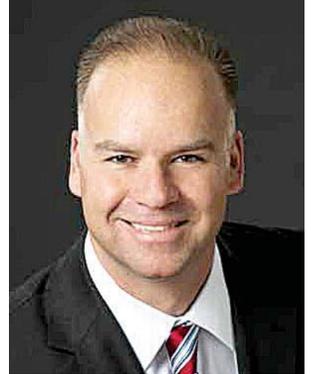
The Equal Employment Opportunity Commission (EEOC) enforces the federal laws that protect applicants and employees from discrimination including discrimination based on race, color, national origin, sex, religion, disability, genetic information and age. The Federal Trade Commission enforces the Fair Credit Reporting Act (FCRA), a federal law which must be followed when running background checks through any company engaged in the business of compiling background information. States and many municipalities have additional laws regulating the use of background information for employment purposes.

Although it should seem obvious, all background inquires must be treated equally. For instance, inquiring regarding criminal records or credit histories strictly for people over a certain age or only for those of a certain race is discriminatory. When receiving background information from a company in the business of compiling such information, the FCRA requires written notification to the applicant or employee in a stand-alone format informing the person that the organization may use the background information for employment-related decisions. The person's written permission must be obtained to conduct the background check, and if sought by the employer, must include authorization to perform updated background checks throughout the employment relationship. Notice and authorization must be worded clearly and conspicuously.

Employers must be aware of unintended consequences, outcomes that may stem from otherwise facially neutral practices that result in a disparate impact. For example, if, despite treating all cases equally, a criminal or credit history background check disproportionately affects individuals of a certain age, race or other protected classification, yet does not accurately predict who will be the type of hire being sought, this could give rise to a claim of employment discrimination due to the disparate impact created.

When using a third-party vendor for background checks, prior to taking adverse action the FCRA requires that the employer communicate to the applicant or employee:

- That they were rejected due to the background report;
- The name, address and phone number of the company that sold the report;



Paul R. Bedard, Esquire

- That the vendor selling the report did not make the hiring decision; and
- That they have the right to dispute the accuracy of the report and obtain an additional complimentary report from the reporting company within 60 days.

The employer must also certify to the background check provider that they have complied with FCRA requirements and that the employer will abide by federal laws prohibiting discrimination.

The EEOC mandates that personnel and employment records, including employment applications regardless of whether the individual was hired, be kept for the later of one year after the record was created or for one year after a personnel decision was made. Once the required timeline for preservation of records has passed, any and all information must be securely disposed of. This would include the shredding or other destruction of paper materials and the deletion of any electronic information so that it cannot be reconstructed or otherwise read.

One of the more active developments within this arena over the years has been the expansion of ban-the-box laws. Where applicable, these laws make it illegal for an employer to inquire about an applicant's criminal history on the employment application. Although most states and many cities now have these laws on the books, jurisdictions vary as to when background checks can be conducted. In some jurisdictions, a criminal history inquiry can be made after the job interview. In others, a criminal background check cannot be conducted until a conditional job offer is made.

A background check is just one of the many tools that employers use to maximize their odds of making a successful hiring decision. However, given the variations and complexities within this area of law, it is essential that employers
(See **Paul R. Bedard, Esquire** Page 23)

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...Bill McBride

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Even at our best, about 80% of the U.S. population are not using commercial health clubs. Why?

One reason could be that clubs are typically open in affluent areas. This leaves a big segment of the country underserved. There's also the fact of how does a middle- or lower-income family afford and make time to go to a club with two outside-the-home working adults with kids? Some clubs offer "financial aid" / "scholarships" to those that cannot afford a facility. This is a noble practice. The non-profit sector has a mission for many underserved communities, but we know that, at times, non-profits also enter communities with adequate tax-paying facilities.

The growth of the High Value/ Low Price (HVLP) models have proven to resonate with those on a lower to middle income *and* those that only need or want a limited amount of service. Hence, the opportunities the high-end clubs see and gravitate to are with younger adults, retired adults and the upper middle to more affluent households.

Why Do We Do What We Do?

1. To make money as a profitable business;

2. To serve some subset of the population:

■HVLP (High Value/Low Price);

■High-End Lifestyle (Family with Kids, Young Couple, Individual - Urban/Suburban);

■Like-Minded (Cyclists, Yoga, Barre, Pilates, Functional Training, HIIT, Boxing, Dance-Based, Martial Arts, Obstacle Course) - Models specific to certain specialized groups; and

■This crunch puts even more strain on those caught in the middle... those without a true "hook."

This truly is the **Million Dollar Question**. Who do you serve? Who do you want to serve? This needs to be thought through specifically and with great detail.

The world has changed a lot since the founding of the first commercial clubs. And, the consumer has changed in a lot of ways with regards to how they buy and how they make decisions. What hasn't changed is the consumer's behavior in what they need and how they react to service, results and experience delivered well.

3. What is interesting about all the change is what has not changed or what is the same:

■Consumers throughout the various states and the world behave in very consistent ways;

■They have similar likes and dislikes;

■There are more commonalities than differences in customers throughout the world;

■Group Exercise continues to grow;

■People need social interaction, more now than ever;

■People need/want accountability;

■People need/want expertise, guidance and coaching; and

■People want to have fun or a sense of enjoyment/fulfillment.

4. What has changed and continues to change:

■People are more isolated than previous generations (telecommuting, screen time, more sedentary).

■We are seeing major club companies position themselves as "Lifestyle Companies" with work spaces, recovery areas, passive community areas, meeting spaces, hotels, branded studios within the club, more comprehensive food and beverage, and retail to name a few;

■People have less free time;

■People demand reduced hassle and barriers when interacting with businesses;

■People want "experiences" that make them feel alive and good;

■Many want to pay as they go, not buy subscriptions;

■People have more options, more ways to substitute fitness facility membership/usage for other alternatives to be active; and

■Consumers know more about health, wellness and fitness than a lot of typical club personnel (non-fitness personnel).

So, as I write this free-thinking article, the point I want to make is that *today, you have to be more clear on exactly who you are, what you do, why you do it and for whom you are doing it*. You need to know all pieces of information you can obtain on your target audience. Why they chose you, why they stay with you, what they love, what they wish you had/would do, what makes them tick... The stakes on taking your core audience for granted

are higher than they have ever been. For the multipurpose traditional club, I believe the stakes are truly life or death for many business models. Technology can help. Programming is a key component to the solution. Design matters a great deal. And, Service Culture is critical. But, it all starts with clarity on "Why You Are in Business" and "Who Cares?"

Remember the old railroads? They were in the "railroad business," not the transportation business... Remember Blockbuster Video? They were in the DVD bricks and mortar rental business. Netflix was/is in the entertainment business... Transportation and Entertainment are lasting.

What business are you in? The Health Club Business? The Fitness Center Business? The Fitness Business? The People Business? The Social Business? The Social Companion Business? The Wellness Business? The Medical Fitness Business? The Lifestyle Business? Something Else? You have to make this decision.

I know a lot of personal training clients are paying for social interaction and a companion and not paying for fitness results... all social.

Defining the narrow or broad basis of "What business you/we are in" will be

critical to your/our success and evolution as an industry.

I hope I've provided you with something to think about. We are an entrepreneur-based industry, and the best ideas keep coming to fruition from those doing and thinking about our industry on a day-to-day basis... YOU!

(Bill McBride is a health and fitness club industry veteran with over 25 years of experience leading and managing all aspects of commercial health clubs, medical fitness centers, residential, community, multi-tenant and corporate fitness sites. He co-founded Active Wellness, LLC and owns a health club consultancy - BMC3. Bill has served as Chairman of the IHRSA Board of Directors, President of MACMA and served on the Industry Advisory Board for the ACE. He is actively engaged as an author on industry education, serves on several fitness-related technology company Advisory Boards, serves on the Medical Wellness Association (MWA) as a Faculty Member and The Medical Fitness Network (MFN) Advisory Boards. He is currently also serving on the ACSM Facility Standards & Guidelines 5th Edition Committee. Bill consults & speaks regularly on industry topics throughout the world.)

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Are You Still Playing *Monkey in the Middle?* Why It's Happening in Your Market and What You Can Do About It!

By: Ron Alterio

Remember the game *Monkey in the Middle*? A few kids, one ball and a whole lot of frustration for the one in the middle. Fast forward to today's hyper-competitive fitness markets, and everywhere you turn, it seems there is another *Boutique Studio* opening to your left and a High-Volume, Low-Price (HV/LP) model opening to your right. Instead of you just trying to win a simple game with friends, now it's your business that's caught right in the middle of a genuine fight for survival. Rather than jumping, reaching or pivoting to try and catch a simple ball, you are now forced to do everything in your power to prevent your members from jumping right over your head and right into the hands of your competitors.

In order to shift the balance of power back in your favor, it's imperative to rewind and explore the origins of how your business may have ended up "in the middle" in the first place.

Although competition was on the rise and promises of fast results and amazing customer service were widespread in the early to mid-2000s, the reality was that most operators simply focused on offering more stuff: more cardio equipment, more free weights and more group exercise classes. Very few actually focused on delivering on the *promise* and *servicing the true customer need*, which was offering

a relevant and meaningful onboarding experience, coupled with access to viable fitness solutions that fostered lasting results. As a result, members started to tire of the stale and empty lip service emanating from the health club industry.

Enter the High-Volume, Low-Price (HV/LP) Model

Borne out of this frustration came a new breed of health clubs. Larger, shinier, cleaner and newer facilities with more equipment for a fraction of the price quickly peppered the national landscape. More importantly, the new consumer narrative was simple, clear and void of any erroneous claims: *"We have everything you could ever need to exercise, but you are on your own, and we will charge you accordingly."* As a result, this inexpensive, straight forward, honest and no-nonsense approach to serving the market was met with unbridled acceptance.

The Rise of the Boutique/Studio Model

The surge of the HV/LP model, in large part, gave rise to its more exclusive counterpart: the Boutique/Studio model. This model, which lives on the opposite end of the spectrum, provides a more specialized approach to fitness, a variety of single- and multi-modality program offerings

delivered in a more intimate setting for a premium but commensurate price. Since this new customer-centric strategy solved for the service vacuum created by the HV/LP model, it was not long before the market embraced the studio concept with equal favor as well.

Interestingly, in response to the rise of the boutique model, *HV/LP 2.0* has now emerged, multi-tiered memberships above the initial base offering that provides a variety of robust amenities more closely aligned with full-service models but at about half the cost.

As a result, the two aforementioned, yet contrasting offerings, have created an extensive and ever-widening market fracture that makes it very difficult to compete in and win if you are an operator playing in the "middle." Moreover, this surge is showing very few signs, if any, of slowing down. In fact, according to the 2018 Piper Jaffray & Co. Fitness Industry Update, the HV/LP and Boutique/Studio models are the two fastest growing categories with a substantial opening backlog, roughly 40%, of sold locations.

There IS Something You Can Do About It!

Don't worry, if you currently operate in the "middle," it's not all doom and gloom. There is a way out. In fact, according to the same Piper and Jaffray report, 53% of all boutique members surveyed stated they would be willing to leave their studio if a *similar program* were offered at their local gym for a *more affordable price*. Additionally, that same percentage of boutique members also carry a traditional gym membership. So, what can we learn from these statistics?

1. The consumer appetite for studio quality programming is not going away anytime soon.
2. The consumer, if needed, will entertain two paths just to get it.
3. The consumer will freely shift to a more affordable option as long as the programming is comparable.

If you currently operate "in the middle," the question you should be asking yourself right now is... *"What do I have to do to offer similar programming at a more affordable price?"* Let's break down each one of the components to this critical two-part formula:

1. **Similar/Comparable Programming** - The operative word here is programming. There is a big difference between offering workouts vs. programming. The great boutique studios offer clearly defined



Ron Alterio

and professionally crafted programming and integrated technology (*think heart rate monitoring systems and wearables*) that strategically progresses (not to be confused with simple daily modifications) the end user to an agreed upon destination by incorporating a variety of modalities and formats. The programming is fluid, not static, and it integrates a number of multidisciplinary approaches with technology acting as the tour guide or GPS system providing immediate and real-time feedback while ensuring the end user is approaching and executing the movements and exercises correctly each time. Creating this environment is extremely difficult, if not impossible, using organic or in-house workouts created by trainers. *Bottom line... workouts may provide a sweat and a pump, but true programming provides an experience and a destination. To get out of the "middle," you need the latter.*

2. **An Affordable Price** - This one is trickier as it requires more than just slapping a price tag on your program offerings. To entice the boutique/studio members to purchase your programming, the price has to be *"more affordable."* This means your monthly programming fees need to hover around the \$49 - \$89 (*depending upon your market and model*) price range to be attractive enough for the switch to occur. To achieve this, and ensure your profit margins stay above 60%, you'll need to carefully pull a number of financial and operational levers correctly, including but not limited to: having the right amount of square footage, maintaining the proper number of attendees per class, paying your coaches and trainers correctly to teach each session. The goal is to pull each lever accordingly so you can keep your price as low as possible while still keeping your margins as high as possible.

To get out of the "middle," you need to
(See Ron Alterio Page 23)



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Mindshift

By: Michael Gelfgot

We all know that a profitable personal training department is the linchpin to long-term success of your business. And, we all know how critical it is to our business to help members stay motivated and see results. I believe we all recognize that, without a booming personal training business, it's going to be really tough to compete in this highly competitive market. If we are all on the same page with the above statements, then why is it that our personal training department is **reactive VS proactive**?

Most personal trainers are waiting for the membership department to do their job before trainers do their job. I am not talking about the gym doing some online marketing to generate personal training leads. I am talking about all the part-time and full-time trainers... what are they doing on top of what their company is doing to generate personal training clients? In this hyper-competitive market, if your personal training department isn't working just as hard as your membership department, you are going to cease to exist like the dinosaurs did a long time ago. Let's talk...

Up until 2015, every trainer in my organization was reactive to what happens at the front door. That all had to change when the market became a lot more competitive and we realized that our business was highly leveraged with memberships. Even though only 60% of our revenue came from memberships, we took a ton of hits when other membership-based facilities moved in and offered their facility at a cheaper rate. We had to think differently. We had to de-leverage our business and make it more resistant and resilient in the market. We generated \$440,000 in revenue as a result of the following three programs. Here is what we did:

Program #1: We converted our entire business from 30-minute, one-on-one personal training sessions to small and large group personal training. We always knew that the fitness business was two different industries all wrapped up into one: *entertainment and hospitality*. When it came to making decisions for our personal training business, we asked ourselves these questions:

- Will this (whatever it may be) help bring our clients together?
- Will this help our clients feel more included?
- Will this help our clients be more entertained?
- Will this help our clients see better outcomes?
- Will this enhance our ability to deliver better sessions?

If the answer was yes to the

majority of these questions, then without a doubt, almost no matter what the cost was, we did what we needed to do. We knew that other membership/access-based facilities that were offering a cheaper membership weren't necessarily thinking and doing along these lines. What they were thinking and doing is offering cheap access; that's what they are good at, and that was okay with us. We knew that, in order for us to be even more effective in marketing and differentiating, we needed to create a culture of people working out together. We needed to change our business model. Our trainers' mentality needed to change from coaching one client at a time to training multiple clients at a time. We needed to learn/gain a new skillset. Bottom line, we needed to shift our minds from the *old* to the *new*.

We did precisely that in our 21 facilities and never looked back. Our clients got better results. Our trainers made more money. As a company, we became more profitable. The energy and inclusiveness that small and large group training created was beyond our expectations. This type of a culture is exactly what separated us from other membership-based facilities. The focal point of our gyms was not a free weight floor or the cardio area anymore; it was the purple turf right smack in the middle of the gym.

Program #2: We became the prevention experts in our town. Think about this. When you get ill, you call a doctor. When your car breaks, you call a mechanic. Why is it that, when a local business has a problem with the health of their organization, they don't call you, the local prevention expert in town? The answer is simple: they don't know that you also offer corporate wellness services. In fact, most local businesses think that the only thing you offer is memberships and personal training.

I found **Trina Gray's** program, *Corporate Fit Challenge*, read the book three times and empowered my trainers to get the job done. Our trainers knew that, if they wait for the front door to swing, they would never get the amount of clientele that they want. In towns where there were cheaper membership options available, walk-ins were scarce, traditional ways of doing marketing weren't working, trainers' paychecks were being effected. We needed a **mindshift** and a strategy to execute. This worked. We deployed the program in nine clubs. In 12 months, we did \$250,000 in total sales as a result of the *Corporate Fit Challenge*.

Program #3: We became experts working with folks who are 55+. The question that we asked ourselves was: *Who is the expert in our towns working with people who are 55+?* The answer was **no one**. No one was directly marketing to these individuals, and no one had specialized programming for these individuals. I'm not talking about

someone like our client Gene who is 73 years old, does the toughest session on our menu and then gets on a treadmill and paces nine-minute miles for three miles. I'm talking about someone like my mother who is 65 years old, five feet tall, weighs 220 pounds and has a hard time sitting down. Long story short, I knew that my trainers needed to execute this play. I knew that my trainers were the ones needed to get out of the club and give free talks around town about health and fitness, targeting folks who are 55+.

We partnered up with **Dr. Dan Ritchie** and **Dr. Cody Sipe**, more specifically a program they developed called *Ageless Fitness*. The results were incredible. In 12 months, we generated an extra \$200,000 from folks who were already members of our club, but we didn't know how to connect with them; pay per visits that never came back after their initial visit because they didn't feel like we had something special for them; referrals that we got from these individuals that would have never been referred unless we had special programs that work just for them; most importantly now, my trainers had another tool on their belt line to go out and generate business and not have to rely on the membership team.

■ ■ ■

Our organization's mind was



Michael Gelfgot

shifted. Our personal training team were no longer reactive to what was happening at the front door. They were finally proactive and were in full control of their clientele. We evolved as a species per say and made our business more bullet proof.

(Michael Gelfgot is a veteran Anytime Fitness franchisee who contributes his experiences to help Club Insider readers advance the state of the art of their club businesses. Michael can be reached at mike.gelfgot@icloud.com.)

...Paul R. Bedard, Esquire

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seek legal counsel when designing and implementing their background check practices.

Federal, state, and local laws give rise to the various causes of action available and jurisdictions vary widely in this regard. Therefore, this article is not intended as legal advice. These comments should be viewed as an educational guide. Consult an attorney for specific direction and applicability within your jurisdiction.

(Paul R. Bedard, Esquire, has nearly twenty years of management, leadership and operations experience in the health and fitness industry. As a practicing

attorney, Paul's health and fitness industry experience provides him with a unique perspective when advising health clubs regarding employee training, handbooks, policies, contracts, disputes or premises liability claims. When not practicing law or spending quality time with his wife and daughters, Paul strives to be active in his local community. Paul serves as the current Assistant Town Attorney for the Town of Southington, Connecticut and has previously served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. Paul is also a partner at Sheffy, Mazzaccaro, DePaolo & DeNigris, LLP, in Southington, Connecticut. Paul can be reached by email at ppedard@smddl.com or phone at 860-620-9460, x109.)

...Ron Alterio

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get this right.

If your business is currently bookended by an HV/LP on one side and a boutique studio on the other, you now know that's called living "in the middle." More importantly, you now know what you need to do to get out. It's simply a matter of moving from a workout-centric mindset to a programming-centric culture and making

the necessary operational and financial adjustments to make it more affordable for the masses.

(Ron Alterio is the Vice President of Operations for XGT Fitness, an industry team training system. If you have any questions, or need help getting out of the "middle," he can be reached by calling 833-TEAMXGT, x 803 or emailing ron@xgfitness.com.)

Are You on The Path To Be a Master or Disaster?

By: **Karen Woodard-Chavez**

This article is designed for absolutely every person in your organization in the spirit of being better human beings and becoming better for their own future, which also means being better for your organization's present and future. With these factors in mind, I hope you share this article with them. Suggestions on how to do

so will be offered at the end of the article.

We all know people who create an impact because they master every little thing and every big thing they do... personally, professionally, productively... life in general. We also know people who are the opposite... they seem to be a disaster with everything they do. Nothing ever seems to come to fruition for them, and there are a lot of excuses along the

way. *What is the difference between a Master and Disaster?* In my observation of life's living laboratory and being a scientist of self, the biggest difference is that Masters have a habit of curiosity, which means they are inclined by their nature to ask questions. The Disasters, on the other hand, do not possess curiosity and feel that they need to have answers, whether they are correct answers or not. Curiosity and questions guide what and how the Masters will focus their time. The questions create the plan or the road map, so to speak. On the other hand, the lack of curiosity and questions often dictate that the Disasters show up without a road map or plan and just jump in without considering all the options.

This should teach us that one of the most important lessons is that questions, are in many instances, more important than answers. But, you might be thinking that goes against everything you learn in school where you're rewarded for the *quality of your answers*.

The right question at the right time can spark the right answer that changes your life, your relationships, your business, your fortune, your... fill in the blank. The following list of questions will help you get started on looking at life differently and making changes that can have a big impact.

Beware: They are not complicated questions. They are very simple and deserve introspective answers.

Note: I will not provide you with the answers, only the questions. If I were to provide you with the answers, they would only be *my* answers. These questions need to be answered by *you*.

Let's start with a few *Yes or No* questions to assess how you feel. You may want to do some journaling with these and refer back to them periodically.

1. Are you happy?
2. Are you grateful?
3. Do you like your job?
4. Do you feel good?
5. Do you spend enough time on your education?

The reason why these quick questions are important is that you want to adjust your strategy if you answer *No* to any one of them. Too often, we go through life unhappy, ungrateful and feeling bad for way too long. If something is wrong in your life, acknowledge it quickly and then find a solution.

These questions are not only about yourself. When you're happy and in a good mood, you can lift the spirits of the people in your life. That's why you



Karen Woodard-Chavez

want to focus on fixing your own happiness first. Otherwise, you can't make your spouse, family, colleagues, customers or others happy. The first five questions serve as a quick assessment. Be honest with your answers. You are not out to impress anyone. Think about how *you* feel. The reason honesty is important is that when you take care of yourself and make sure you're happy, you'll have a good life. You won't be envious of others. You'll genuinely smile every day. And, most importantly, you'll have the resources and time to help *others*. That's how the world works. Success breeds success. Misery breeds misery.

Let's move to another important area of your life, your work. You spend most of your waking hours at work. So, it's crucial that you get satisfaction from it.

6. What new things are you learning?

This is so important. When you learn, you feel as though you are moving forward. When you are moving forward, you feel good.

7. Where is your career going? You need a vision. If you don't have one, create one.

8. How meaningful is your work? You want to feel satisfied with your work at the end of the day.

9. What can you do that you are not doing currently? That's how you learn new things.

10. How can you get better at what you do? When you get better at what you do, you can make a bigger impact and solve bigger problems. That gives you more satisfaction and leads to more income.

Moving on... as a business owner, manager or leader, you need to take care of your business. Without it, there will be
(See **Karen Woodard-Chavez** Page 25)

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...Karen Woodard-Chavez

continued from page 24

no income, no money to pay your team and no money to grow. Yes, you can raise capital or take out a loan. But, you should always be able to *make money* as a business. This is simple (but for some, not easy): if your business doesn't generate money, it's not a business... it's a hobby. To make sure you generate income, ask the following:

11. What is the biggest pain point that your clients/customers have?

12. What is the ideal solution in the eyes of your clients/customers?

13. How can you give away more value without charging more?

14. Where can you find more customers who need the solution you offer?

15. How can you decrease your costs?

16. What is your #1 priority right now?

17. How can you achieve your #1 priority faster?

18. What tasks should you stop doing because they distract you from your

#1 priority?

19. What important tasks are you procrastinating?

20. What are my blind spots?

21. How can I help one person today?

There are certainly MANY more questions you can ask. However, for brevity and space in this publication, I have limited the number of questions. This should be sufficient to get you started on making some changes.

Reflecting on the first paragraph of this article, you can see that asking (and answering) the previous questions relate to *every* person in your organization. If you want your people to be better people and have better lives and your organization to be better because of that concept, then share an opportunity for all to ask and answer these questions. Because some of the questions are clearly more personal in nature, and some are directly relevant to the organization, you certainly can't require all staff to do so, but you can *invite them* to do so.

In your next leadership, departmental or all staff meeting, start by introducing the power of questions as was done in the introduction of this article.

Continue by sharing the previous questions with them. Then, invite them to answer them, and if they would like to do so, discuss them with you. With the concept of discussion in mind, you may want to set some dates by which the questions are to be answered and schedule available times to have discussions. For the questions that are more personal in nature, you may want to have one-on-one times available. For the questions that are more organizationally related, you may want to schedule some group formats to inspire collaborative sharing and discussion to utilize the collective genius of the group.

My last question for you is the

following: **What will you do with the content of this article?**

(Karen Woodard-Chavez is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Mexico. Karen has owned eleven different businesses, successfully sold nine of them and continues to operate two. Karen consults with and trains staff throughout the world on sales, complete communication, management and leadership. These services are offered on-site, online and through her books, manuals and DVDs. Karen can be reached by email at karen@karenwoodard.com or phone at 303-417-0653.)

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ClubReady Adopts a Progressive Structure to Meet Needs of the Fitness Industry

ST. LOUIS, MO - ClubReady announces a new structure and commitment to service and customer experience in the fitness industry.

With rapid growth over the last 10 years, the fitness industry shows no signs of slowing down. As fitness studios work to meet the experience demands of their members, these same studios are raising the bar of service expectations with their partners. To succeed as a SaaS company in the fitness industry, organizations must emphasize the "service" component of software-as-a-service.

ClubReady has kept pace with the industry and seen tremendous growth over the last few years, supporting some of the most important brands in the

industry. To meet the service needs and expectations of the fitness business of the future, ClubReady is adopting a new service-oriented structure. This customer-centric operations department will focus on the entire lifecycle of a ClubReady client. From implementation through onboarding, training, support and even future technology projects, it will ensure that customers receive industry-leading service that exceeds expectations at every step and drives their individual success. Leading this mission as the *Vice President of Operations* will be **Melissa Knowles**.

"We are fortunate to have Melissa take on the Vice President of Operations role at ClubReady. She has an unparalleled

track record of success building businesses in the fitness industry," said *ClubReady President, Darol Lain*. "Working closely with her this past year has convinced me there isn't a better person to lead ClubReady through our next stage of rapid growth."

With nearly two decades in the fitness space, Melissa has led a number of industry-forward initiatives focused on preparing studios for the future of the member experience. "I'm beyond excited to take on this opportunity. It's been wonderful leading our GYM HQ team for the past five years, and it's really helped me intimately understand the needs of our clients," says Melissa. "We're here to serve as success partners as clients grow their



businesses, and I look forward to helping ensure ClubReady rises to that challenge. This industry is what I know and love, and I have a great team next to me to take us into the future."

As the future of the fitness industry continues to center on the member experience, ClubReady is committed to providing the technology, services and support required to exceed the expectations of fitness studios and their members. This new service-oriented structure is just one more example of this commitment to customers and the member experience.

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Thanks and Appreciation

At **Club Insider**, we are excited to be in our **26th Year** of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing 26-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of **Atlanta's Hudspeth Report** for the tremendous assistance they provided us during *our first eight years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our **304** monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over a decade of continuous advertising with us. We also want to say sincere **Thanks and Appreciation** to all of our **Club Insider Contributing Authors**, past and present, who've contributed *thousands* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for **Club Insider** when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 26 years now, has truly been a fantastic partner for his Dad in **Club Insider**. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing a majority of our cover stories each year.

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

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

Norm Cates, Jr.

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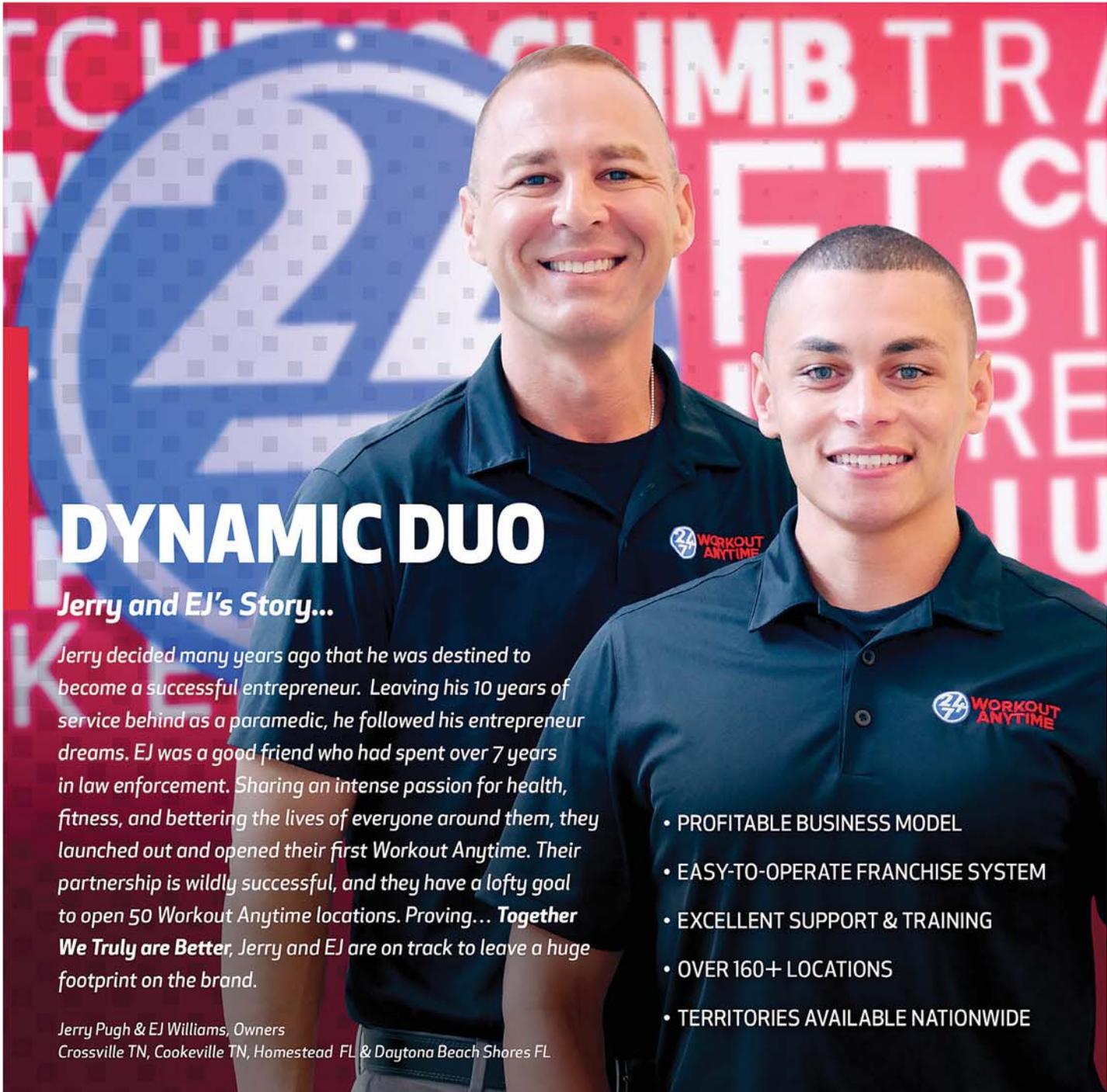


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Jerry and EJ's Story...

Jerry decided many years ago that he was destined to become a successful entrepreneur. Leaving his 10 years of service behind as a paramedic, he followed his entrepreneur dreams. EJ was a good friend who had spent over 7 years in law enforcement. Sharing an intense passion for health, fitness, and bettering the lives of everyone around them, they launched out and opened their first Workout Anytime. Their partnership is wildly successful, and they have a lofty goal to open 50 Workout Anytime locations. Proving... **Together We Truly are Better**, Jerry and EJ are on track to leave a huge footprint on the brand.

Jerry Pugh & EJ Williams, Owners
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