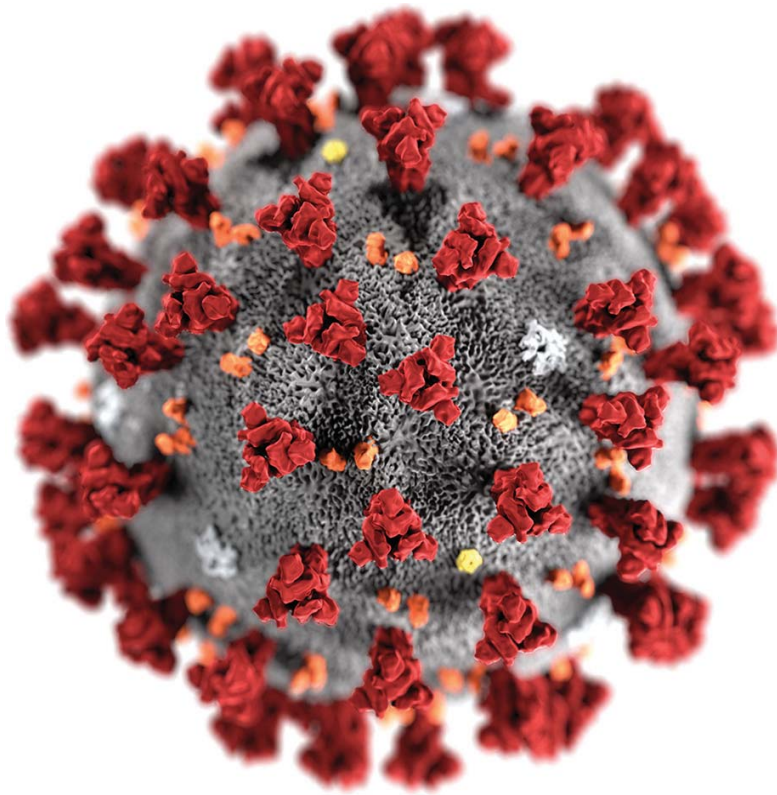


Norm Cates'

# CLUB INSIDER

CELEBRATING 27 YEARS OF TRUST

## Special Edition



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# COVID-19

**APRIL 2020**

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# CLUB INSIDER

CELEBRATING 27 YEARS OF TRUST

## COVID-19

### The Coronavirus Crisis - Part I

By: Justin Cates

"Good Day. I hope this finds you well." If you have ever received an email or online message from me, that is my standard greeting. Over the years, I have always meant it. On the phone, I begin with the same sentiment, the first part of my call always being to see how the person on the other end of the line is doing. If you've met me in person, once again, it's the same. Every time.

I admit... This has become habit. It doesn't mean I don't mean it, but it is a habit. Recently, though, it has just meant more. Now, I take a pause before writing or saying the usual. I read or listen a little bit deeper when receiving a response. Then, I respond accordingly and with conviction.

Since a week or two into the COVID-19 pandemic, the Coronavirus Crisis, I have amended my usual greeting to now say, "I hope this finds you as well as can be during these times." Within that statement, I mean several things... I hope you are healthy. I hope your family is healthy. I hope your team is healthy. I hope your members (or other customers) are healthy. And, I hope your health and fitness club business is hanging in there.

There's a lot that can and is going wrong within those statements because of COVID-19; thus, *I hope you are doing as well as can be during these times. Wherever you are, whatever you are going through, know that you are not alone.*

These times are rough. With the exception of those few people left who lived

through *World War II*, we have not known something like this. And, with even fewer exceptions, we definitely do not know what living through a global pandemic is like. Because of that, all of us are now living through the truly unknown. But, there is no reason to be ashamed of being scared. There is no reason to be ashamed of taking precautions to survive and ensure the survival of family. There is no reason to be ashamed of having a bad day here and there as these weeks and months pass.

All of that being said, we cannot give in to that fear. **HOPE** must rule the day. And, **PURPOSE** can guide the way.

#### HOPE and PURPOSE

My hope for this cover story is to

instill greater conviction in your *purpose* than ever before.

Your *purpose* can, has and will continue to instill *hope* in others.

**WE are all in this together.**

For this cover story, *Club Insider* checked in with friends across the industry to see how they are doing, actions they are taking to survive and what they will do to thrive once this crisis is behind us all.

What follows are the responses to a non-statistical survey conducted by *Club Insider*. Too much information was submitted to present in its entirety, but the information to be presented will be done so across a two-part cover story:

(See **COVID-19** Page 8)

## Justin Cates Named Publisher of Club Insider

MARIETTA, GA and CLERMONT, FL - *Club Insider* announces that, effective April 5, **Justin Cates** has been named *Publisher* of *Club Insider*. Accordingly, **Norm Cates'** title will be slightly modified from *Publisher* and *Tribal Leader Since 1993* to *Founder and Tribal Leader Since 1993*. The **Team of Justin Cates and Norm Cates** will continue together to produce *Club Insider* each month.

Justin began his duties with *Club Insider* in 2000 as a part-time job, assisting with editing, layout design, mailings and website design/maintenance. Throughout the rest of high school and college, he added role after role, easing day-to-day

operational pressures off of his Dad, Norm Cates, and further building his own knowledge of the business.

During his senior year of college, Justin studied deeper elements of the company for months in order to author his *Senior Thesis* as a student of the *Terry College of Business at the University of Georgia*. In 2008, that study led to his full-time involvement with the company, this time, running most of the day-to-day operations.

That has continued for the last 12 years. Fast forward to now, having been essentially groomed for this role and having proven himself in the day-to-day operations

of the company, Justin is fit and ready to become its *Publisher*.

"To say that I am honored and very proud to announce that Justin Cates, a young man of huge talent, great focus and 100% dedication to our cause, is now the *Publisher of Club Insider*, would be a huge understatement. I want to congratulate Justin, and I wish him very well as we move forward with this edition, our 316th monthly edition of *Club Insider*. I will continue my 27+ year involvement with the new title of *Founder and Tribal Leader Since 1993*, and my monthly *Norm's Notes* column will continue each month," said Norm Cates.

(See **Justin Cates** Page 7)



Justin Cates

## Inside the Insider: Edition #316

■ Exercise IS Medicine! - By: Mike Alpert

■ How to Navigate Change Amid COVID-19 - By: Jim Thomas

■ Saving Sales During the COVID-19 Crisis - By: Casey Conrad

■ Coronavirus Legal Considerations for Health Clubs - By: Paul R. Bedard, Esquire

■ How to Keep Your Gym Going Strong During and After COVID-19 - By: Jon Butts

■ A Letter to Clients From Karen Woodard-Chavez - By: Karen Woodard-Chavez

■ We Got This! - By: Derek Barton

■ And, of Course, *Norm's Notes*

## Norm's Notes

■Hello Everybody! This is your Club Insider Founder and Tribal Leader Since 1993 checking in with you via our 316th Monthly Edition! We are all in this together, folks, and I, for one, wish you, your family, your club team and your members the best of health and safety as we all endure the most challenging times ever in memory.

■Is AMERICA a great country, or what!? Hmm... hmm... hmm... As I think about our country's response to the COVID-19, the Coronavirus Pandemic, it makes me sad to see what's happening to our great country. At the same time, I am also GLAD we are in America. The federal government of the United States and the governments of most of the individual states have had quite a challenge responding to the virus. Folks, never forget that we are all in this together, and please make an effort to help your friends and neighbors any way you can.

■I sit here today on Saturday Morning, March 21, 2020, the second day of Spring, and as I write this, I wonder how YOU are doing. How about your family, team members

and club members? Please check in with me at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com). When I think about the last few weeks of this year, I am pinching myself and asking the question, "Is this for real, or is this a nightmare that I haven't awakened from it?" It has to be a scary movie, right? Well, guess what... I have awakened, just like YOU did this morning, and I discovered this nightmare is REAL!!! So, let me suggest prayer... Lots of prayer!

■Folks, I'm very blessed and honored to announce that JUSTIN CATES, my son and partner in this family business, is now at the helm of Club Insider as its Publisher. Justin has grown up with Club Insider and the wonderful health and fitness club business world, so I can think of NO ONE more qualified to take the Publisher's job. See the Press Release that begins on Page #3.

I will continue to be involved in the business with the new title of Founder and Tribal Leader Since 1993 (as you might have noticed in the first Norm's Note). My role will be to help Justin any way I can, and you can rest assured that I will continue to

write Norm's Notes each month!

But, let me mention now that, to repair my vision, I must have cataract surgery on my left eye. Unfortunately, doctors are telling me that this will not happen for several months because elective surgeries are currently prohibited because of the Coronavirus. So, please be patient with me as I strive to get back to normal with my eyesight. Thank You.

■JUSTIN and I want to express our most sincere APPRECIATION to our Great Team of Club Insider Advertisers who have stuck with us through these tough times:

Premium Positions:

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Wealth of Wellness;  
Zeamo.

Off Month:

Augie's Quest;  
Club Industry;  
Health Club Experts;  
IHRSA.

■JUSTIN and I want to also express our most sincere APPRECIATION to the Great Team of Club Insider Authors who, this month, have produced some important Coronavirus-oriented content that can help your health and fitness club business: Casey Conrad, Derek Barton, Jim Thomas, Jon Butts, Karen Woodard-Chavez, Mike Alpert and Paul R. Bedard, Esquire.

■From Augie and Lynne Nieto: Watch "Augie" for free now! The documentary follows Augie and Lynne Nieto in their fight to cure ALS. Theirs is a remarkable story, an unlikely and enduring love story, one that also is changing the way ALS treatments and research are funded and advanced, with exercise and fitness a key piece of the puzzle. Despite ALS, the couple is literally changing the course of this horrific disease. Go to [bit.ly/clubinsider89](http://bit.ly/clubinsider89) and use the password: [lif3cyc13](http://lif3cyc13).

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

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Norm Cates

Publication. If the words "PROMOTIONAL COPY" appear above your name and address on the cover of this month's edition, you are not a Paid Subscriber, so you are not enjoying the full benefits of a Paid Subscription to Club Insider, which includes new print and online editions and online access to all previous 27 years of Club Insider's 316 archived monthly editions. So, don't delay! Subscribe today for just \$89 for one year, \$149 for two years or \$10 a month by going to [www.clubinsideronline.com/subscribe](http://www.clubinsideronline.com/subscribe).

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

■But, wait, there's more! GOD BLESS OUR EMTs and FIRST RESPONDERS, NURSES, DOCTORS, LAB TECHNICIANS and ANYONE who is helping make Coronavirus a thing of the past. You and your families are our warriors in this tough fight!

(Norm Cates, Jr. is the Founder of Club Insider, now in its 27th year of publication, and its Tribal Leader Since 1993. He is a 45+ year veteran of the health, racquet and sportsclub industry. As IHRSA's First President and a Co-Founder of the Association with Rick Caro and five others, in 1981; the 2001 DALE DIBBLE Distinguished Service Award winner, one of IHRSA's highest honors; and Club Industry's Lifetime Achievement Award winner in 2017, Norm Cates, Jr. is a highly decorated veteran who cares about you. And, he wants to hear from you. Norm can be reached by phone at 770-635-7578 or email at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com).)

### About Club Insider

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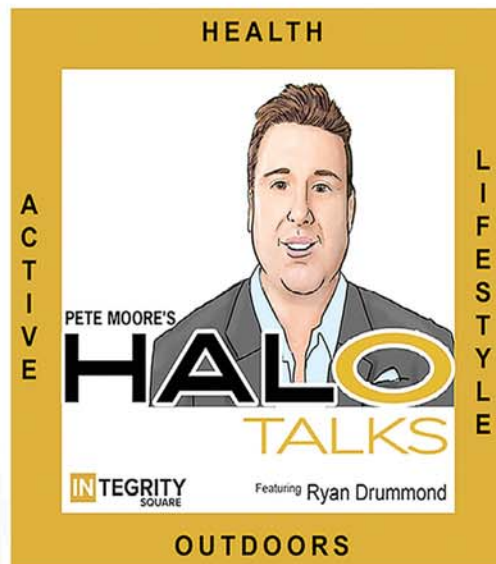
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# Exercise IS Medicine!

By: Mike Alpert

I want you to know that, as I watch and listen to news and business channels, I am incredibly proud of our country. How we are handling this terrible COVID-19 virus and the efforts being made by doctors, nurses, scientists, first responders, economists and too many others to mention

in my article is inspiring and uplifting. I have felt for years that, if we could get the public and private sectors to work together, we would achieve things that no one ever thought possible. And, as it is showing as we battle this pandemic, it can work with our health care system if we can get the experts in fitness to begin working together with them to promote *Exercise is Medicine*.

Where has it been more critical than the unprecedented time we are living in now? Think of the angst and anxiety that millions and millions of people are under right now, worldwide. People are out of work; worrying about paying for their living expenses; seeing their retirement plans shrinking daily and scared of a disease that is invisible yet can be deadly. Businesses, as well as our clubs, are being forced to shut down by our Governors, and the economy is on the brink of financial crisis. And, what do we know about exercise? It helps improve the immune system, helps with anxiety and depression and is proven to reduce the occurrence of many chronic and serious illnesses.

In my opinion, it should not only be highly recommended during this pandemic, but all year and every year going forward, and it should be financially supported by our government and by governments around the world. If we can get people off the couch and moving and exercising, we will keep them in better health and out of the hospitals, and thus, reduce the financial strain on the health care system while promoting healthy, independent living. Yet, in many states, government actually taxes membership dues and puts more burden on health clubs rather than seeing them as part of the solution to the problem.

As I write this article, I am in daily contact with my co-workers and teammates as we strategize on how to keep our members connected and engaged and how to keep our clubs from failing. Many of us are doing the same things, such as putting up virtual exercise and educational videos that are accessible via our websites, tablets and TVs (by streaming). All of this is critical, and you are hearing it from numerous sources, so I do not want to dwell on it here. Rather, I want to focus this section of my article on what our clubs are doing to remain solvent and prepared once we are safe to once again open our clubs for business.

Most independent clubs that are not publicly traded and have not been funded with private equity don't find themselves in cash positions that allow them to sustain a long-contracted shutdown of their business and are forced to take pretty drastic actions. Some are allowing members to freeze their memberships, which eliminates any revenue stream going to the club, even as some operating costs continue. In many of these instances, this has resulted in massive layoffs of valued employees. We all know that most members do not want to continue to pay for services, such as membership dues, that are not available. The simple solution is to request a freeze of their dues, which then allows them to begin paying once the club is back in operation. But, this obviously



Mike Alpert

puts a tremendous burden on the club and can result in the permanent closure of the club.

Some clubs have reduced the dues they are charging during this shutdown by as much as 50 - 70% in order to keep a percentage of their membership base and still have some stream of revenue coming in, but that also leads to cutting labor costs at some time soon. An option that could make sense for you would be to offer your members the option of continuing to pay their regular dues for April and May with the promise that you will repay them for those dues via a 30% discount off their regular dues once you reopen over 12 months. This way, you continue to have cash coming in to pay your staff; the member is doing something really commendable for people who have served them; and they receive their dues back. You can also offer other perks to them for doing this, like a discount off of products and services for a 30-day period after you reopen; guest passes, etc.

I want to finish this article with a statement that is on the wall of the *World War II Museum* in New Orleans, "It is how far you bounce back after you have hit the bottom that is the mark of success." We will win this battle and come out of it with more compassion and pride as an industry together.

## Exercise is Medicine!

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



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## How to Navigate Change Amid COVID-19

By: **Jim Thomas**

While all of us in the gym business settle in and wait for the pandemic to pass, we need to recognize that this could end up being a significant opportunity for your gym if you choose to expand and advance into the market place. But, it will require work and courage. Don't just sit and wait; develop a strategy, so that when this is over, you're prepared to advance. Here are some thoughts on what needs to be done now:

**1. Need to Get Our Head Right.** Here's what you need to remember: this is temporary, this will end and we will get through this. It's important that you give power and focus to the solutions, not just focus on the problem. Here's what you need to know; people will still buy from you, and the economy will prosper soon. Gyms will reopen, but not all of them; let's be sure you are one that repoens.

**2. There Will Be Two Types of Gyms.** I'm already seeing this, but there will be two types of gym operations. There are those gyms that will contract; they are in full retreat or are choosing to do nothing. The other will be those gyms that take this as an opportunity to expand and build relationships in the marketplace, so that when this is over, they will prosper. Take this time to use any available resource to expand into the marketplace. With so many gyms in retreat, this is the ideal time to grab market share. The big question you want to ask yourself is: What kind of shape will you and your business be in when this is over? Will you be prepared?

**3. Don't Make This Mistake.** I've seen this one too many times to count, but don't tell your members that you had to "close" or that you're "shutting down." There are better ways to say this. It simply sends the wrong message. All of a sudden, you've created uncertainty and people want to cancel. Instead, simply let your member base know that, as a result of the current environment, on a temporary basis, you will be coaching or serving them in a different manner. The real message here is that business continues, and for those who have taken this approach, they have been

rewarded with positive results.

**4. Keep Your Members.** There are two really big things that need to happen here; you need to over-communicate with your members, and you need to bring unprecedented value. This can be such things as live video streaming, closed Facebook Pages, workout of the day, 30-day challenges, online expert Q&A sessions, accountability calls, group calls just to have fun and interact, etc. Also, don't forget to focus on doing business, continue to provide scheduling and event updates for this month, next month, etc. Have a referral contest.

**5. Keep Selling.** Revenue is the oxygen for your business; that's not going to change. Continue to have expectations and a plan to produce. People will still buy from you, but you will have to ask. Don't let anyone guilt or shame you into thinking that selling is a bad thing. When you think about selling, think pre-sales and that same mindset. You can sell memberships, personal training, kid's programs, paid trials, deal of the day specials, retail, nutrition, etc. People will buy, but you will have to ask.

**6. What Kind of Shape will you be in when this is over?** Business and sales fundamentals will be more important than ever. This is an ideal time to hone your skills and develop business strategy, such things as sales process, the second sale, follow-up and retention will be more important than ever in a new economy and new marketplace. Will you be ready? *We're not going back to normal.*

**7. For those that advance and expand into the marketplace.** For those that survive, there will be an opportunity to acquire the assets of closing clubs. I suggest you write a plan of action right now that prepares you for when this is over. Be ready. **Will this be difficult? Yes. Will this take courage? Yes. Can you do it? Yes.**

*(An outsourced CEO and expert witness, Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting, turnaround and brokerage firm specializing in the gym*

*and sports industry. With more than 25 years of experience owning, operating and managing clubs of all sizes, Thomas lectures and delivers seminars, webinars and workshops across the globe on the practical skills required to successfully overcome obscurity, improve sales, build teamwork and market fitness programs and products. In addition, his company will buy gym equipment from gyms liquidating or closing clubs. Visit his websites at [www.fmconsulting.net](http://www.fmconsulting.net) or [www.jimthomasondemand.com](http://www.jimthomasondemand.com).)*



Jim Thomas



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### ...Justin Cates

continued from page 3

Norm continued, "I want to **THANK YOU ALL** very much for your support of *Club Insider*, and I urge you to continue to keep up with and learn more about our great industry via our weekly and monthly editions. **STAY TUNED!** And, warmest regards to you all!"

Thankfully for Norm, Justin and *Club Insider*, not much changes operationally. It was planned this way in order to provide a consistent experience for *Club Insider's* Advertisers, Authors and Readers. This is only the beginning of the

next chapter of the story of *Club Insider* that Norm Cates started 27 years ago in 1993. *Club Insider* is a stalwart of the health and fitness club industry, and you can rest assured that it will continue that way.

"The journey of working with my father for the past 20 years has been one of my life's greatest experiences, and I am thankful it will continue that way. I am also thankful for the opportunity to have earned the title of *Publisher*, as well as the great **TRUST** being conveyed onto me with that title," said Justin. "To all of our *Advertisers*, *Authors* and *Readers*, I look forward to serving you for years to come."



## ...COVID-19

continued from page 3

**■Part I - The Closing** - This month, we will present data around the closures of the clubs that participated in the survey and actions they are taking to sustain their organizations while closed. Additionally, *IHRSA's Meredith Poppler* will provide an update of what the Association has been doing for its members. And, we will present several stories that are meant to assist and inspire as we all work through COVID-19.

**■Part II - The Re-Opening** - Next month, we will present the timelines and issues expected by club owners as the industry ramps back up. Because Part II of this cover story is still being written, I welcome your submission. If you would like to participate, please email me at [justin@clubinsideronline.com](mailto:justin@clubinsideronline.com), and I will send you a few questions that can greatly assist in that writing.

**■Within both COVID-19 Special Editions of Club Insider**, our *Contributing Author Team* will present pertinent articles that can assist you through both dynamics of this crisis: *The Closing* and *The Re-Opening*.

### The Closing

As businesspeople, we plan for so many things. What do we do if *this* happens? What do we do if *that* happens? Well, what do we do if *nothing* happens? Literally, what do we do when we can do *nothing*? We can't be open, but we must operate. We are closed, but we will eventually need to reopen. We now live in a world that has shut down. What does that look like elsewhere? What are others doing to survive?

The following are survey answers from participating clubs related to the scope of their organizations, number of people (staff and members) affected, when and how they made the decision to close and actions they are taking in the interim:

### ACAC Fitness Centers

Phil Wendel, Owner

**Facilities:** 12

**Staff Members:** 1,600

**Club Members:** 70,000

**Membership Status:** N/A



Phil Wendel

**Date of Closure:** Various  
**Government Mandated:** No  
**Deciding Factor:** N/A

### Survival Methods:

**■We** are not 'overly leveraged,' but our lender has deferred our principal and interest payments for three months (April, May and June).

**■We** are negotiating with our landlords on 'rent relief' for a reasonable period of time.

**■We** notified our 32,000 members that we will not be billing in April, but we asked if any of them would like to opt-in to pay their April dues: 4,500 agreed to allow us to bill them, 14% of our total membership. That money will be used to pay health insurance and payroll for an additional pay period. We told them we'd add one month to their membership and provide them with a 'bonus' ACAC gift card. We all felt the response was overwhelmingly positive.

**■We** told our employees who work less than 15 hours per week that they should apply for unemployment; we told our employees who work 15 to 30 hours per week that we'll pay them a certain percentage of their last two weeks of pay. We're doing the same with full-time. With the passage of the new law, many of our employees will be doing fine with unemployment and the payments from the government.

**■I've** never been the smartest person in the room, but I've always surrounded myself with people who know things I don't know. Here are a few of my recommendations: (1) Negotiate with your bankers and landlords for debt payment relief and rent relief. (2) Surround yourself with your best minds. (3) Make sure you have great legal counsel and a great CPA firm. (4) Take care of as many of your people as you can and take 'especially great care' of your best people.

### The Atlantic Club

Pat Laus, Owner & CEO

Kevin McHugh, COO

**Facilities:** 2

**Staff Members:** 725

**Club Members:** 9,000 (25,000+ additional monthly customers)



Pat Laus

**Membership Status:** Cancelled: 5 - 10%;  
Leaves of Absence: 25 - 30%; Remaining  
Full-paying Members: 60 - 65%.

**Date of Closure:** March 16  
**Government Mandated:** Yes

### Survival Methods:

**■We** completely shut down all operations and have reduced all utility usage as much as possible. We are still operating our pool filters and pumps as well as our tennis bubbles.

**■We** have successfully worked with our Red Bank facility landlord and have worked closely with our bank to secure their support through various relief initiatives and processing upcoming Government relief loans.

### Chelsea Piers Connecticut

Greta Wagner, Executive Director/EVP

**Facilities:** 3

**Staff Members:** 1,600

**Club Members:** 18,000

**Membership Status:** Cancelled: 10%;  
Leaves of Absence: 20%; Remaining Full-paying Members: 70%.

**Date of Closure:** March 13  
**Government Mandated:** No

**Deciding Factor:** We decided to close prior to the government mandate because we felt it was socially responsible to protect the health of our members, customers and staff. We consulted with medical professionals with experience in infectious diseases. We have many customers and members of all age groups and hundreds of staff. We felt that the close contact was too much of a risk for everyone's safety.

**Survival Methods:** We are evaluating each bill and speaking with vendors, landlords and banks about timelines and deadlines. The entire world is in the same position, so we are finding that, in general, our vendors are all very understanding, and we are making it work.

### Cincinnati Sports Club

Mary Frank, Sales and Marketing Manager

### Survival Methods:

**■The** club immediately contacted all

independent contractors and vendors for a number of reasons. It was important to maintain our partnerships, find creative ways to reduce expenses and place orders of necessary supplies for the proper closure of the facility as well as to have on hand when we reopen. Some of our monthly recurring vendor invoices have been reduced during the shutdown; we asked them for their monthly overhead costs and are trying to pay them that.

**■All** non-essential lights have been turned off. The facility operations team is utilizing systems and shutdown procedures as it relates to our indoor aquatic facilities to reduce expenses and appropriately manage HVAC costs.

**■We** greatly expanded the heat/cool schedule for HVAC so there is minimal heating and cooling done while we are closed. We will be draining our indoor pools to eliminate the need for climate control in those areas and further lower HVAC needs.

**■The** club is in constant communication with our bankers and lawyers to collaborate with and navigate through the best resources available to ensure the company is financially strong in the short- and long-term.

### The Claremont Club

Mike Alpert, President/CEO

**Facilities:** 1

**Staff Members:** 260

**Club Members:** 10,000

**Membership Status:** Cancelled: 4 - 5%;  
Medical Leave: 1%; Remaining Full-paying  
(See COVID-19 Page 10)



Mike Alpert



Kevin McHugh



Greta Wagner





## **Problem Solved**

### **1. Not selling enough PT.....**

VFP increases personal training revenue.

### **2. Need to increase the average member spend....**

VFP tablet tour optimizes your sales presentations.

### **3. Inconsistent sales preso ....**

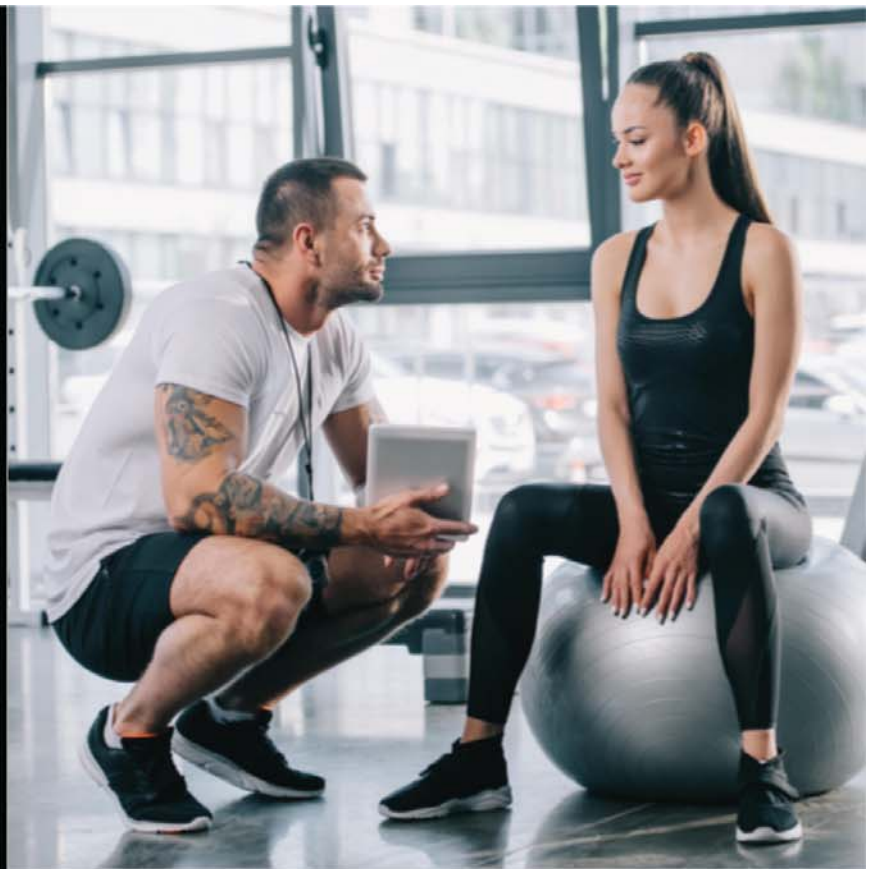
VFP standardizes the sales presentations to scale for large club organizations.

### **4. Managing guest passes and waivers ...**

VFPnext has the most robust guest management and waiver systems available in the health club industry.

### **5. Losing leads - No CRM.....**

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**To speak with a VFP team member, please call (877) 837-1212**

## ...COVID-19

continued from page 8

Members: 94 - 95%.

**Date of Closure:** March 16  
**Government Mandated:** No

**Deciding Factor:** The news coming out of the medical community and the state and federal government.

### Survival Methods:

■ Our bank offered to defer our mortgage payment for 90 days until July 16, which shores up about \$250,000 of cash flow. We have no other debt and nothing outstanding on our line of credit, and we have no aged payables. All of this helps immensely. We are in the process of having our line of credit increased as a precautionary measure. Utilities will be largely reduced during the shutdown. We expect to support our vendors during this time, but total operating expenses will be minimal.

■ We did not give members the option to 'freeze' their membership unless it was for a medical reason with appropriate documentation. If we did not do that, we felt it would put the club in a very serious cash flow position without furloughing most of our valued staff and putting them on the unemployment line. For me, that was and is not an option. For those members who were willing to continue to allow us to draft their regular dues (with the understanding that all of this would go directly to pay all 260 of our staff, including full-time, part-time and commission-based their average rates from January 1 through March 15), we would pay them back 100% of the dues that were drafted for every week/month we were closed via a 30% discount off their regular dues rate once we reopen over a 10 - 12 month period.

**Crunch Fitness West Florida/Atlanta**  
**Geoff Dyer, President**

**Facilities:** 21  
**Staff Members:** 1,200  
**Club Members:** 160,000  
**Membership Status:** Cancelled: 20%; Leaves of Absence: 10%; Remaining Full-paying Members: 70%.



Geoff Dyer

**Date of Closure:** March 20  
**Government Mandated:** Yes

**Survival Methods:** We are contacting all landlords to get two months of rent abatement (not deferral) and/or renegotiate existing leases in to new, longer-term leases with free rent included and/or tenant improvement allowances.

### DMB Sports

**Carol Nalevanko, President**

**Facilities:** 4 health clubs, 1 tennis center  
**Staff Members:** 900  
**Club Members:** 12,000 memberships  
**Membership Status:** At this time, we are not billing any member dues, so we do not have a good idea of the number of cancels or freezes at this time.

**Date of Closure:** March 16  
**Government Mandated:** No  
**Deciding Factor:** Safety of our employees and members. All schools were mandated to close on March 13, so many employees could not come to work because they had to stay home with their children. It was getting harder to operate our clubs to our high standards with employees unable to work their shifts or teach their classes as well as trying to keep the facilities sanitized and safe for employees and members.

### Survival Methods:

■ We have cut all monthly operational expenses to the bare minimum.  
■ We have furloughed the majority of our employees as of April 17.

### Newtown Athletic Club

**Jim Worthington, Owner**  
**Linda Mitchell, Director of Public and Government Relations**

**Facilities:** 1  
**Staff Members:** 350  
**Club Members:** 12,000  
**Membership Status:** N/A

**Date of Closure:** March 15  
**Government Mandated:** No  
**Deciding Factor:** Because of the Governor's strong recommendation, we felt closing was the prudent response to

protect the health and safety of our members and employees. There were a few local clubs that did not close initially, and as a result, they received very negative feedback on social media. Of course, they eventually complied.

### Survival Methods:

■ All expenses, where possible, have been put on hold by negotiating with our banks, vendors, etc. This allows us to conserve funds as no revenue is being generated.

■ We are also applying for SBA support where applicable.

### Saco Sport & Fitness

**Scott and Beth Gillespie, Owners**

**Facilities:** 1  
**Staff Members:** 64  
**Club Members:** 4,000  
**Membership Status:** Remaining Full-paying Members: 80%.

**Date of Closure:** March 17  
**Government Mandated:** No  
**Deciding Factor:** Our understanding of the risk we would be putting our members our staff and the greater community in.

### Survival Methods:

■ We laid off all but five key staff.  
■ We are working with the bank to refinance.  
■ We shut off all recurring non-essential vendor costs.

### Stone Creek Club & Spa

**Larry Conner, General Manager**

**Facilities:** 1  
**Staff Members:** 186  
**Club Members:** 5,000  
**Membership Status:** Cancelled: 1%; Leaves of Absence: 5%; Remaining Full-paying Members: 94%.

"We informed our members that they would not pay any dues for the time the club is closed, so the 'leaves of absence' figure represents those who have contacted us to extend their membership freeze beyond our projected opening day.

**Date of Closure:** March 16  
**Government Mandated:** Yes

### Survival Methods:

■ We have gone through our entire G/L (general ledger) and suspended or reduced any services and vendors that we can down to the minimum to maintain the club in a 'shutdown' state while anticipating a reopen of all services in the next 30 - 60 days.

■ We are paying staff as they would normally be scheduled through the end of April, and we will evaluate the future as we receive new information from local and state authorities. Some of our salaried management team are performing some repairs and upgrades we would normally pay outside vendors for during the club closure.

(See COVID-19 Page 14)



Larry Conner



Scott and Beth Gillespie



Carol Nalevanko



Jim Worthington



Linda Mitchell



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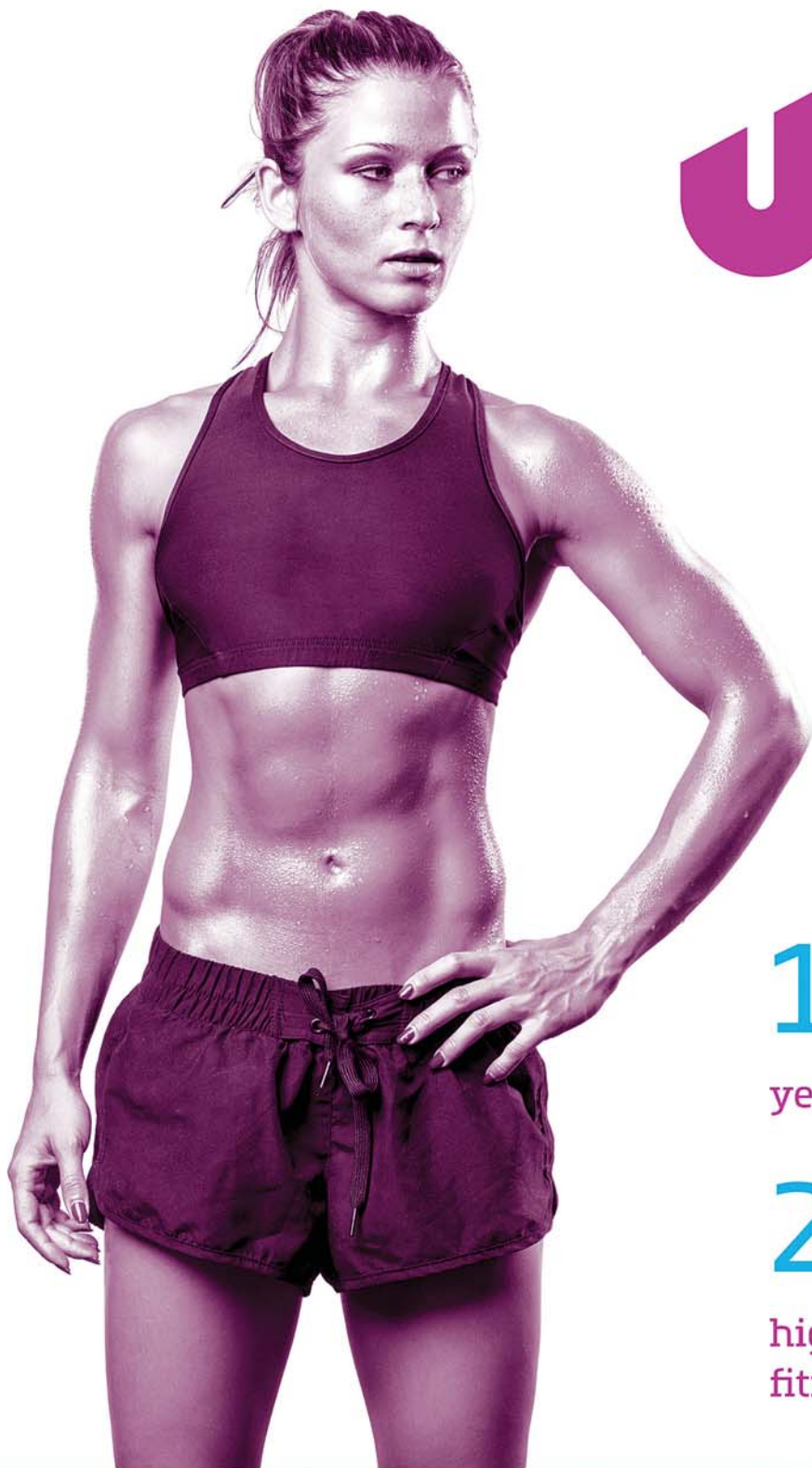


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## ...COVID-19

continued from page 10

### VASA Fitness

Rich Nelsen, CEO

**Facilities:** 45

**Staff Members:** 3,000

**Club Members:** 380,000

**Membership Status:** N/A

**Date of Closure:** March 17

**Government Mandated:** No

**Deciding Factor:** With the health and wellness of our community at the core of everything we do, we believed that proactively closing all VASA Fitness locations was the right move. We made this tough decision based on guidance from medical experts and state and federal officials who had put in place measures for social distancing and group activities to prevent the spread of COVID-19.

### Survival Methods:

■ VASA has furloughed 2,900 employees across clubs and corporate teams. Our priority is taking care of our people while also taking care of the business, so our employee health insurance will be covered 100% by VASA for at least the next 30 days and as long as we can afford to continue. After 30 days, we will assess the situation on a month-to-month basis.

■ When we made the tough decision to furlough the majority of our employees, we carefully reviewed the business-critical work and made sure we had the team in place to manage that work during closure. Employees will be brought back in phases based on the business necessity of their roles.

### Wellbridge

Ed Williams, CEO

**Facilities:** 19

**Staff Members:** N/A

**Club Members:** N/A

**Membership Status:** Cancelled: 6 - 8%; Leaves of Absence: 40%; Remaining Full-paying Members: 52%.

**Date of Closure:** Week of March 15

**Government Mandated:** Yes



Rich Nelsen

### IHRSA's COVID-19 Resources & Advocacy

Meredith Poppler, VP of Communications & Leadership Engagement

As soon as word got out that clubs were being impacted by the Coronavirus, well before we had to cancel the IHRSA Convention, IHRSA formed a *Crisis Communications Team*. The team immediately went to work, looking at what the industry would need to stay open, survive forced-closures and then re-open when allowed. The amount of incredibly helpful content and resources that was developed out of that team effort is truly amazing.

At the same time, IHRSA's *Government Relations Team* jumped into action to ensure that the entire fitness industry would be included in relief efforts (I've included information on advocacy and ILC efforts after the resources).

**Resources:** Just some examples of new content and resources that have been released, totally free to the entire industry, include:

■ **IHRSA.org/Coronavirus** - This web page is a clearinghouse for every resource, whether webinar, article, forum, video or link to services provided by industry suppliers.

■ **The IHRSA Forum** - Provides a space for club operators from all over the world to ask questions, share advice and learn from others ([forum.ihrsa.org](http://forum.ihrsa.org)).

■ **Webinars** - IHRSA launched the *Coronavirus Conversations Webinar Series* on March 17, which already feels like years ago.

*Operations Recap - Part I:*  
[bit.ly/clubinsider85](http://bit.ly/clubinsider85)

*Operations Recap - Part II:*  
[bit.ly/clubinsider86](http://bit.ly/clubinsider86)

*Recap of Legal and Staffing:*  
[bit.ly/clubinsider87](http://bit.ly/clubinsider87)

**Advocacy, Increasing Industry Firepower:** IHRSA, subject to industry financial support, is immediately retaining four Washington D.C. lobbyists to assemble a cohesive lobbying team with strength in both the House of Representatives and

the Senate, with reach among Democrats and Republicans:

- **McGuire Woods Consulting** (new);
- **Capitol Hill Policy Group** (new);
- **Public Strategies of Washington** (new);
- **Van Scoyoc Associates** (IHRSA's existing lobbyist, increasing their scope).

**Funds Required for this Increased Firepower:** Because of this urgent need for added firepower, the immediate need is **\$200,000**. Club companies across the country must contribute emergency funds. 100% of your investment will be allocated to this immediate effort in Washington, D.C.

To contribute to this important cause, please contact **Meredith Poppler** by phone at **(617) 316 - 6750** or email at [mpoppler@ihrsa.org](mailto:mpoppler@ihrsa.org).

### Newtown Athletic Club Becomes a Field Facility for Local Hospitals

**NEWTOWN, PA** - In March, the *Newtown Athletic Club (NAC) Owner, Jim Worthington*, reached out to local, state and federal government to donate NAC facilities and the Newtown Sports Training Center for any emergency use due to the COVID-19 crisis.

Bucks County Emergency Services accepted the offer, and the NAC prepared the space for 300+ beds for overflow hospital needs. The space was ready for patients on Friday, April 10.

As stated by NAC Owner, Jim Worthington, "Since 1978, the NAC has stood as a staple and cornerstone of the community during some of our nation's most difficult and trying times. This hard time is no different; it is our privilege to be able to contribute and support our community in this small way."

The Newtown Sports Training Center is a 40,000 square-foot indoor fieldhouse designed for sports activities and special events such as large celebrations, exhibitions, car shows and much more. As a large open indoor space, it is perfectly suited to house this type of temporary emergency service. Having this overflow space available so close to area hospitals is critical to dealing effectively with the potential community need during this time.

**Linda Mitchell**, *Director of Public Relations and a 39-year NAC employee* explained, "After 42 years of service to the community, we have never faced a situation such as this, and we are grateful to have the resources to support our community and country." *Bucks County Chair of Commissioners, Diane Marseglia*, has expressed on behalf of all the commissioners and the county her gratitude for this gesture of support.

### Wealth of Wellness Offering FREE Done-for-You Services

**LIMA, OH** - Donna Krech, 38-year industry

veteran and Founder/CEO of several companies that serve health clubs, wellness boutiques and personal training studios, has announced the member retention and EFT increase results she and her team are achieving, in the midst of COVID19, with locations across the nation. She is also announcing her intention to provide these services in *done-for-you fashion, free of charge*, during this challenging time, to any club needing help.

Krech and her her team understands that club owners are scared right now, because each of them has either been the owner of, or held a significant leadership position in, a fitness facility. It's with this understanding that they made the decision to provide, a free of charge, done-for-you liaison service to any club requesting it, providing added value, sought-after knowledge and multiple tools for members to use immediately. This virtual service will also provide the member with positive reinforcement about the club.

Examples of knowledge and tools provided at no cost include: Wellness & Nutrition Programming; Masterclasses with Health Experts; A Wellness Website Specifically for Your Members and Your Community; Hormone Assessments; Weight Loss Assessments; Adrenal Assessments; Health Questionnaires; Products to Reduce Stress; Phone Attendants to Reassure Each Member; Content-rich Education on How to Get and Stay Well; Stress Reduction Training; Steps Increasing Quality of Sleep; Positive Reputation Campaigns for all Your Services, and more.

"Obviously, members can't run on the facility's treadmills or use weights," stated Krech. "And, certainly, people aren't buying gym memberships right now. They are, however, seeking knowledge and buying wellness and nutrition. And, they're doing it online. We've been succeeding at this for decades. While their mind is on health and nutrition, we can provide them with that knowledge and be your nutrition department. We will bring our 30+ years of wellness experience, free of charge. We will handle everything, so the gym owner can focus on getting their gym ready to reopen."

It is Krech's belief that the system they provide will result in members not only being happy and receiving what they seek during this stressful time but also members not cancelling their memberships because of the value received.

To learn more about *Wealth of Wellness' done-for-you service*, visit **FitBizStimulus.com**. Leave your contact information, and you will be contacted to assess your individual situation and schedule a webinar, describing step-by-step, how the system works. No money will be asked for, and your members will be serviced.

See **Wealth of Wellness' Ad** on the **Opposite Page**.

(See **COVID-19** Page 16)



Meredith Poppler



## PAID ADVERTORIAL

# WE WILL REBUILD YOUR MONTHLY DRAFT NOW... FREE OF CHARGE SO YOUR EFT WILL BE REBUILT WHEN YOU REOPEN

My Fellow Fit Biz Owner,

We get it... you're scared. A lot of the clubs we serve were scared, too. We have solutions.

I'm Donna Krech. I've been part of the fitness industry for almost four decades. And, while for 26 years we've helped other clubs succeed, I still also own a club myself. Locations we serve all over the nation are also fitness clubs. So, yes, we get it.

You are wondering how you're going to pay your bills, you don't know what to do with your staff and you're watching members cancel, almost daily. You're not sleeping at night, your chest feels tight and your stomach is in knots. You're waiting on the money to come... waiting... waiting. More sleepless nights.

You're dealing with a LOT right now. We have solutions.

In the locations we serve, not only is member retention occurring, but EFT increases are being seen. You read that correctly, in the midst of COVID19, our members aren't cancelling, and monthly residual monies are being added.

Our leadership team consists of those who've owned or led fitness businesses. We wanted to do something to help. So, the decision was made to provide the services we offer, in a done-for-you fashion, free of charge during this challenging time, to any club asking for help.

The locations we serve are functioning, even the ones inside of fitness facilities. They are putting money in the bank, generating new leads, getting new business and helping thousands of people. Because they provide results like normalizing blood pressure, stabilizing diabetes, eliminating migraines, controlling cholesterol, achieving healthy weight and other medical benefits, their services are viewed as essential businesses. Our systems are providing solutions for the concerns our world is dealing with right now: reducing stress, building the immune system, creating a high health state and losing the excess weight that the quarantine is creating.

Perhaps even more importantly, our systems are allowing club owners to breathe, because their members are not cancelling and are excited to return when their club reopens. And, please know this... clubs WILL reopen!

And, until that happens, we are here to help... today... right now.

Obviously, members can't run on your facility's treadmills or use your weights, right now. And, certainly, people aren't buying gym memberships. They are, however, seeking knowledge and buying wellness and nutrition. And, they're doing it online. We've been succeeding at this for decades. While your member's mind is on health and nutrition, we will provide them that knowledge and be your nutrition department. We will bring our 30+ years of wellness experience... free of charge. We will handle everything, so you can focus on getting their gym ready to reopen.

It is my 100% belief that the system we provide will result in your members not only being happy and receiving what they seek, during this stressful time, but also in them not cancelling their memberships.

The following words are intentionally capitalized, so you will really

READ them.

**WE'VE ALWAYS SPECIALIZED IN CREATING A WELLNESS REPUTATION, CREDIBILITY AND AUTHORITY FOR THE CLUBS THAT WORK WITH US. NOW, WE'VE SIMPLY SHIFTED THAT TO SPECIALIZING IN PROVIDING THIS SERVICE FOR FITNESS CENTERS THAT HAVE BEEN FORCED TO CLOSE, DUE TO THE CORONAVIRUS. AND, WE ARE DOING IT FREE OF CHARGE.**

This done-for-you liaison service will provide added value, sought after knowledge and multiple tools and for your members to use immediately. This virtual service will also provide your member with positive reinforcement about the club.

Part of what we will do for you is create leads that will be ready to purchase the services your facility offers, the moment you reopen. Because of what we will do, your credibility will increase, and your members will be ecstatic, rather than angry.

Other examples of knowledge and tools provided at no cost, include: Wellness & Nutrition Programming; Masterclasses with Health Experts; A Wellness Website Specifically for Your Members and Your Community; Hormone Assessments; Weight Loss Assessments; Adrenal Assessments; Health Questionnaires; Products to Reduce Stress; Phone Attendants to Reassure Each Member; Content-rich Education on How to Get and Stay Well; Stress Reduction Training; Steps Increasing Quality of Sleep; Positive Reputation Campaigns for all Your Services; and more!

We are not a competitor but a service that complements what your gym does. The purpose is simply to keep positive communication going and positive engagement high. While not one purchase is required, your members may very well want to avail themselves of products or programs we offer. Should that occur, this will give you cash immediately, because we will share that money with you as well.

And, should you choose it, while you're working on getting your club ready to reopen, your EFT draft will be built back up and ready to be handed to you.

We are here to help. We will do the work. Your job is to get ready to thrive in business, again. To learn more about our Fit Biz Stimulus, simply visit **[www.FitBizStimulus.com](http://www.FitBizStimulus.com)**. You can also contact **Colby** at **(903) 277 - 2709**.

Leave your contact information and a Fit Biz Stimulus Liaison will reach out to assess your individual situation and schedule a webinar to describe, step-by-step, how the system works. You'll not invest a dollar, and your members will be serviced.

We've been providing virtual experiences for years. We are the best at this. And, we will be good at it, for you, too. This done-for-you service will see your monthly draft begin to be rebuilt immediately, even while you're closed. So, when you reopen, it's already bigger! We are here to help. So, please reach out.

We Will Help You THRIVE!

-Donna Krech

**[www.FitBizStimulus.com](http://www.FitBizStimulus.com)**

## ...COVID-19

continued from page 14

### A Letter From Joe Cirulli to His Members

To close this cover story, *Club Insider*, with permission from Joe Cirulli, is sharing this letter (and video) to his club's members. The reason for sharing this letter and video ([bit.ly/clubinsider88](http://bit.ly/clubinsider88)) is two-fold:

1. To reiterate how important your club facility is to your members, maybe even more important than you know.

2. **INSPIRATION** from one of the best in the business. We all need hope right now. Hope leads to strength. And, strength can help anyone persevere anything.

### Joe Cirulli Writes:

First of all, I want to thank all the members of Gainesville Health and Fitness for their graciousness and support during this trying time. We know many people have questions about their future that no one can answer at this time, and that kind of stress can cause people to get short tempered... but not you.

And, I know that to be a fact... Our Office team is answering your calls and emails every day. And, with the number of messages they're receiving, they're working overtime to address and follow up on each and every one of them. When I'm with them, I ask how they are doing, and they tell me over and over again how great you all are. I can't thank you enough. They actually look forward to the next call. And, I can feel good knowing they want to do that.

The most valuable asset of our company is not buildings or equipment; it's all of them, and I couldn't be prouder of them or you.

The facilities, though, have been incredibly maintained by another group of dedicated staff. We want to be ready to open up the moment we're given the word... And, we want everything to work perfectly for you.

I have told people all over the world that I would put my employees up against the best companies in the world, and I have told club owners across the globe that we have the best members, too; these last two weeks have absolutely proved it.

I know most of you care tremendously about our staff, and the comments from thousands of you can bring tears to your eyes... Messages like, "Keep billing me so you can continue to pay your staff. I want to see them when we're open." I can't tell you enough times what that means to all of us. And, we will keep paying them!

But, to those of you in a tougher financial position, the staff will just as graciously freeze your dues and extend your memberships, too. The fortunate thing is Gainesville Health and Fitness started

in Gainesville over 40 years ago. We grew up in Gainesville, and we can address every issue with every member. And, we are as quickly as we possibly can. We're answering phone calls, returning messages and emails. So, if you have already contacted us, you will get a response. As I said earlier, we have a full team working on addressing all members.

Years ago, I had a large group of health club owners from around the country meeting at the club. I asked them to walk around the club and introduce themselves to both members and staff and ask them anything they'd like to learn about our company. I'll never forget the comment by a health club owner out of Chicago when he said, "I've never heard anything like this... The connection between your members and staff borders on love." It seems to me that border has been crossed. Thank you again.

Over the last two weeks, I've been in webinars talking to health club owners across the world. And, overall, they are all looking forward to the day they can reopen, and like many people, they have a fear of what the future will be like. **I have no fear! I expect a great future!** Will some people be extremely concerned about germs? Sure! But, I know that the germs we all face every day only make us stronger.

But, I also want you to know we have our centers ready from every perspective of cleanliness, and keeping the facilities sanitized will always be a priority. *But fear... No!* I think it's very important to always put life into perspective... Are there times that can scare a person? Sure! But, I know we can't live our life scared.

My father was a Naval Officer who fought in World War II. I remember when he was being interviewed for the National Archives. The woman asked, "Were you ever afraid of dying?" Immediately, he said, "Yes." She asked when, and I had to smile when I heard him say, "Whenever a bomb went off!!!" I'm assuming that was quite regularly.

But, like him, and so many of his generation, they grew stronger and stronger over time. Because I know that **Hope** brought him through... The *hope* of seeing my mother and his parents again. The *hope* of coming home to a stronger America with a bright future.

I have always drawn strength from my father. And, an incredible optimism from my mother. And, a dogged ability to keep going no matter what we face from my grandparents. They all thrived on *hope*, and all lived a fulfilled life.

Remember to draw strength from the people in your life who have inspired you! If you've never read the book, *Mans Search for Meaning*, by **Victor Frankel**, read it. You'll learn the story of what kept people alive while in the Nazi Prison Camps. I'll give you a clue... **It's called Hope!**

I try to keep things in perspective. When I first started in the health club

industry, I worked for six health club companies that went bankrupt. I lived in closed down buildings, in health clubs that were open and in my car. I vividly remember getting down to my last 12 cents, but I never gave up *hope* because I knew what I was going through was only a trial to see if I could move to something better. And, I knew I would.

I know that, if I hadn't had the right attitude, I wouldn't be talking to you today. I wouldn't be part of a team with many of the greatest people I could ever know.

I always looked for inspiration in books and tapes, and I filled my mind with life's possibilities. I know I was fortunate to find a book in a drawer called, *The Power of Positive Thinking*, which led to a lifetime of finding everything inspiring in life. I guarantee it beats living a life in fear. And, I know you do, too, or you would never be listening.

So, keep exercising. Don't get out of the habit, and do it at the time you would normally come to the centers. Eat properly, drink lots of water, get the right amount of sleep... Oh yea, wash your hands, and don't touch your face.

But, most importantly, focus on all the great things in your life, and we'll make it through this just as past generations like our parents and grandparents have... In the end, we'll be better than we ever have been.

**Thank you! Hope to see everyone soon. Stay Strong!!!**

■ ■ ■

With those words from Joe, I also say: **Thank you! Hope to see everyone soon. Stay Strong!!!**

*Thank You* for reading. *Thank You* to this month's contributors for doing so when all instincts and schedules said, "During these stressful times, I have more important things to do!"

*Hope* to hear from you. *Hope* to see you soon. *Stay Strong! Stay safe and healthy.*

**Together, we will endure. May you find hope in your purpose so you can again serve your purpose that is to provide hope.**

■ ■ ■

As mentioned before, there was too much information to present at one time. Though there will be a **Part II** to this cover story, a lot of the information we already have on hand is timely and can help you immediately, so we will be curating and releasing that additional information within the next three *Club Insider Weekly eBlasts*:

**April 22** - Staffing;

**April 29** - Membership;

**May 6** - Community.



Joe Cirulli

If you have any question as to whether or not you are on the *Club Insider Weekly eBlast* list, please email me directly at [justin@clubinsideronline.com](mailto:justin@clubinsideronline.com), and I will make sure you are included, free of charge.

And, as mentioned, **Part II** of this cover story will focus on re-opening and what that looks like for the industry.

Finally, thank you to **Phil Wendel, Pat Laus and Kevin McHugh, Greta Wagner, Mary Frank, Mike Alpert, Geoff Dyer, Carol Nalevanko, Jim Worthington and Linda Mitchell, Scott and Beth Gillespie, Larry Conner, Rich Nelsen, Ed Williams, Meredith Poppler, Donna Krech and Joe Cirulli** for their contributions to this cover story.

**Hope. Purpose. Together.**

(Justin Cates is the Publisher of **Club Insider**. Having been born into a club business family in 1985, Justin grew up in the health and fitness club industry. He has lived and breathed this industry for 35 years, since his own day one, and he loves it dearly. Graduating from the Terry College of Business at The University of Georgia in 2007, Justin has run day-to-day operations of *Club Insider* for 12 years. Justin was elevated to Publisher of *Club Insider* on April 5, 2020. Justin's Dad, Norm Cates, continues to serve as Founder and Tribal Leader Since 1993. You can reach Justin by phone at 423-314-4310 or email at [Justin@clubinsideronline.com](mailto:Justin@clubinsideronline.com).)

# Hope & Purpose



# Saving Sales During the COVID-19 Crisis

By: **Casey Conrad**

I know what you're thinking... "Saving sales! Saving sales! What sales? We're all closed." Yes, I'm aware; I simply wanted to get your attention. Now that I have it, let's move to the meaning of the headline.

To say the future for many small businesses is uncertain is clearly an understatement. As I write these words, our country has been shut down for more than two weeks but interrupted now for over a month. Although we can (and should) remain optimistic, the reality is that we do not know when States will allow non-essential businesses to reopen.

When I say, "*Saving Sales During the COVID-19 Crisis*," I'm referring to managing your business in such a fashion that you position yourself for two key things to happen once we are out of lockdown. First, having as many members as possible return and/or continue with their membership. Second, having positioned yourself within your community as a business that provided inspiration, hope and service during the crisis and acted in an *ethical manner*, rather than a selfish, self-serving one. Let's explore ways in which you can maximize both of these goals:

**1. Don't be penny wise and pound foolish.** The majority of most fitness facility income is generated through monthly dues. And, although that income is critical to every club's success, poor billing decisions or communication can ultimately cause bigger long-term problems.

When the country initially shut down for 15 days, operators were faced with the difficult decision about what to do with membership charges. This topic was discussed on numerous webinars and forums online. Some chose to take a "wait and see" stand and deal with member calls and requests on an as needed basis while other operators decided to immediately freeze dues.

In my opinion, smaller, owner-operator facilities had a distinct advantage at this stage for two reasons. First, the number of members is much smaller and easier to communicate with. Second, members who see their operator at a club every day know the impact a cancellation will have on the future success. Some of my clients were blown away by members literally posting on their Facebook Page that they fully intended to keep paying even though the club had been forced to close their doors.

Regardless of what your facility decided to do, transparency and fairness are critical. The minute members don't get a return call or are read a cancellation policy

that is unfavorable (and unfair) to them, the fall of the empire will begin! More than ever, crisis management requires flexibility and empathy. Rightly so, people are freaked out and uncertain about the future. Perhaps you are too, but to play any type of game with membership dues and contracts is a recipe for a reputation disaster. If you let a member put their membership on hold (or even cancel) when it wasn't "legally required," they may not post about it on social media. But, most certainly, if you try to hold them hostage, they will post it on every social media channel, tell every friend about it and maybe even call the local news station.

Consider the mess that 24 Hour Fitness, Equinox, LA Fitness and Town Sports International all find themselves in right now. They are all being accused of some form of making it unreasonably difficult to cancel memberships during the crisis. Whether true or not, they have created a public relations nightmare for themselves. In some cases, it has led to class action lawsuits. I am 100% confident that each would have preferred a national news story touting their patriotic efforts to support their local health workers by making the group exercise room into a free dormitory for front line medical professionals who preferred not to go back to their homes at night for fear of infecting their families. The media likes a feel-good story, but they love a "gotcha" story even more. It's sad but true. The potential damage that these stories will do to these companies can't be calculated.

Now, talk about being "pound foolish," how about the club operator who made the right decision by allowing any member to put their dues on freeze during the crisis but charged them \$15 to do so! The member got off the phone and immediately called me furious (true story).

The bottom line is that every decision you make during the crisis that impacts a member economically will have an exponential impact on your reputation. *Decide wisely.*

**2. Serve your community with hope and inspiration.** It sounds corny, but it all comes back to reputation management. Think about this; every single fitness facility --big or small, local or national-- is on an even playing field right now. No one is open for business, but each one has the same opportunity to serve their members. And, now, more than ever, your members and the community at large need support with their emotional and physical wellbeing.

As fitness providers, we are ideally positioned to be a beacon of hope in a difficult time. Streaming classes, putting up content on YouTube, Facebook Live or another online platform that can deliver daily instruction and motivation on how to

stay in optimal health while on lockdown and with social distancing remains in place.

I have personally been inspired as I witness so many creative things that colleagues and clients have created and developed in such a short period of time. Competitions, online cooking classes and demonstrations, family activities and support groups have taken many forms. I heard of one club with a large Silver Sneakers population that put together a group of young staff members who volunteered for grocery pickup and delivery at no charge. How awesome is that?!

My recommendation to our industry has been, "*Support your members first, but find ways to engage their friends and family members as well as the community at large!*" Literally, you need to look at this entire situation as a real, live public relations exercise. Reputation management is the one thing YOU CAN control right now. If you haven't been focusing on this to date, get your entire staff together and collectively find ways to be "Do-Gooders."

**3. "Do unto others what you want them to do to you."** We've all heard this expression from our earliest childhood memories. During this crisis, when people are scared for their health and uncertain of their futures, we really need to live by this motto. Yes, we are businesspeople who have lease payments and payroll to make, as well as our own mortgages and bills. But, I firmly believe that the motto, "Help enough other people get what they want, and you will get what you want," applies here. What people want right now is a sense of security and hope for the future. When making policy and operational decisions, put yourself in the customer's shoes, not the owner/operator. I didn't say this would be easy; what I said is it is the right thing to do. And, when you have the customer's best interest at heart, those acts of kindness will come back ten-fold. Yes, perhaps this is my always, "Glass half full" attitude, but it sure beats the alternative!

■ ■ ■

In closing, I'd like to leave you with a perspective. What if everything happens for a reason that ultimately serves us? And, here, I'm talking about the situation we find



Casey Conrad

ourselves in from a business perspective, not the horrible death that is at the center of this crisis. What if this situation creates an entirely new way for small club operators to run their businesses? What innovations are going to emerge from this? Every single human crisis results in advancements in innovation. Sure, it may be a while before we actually identify these positive things, but if you start to focus on finding those gems now, I'm confident about two things: (1) you will find the good things faster, and (2) you will feel better emotionally!

Finally, I can't help but think of a quote my grandmother used to always say to me when I was going through tough times. It drove me nuts as a child, but it has proved a beacon for me throughout my life. She would say, "My dear, the darkest hour, the proverb goes, is the hour before the dawning." I'm looking forward to the dawning, the light at the end of this current tunnel. In the meantime, though, I send my thoughts and prayers to each and every one of my industry friends and colleagues. I hope you and your families are healthy and safe, and as Norm always says in his *Notes*, **God Bless America!**

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

# Make It Fun

# Coronavirus Legal Considerations for Health Clubs

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

The Coronavirus has disrupted health club operations in unprecedented fashion. As of this writing, whether by legal mandate or out of an abundance of caution, many clubs across the country are temporarily closed. These clubs are grappling with issues, including but not limited to maximizing liquidity during closure, retaining members and employees, monitoring and ensuring compliance with the evolving laws governing this pandemic and forecasting what will be required when resuming "normal" operations.

The legal issues related to the current crisis are many and varied. This article is not intended as legal advice. Facts and circumstances unique to each club's situation, and varying state and local laws, prohibit blanket recommendations. **Therefore, the following information is intended to be read for educational purposes. Please consult an attorney for specific direction.**

## Understanding Governing Law

Federal, state and local laws will continue to evolve during this unprecedented event. As of this writing, where I practice law in Connecticut, health clubs are closed until April 30, 2020, unless amended by future order. State laws governing closures vary widely, and these laws will change regularly and rapidly based upon developing public health needs. Club owners and operators must continually review their governing laws with an understanding that these laws will be subject to change for quite some time. In some jurisdictions, there will likely be legal restrictions governing health club occupancy long after closure orders have been lifted.

## Securing Available Resources

Maximizing liquidity is essential. Health clubs should maximize any available lines of credit and means of financing. Existing banking partners should

be immediately contacted. The club's professional advisor(s) should be engaged to evaluate and prepare for unique loan program qualifications. Company documents (bylaws, operating agreements, certificates or articles of incorporation, etc.) and financial statements must be assembled and organized. Midway through the loan approval process is not the time to learn that these items are lacking.

There are various state and federal loan programs available. For instance, Connecticut has created the Connecticut Recovery Bridge Loan Program for businesses and nonprofits with fewer than 100 employees. Qualifying organizations can apply for zero-interest loans of up to the lesser of \$75,000 or three months of operating expenses. State programs are many and varied. These programs must be rapidly assessed because many will quickly fill to applicant capacity.

From a federal standpoint, the *Coronavirus Aid, Relief and Economic Security Act (CARES Act)* mandates paid leave to employees of employers having 50 to 500 employees. Federal law provides a business tax credit equal to 100% of paid leave for eligible employees as mandated under the CARES Act. Paycheck Protection Program (PPP) loans can be secured for up to \$10 million. These loans can be used to finance qualifying expenses such as payroll support including paid sick or medical leave, salaries, mortgage, rent, utility payments, insurance premiums and other debt obligations. The Paycheck Protection Program covers businesses with 500 or fewer employees. Borrowers may qualify for loan forgiveness for qualifying expenses during the eight weeks following the origination date of the loan. The amount forgiven is reduced in proportion to any reduction of employees during these eight weeks.

As always, the U.S. Small Business Administration operates through various banks and financial institutions. An SBA loan can help pay for bills including those related to payroll expenses, fixed debts and accounts payable. Pre-existing SBA loans may qualify for SBA's payment of the loan's principal, interest and fees for six months.

Insurance availability can also boost liquidity. Many businesses have business interruption insurance. Club owners and operators should contact their insurance agents to review their policies to determine whether any coverage is available for revenue lost during this time.

## Prioritizing Financial Obligations

Assess all debt obligations. Mortgages, rents, leases, credit cards, vendor balances and other debt obligations



Paul R. Bedard, Esquire

must be evaluated for priority and flexibility. Engage existing banking and financial partners to determine what financial flexibility may exist beyond public programs or mandates. Any amounts due that are inflexible from a timeline standpoint must then be prioritized for payment based upon the ramifications of nonpayment.

## Memberships and Collection of Dues

Many clubs are automatically freezing or crediting membership accounts for the period the club is closed. Other clubs are drafting and allowing freezes or credits only when requested by the member. Some clubs are less accommodating. Regardless of the club's policy, the club's membership agreement must be analyzed to confirm that the club's policy complies with the membership agreement.

Additionally, applicable laws must be reviewed to ensure the legality of the club's actions. Regardless of whether the contract and the law allow for the collection of dues during closure, best practices suggest an accommodating posture towards requests for freezes, credits and refunds to the extent that is financially viable for the health club. These accommodating policies will pay off with future goodwill.

## Maximizing Member Retention & Engagement

Many clubs are offering free or dramatically discounted online classes and personal training options to keep their members connected to their club. Other clubs have taken it a step further via complimentary online access to classes and programs for the public at large. Facebook workouts, Instagram posts, emails, text messages and website updates are just some of the many ways that clubs are maximizing member engagement during closure, boosting retention rates (See *Paul R. Bedard, Esquire* Page 19)

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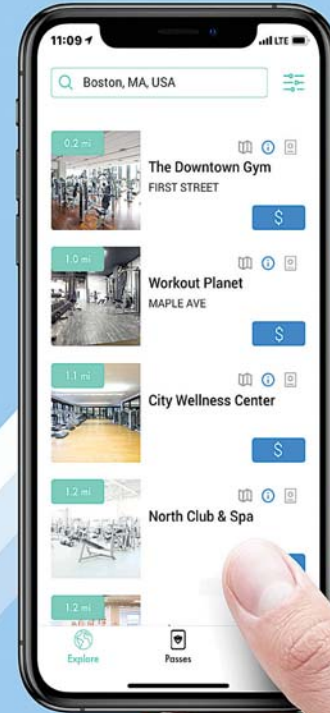




# Reach the Unreachable

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- Seamless check-in experience for the end-user and the club staff
- Total transparency-access user information to market to them for membership



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## ...Paul R. Bedard, Esquire

continued from page 18

while also attracting future members. When offering online class or program access to non-members, insert an electronic liability waiver within the process when feasible.

### Retaining Employees

How a health club treats its employees during this time will be very determinative of the club's strength of personnel following this pandemic. During closure, some clubs will be legally mandated to provide paid leave for their employees. Other clubs will provide for their employees out of moral or ethical obligations. Like all businesses working to hold onto their talent, health clubs must creatively find ways to keep their people supported and engaged. Many clubs are repurposing personnel to tackle overdue capital improvement projects, deep cleaning of facilities, member engagement and outreach and other valuable efforts instead of sending people home during this period. Some of these activities, particularly member engagement and outreach, can be accomplished from employees' homes if

necessary. Consult an employment attorney to verify that leave requirements and other employment considerations are being met during this disruption of operations.

### Liabilities and Concerns Related to Resuming Operations

There will, unfortunately, be no resumption of "normal" health club operations anytime soon. COVID-19 will likely be present to some degree within our communities, and therefore, within our health clubs for months to come. Actively encourage sick employees to stay home. An employee who arrives or becomes sick at work should be immediately separated from members and employees. If an employee tests positive for COVID-19, fellow employees should be notified of the possible workplace exposure while maintaining employee confidentiality as legally required. Employees who are well but who have a family member at home testing positive for COVID-19 should notify their employer, and CDC guidance should be followed. Develop contingency schedules and increase personnel capacity to ensure that scheduling needs can be met when employees are out sick.

Due to the nature and the very design of most health clubs, social distancing and maintaining disinfected surfaces will be ongoing challenges. Emphasize respiratory etiquette of members, guests and employees and mandate proper hand hygiene. Step up day-to-day cleaning throughout the club, particularly focusing on those frequently touched surfaces such as exercise equipment and accessories, lockers, handrails, doorknobs, countertops, light switches, telephones, desks and computers. Regularly perform a deep cleaning of the club. Document and archive these practices. Have hand-sanitizer readily available throughout the club and stock excess cleaning supplies to ensure that supplies do not run short. Regularly communicate and market to members, guests and employees regarding the protective measures that have been implemented.

These are just some of the legal considerations that health club owners and operators will have to grapple with for quite some time. Although the initial shutdowns and closures will be a thing of the past in only a matter of weeks or months, operating requirements may be altered for quite some time afterwards due to public health

concerns. Now, more than ever, health club owners and operators need to proactively adjust to changing public health needs and the rapidly evolving legal requirements while serving members, guests, and employees during this pandemic and beyond.

*(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 has served as the Assistant Town Attorney for the Town of Southington, Connecticut. He has also served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. Paul is a solo practitioner at The Law Office of Paul Bedard, LLC, in Southington, Connecticut. Paul can be reached at 860-414-0110 or AttorneyPaulBedard@gmail.com.)*

## How to Keep Your Gym Going Strong During and After COVID-19

By: **Jon Butts**

The COVID-19 pandemic hit the \$94 billion fitness industry hard. To help stop the spread of the new Coronavirus, most gyms and clubs have now been forced to close for the duration. It's a stressful time for everyone, but shutting your doors doesn't mean you have to shut down for good. Consider these tips for keeping your business fit now and when you reopen:

**Practice Good Mental Health** - Channel your fear into excitement by focusing on the opportunities that lie ahead. Sadly, some clubs or studios won't reopen, and many members will likely cancel their memberships from the clubs that do survive. This lessens your competition and creates a once-in-a-lifetime opportunity to reach a large number of future members who don't have a current home base for their fitness needs. Also, remember that this experience will make us more resilient. Problems that used to overwhelm us will seem trivial. We'll have a better perspective on what really matters in life, including the priceless opportunity to bring your community together again.

**Protect Your Top Staff** - We're all feeling the economic impact of the pandemic. As a leader, you should be the first one to absorb as much of that impact as you can in order to protect those you lead. Staying true to and being transparent with your staff will pay dividends in the future. They'll know you genuinely care for and have sacrificed to protect them, which builds loyalty, gratitude and longevity.

**Power Up Customer Service** - Experts say that acquiring a new customer is up to 25 times more expensive than keeping an existing one. In our current economic climate, that may be more true than ever. To keep your current members happy:

**1. Offer temporary membership freezes.** To preserve loyal customer relationships, offer a membership freeze with no penalties as an option over a cancellation. If your club has been forced to close, do not continue drafting dues. This will alienate your members or community, and it will negatively impact your club when it's time to reopen. Be sure to let your members know their health and safety is your number one concern, and they are more than welcome to resume their membership dues when they feel safe to do so.

**2. Help out members in a financial pinch.** You may also want to relax your collections policy in the months ahead. Or, you could do an amnesty campaign via email and direct mail to waive past-due balances if members update their payment info. Showing compassion now can yield big dividends in the future.

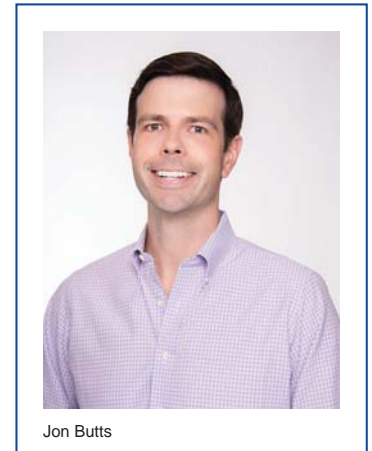
**3. Provide virtual personal training.** A great way to motivate your members to continue on their fitness track is to offer virtual exercise classes and virtual access to a personal trainer. Your gym could use email and video conferencing for more direct training. Keeping your members on track shows that you care about their personal fitness progress while providing access to personalized fitness help.

**4. Live stream classes.** Facebook Live and pre-recorded classes can keep more of your members actively involved in events at your gym (from home!). As more people choose to self-isolate and restrictions affect visits to the gym, resources for continuing fitness routines from home will be in high demand. Explore boosting posts about your live classes in your community to expand your audience and give a potential lift to your memberships when things return to normal.

**5. Taking advantage of email newsletters** with content pertaining to self-care habits and at-home workouts will keep participants engaged. Inspiring and motivating your gym members will build trust and brand recognition that they will resonate with.

**Max Out Your Marketing** - Once the curve has flattened and clubs across America begin to reopen, all your January and February promotional efforts will be long forgotten. You'll want to invest in consistently marketing in the months ahead, even if cash flow is tight. You'll be in a much better position at year's end than those who don't. Consider these marketing strategies:

**1. Promote value.** Chances are your future members will also be cash-strapped, so position offers that appeal to those on a tight budget. Offering no dues for two months rather than a normal enrollment offer will be more attractive. You can still charge enrollment with this promo, but this will get the phone ringing more than a basic \$0 enrollment offer.



Jon Butts

**2. Consider running a paid-in-full membership special** to help quickly build up your working capital. You could do a flash sale through paid social/Facebook ads in which the first 100 to sign up will receive two years of membership for the price of one. This will undoubtedly appeal to those who are financially well-positioned, despite the economic impact from COVID-19, to pay for a full year's membership but who still would like a bargain.

**3. Proactively call recently cancelled members now.** We all have a lot more time now, so use it wisely. People will appreciate a personal call from a club owner or GM! Try to find out why they cancelled; their feedback will help you know where and how to improve your operations. Use this downtime to learn more about your club's (See **Jon Butts** Page 21)

## A Letter to Clients From Karen Woodard-Chavez

By: **Karen Woodard-Chavez**

The following is a communication that was sent to Karen Woodard's clients on March 17, 2020:

In reflecting on discussions with many clients over the past few weeks, I would like to share a few thoughts with you to help move through this crisis from a personal and professional perspective. We will get through this very uncertain time. To do so, it is important that you care for yourselves, your family, your staff, your members and your business. Let me share a few things to consider in this wild ride:

1. As a leader, it is critical that you become comfortable with being uncomfortable. No doubt, this is a tough time. We are hearing and seeing mouth-grabbing, shocking and what seems like surreal information that is making us extremely uncomfortable. Sadly,

some of us will lose loved ones; some of you or those you love may struggle with and hopefully survive this virus. People in our community will lose their businesses. All of this grim reality makes our lives very uncertain. Uncertainty creates fear, and fear creates bad decisions. This is a very emotional time for most people. All of these elements make us verrrry uncomfortable.

Please practice calm, consistent, authentic, forward thinking, well-thought-out-before-you-speak communication. To do this, it is important for you to be able to step back from what you hear, breathe and think about the impact of what you will say. To do this, you need to do your research, not parrot what others are saying or what you have heard. Repeating what you have heard without verifying creates misinformation and puts you in the position of not being a credible leader. Sources to consider will be in the next point. Communication to both staff and members

needs to be consistent and frequent.

2. Avoid the tendency to watch CNN/MSNBC/FOX/any news ALL DAY LONG. This can amplify anxiety. It is critical to stay informed and on top of the latest developments to be able to make effective decisions. However, it is counter-productive to get sucked into the numbing nature of constant news. Allow yourself to read/watch/listen to the news sources that you trust for no more than two hours each day. Consider the following:

- [www.cdc.gov](http://www.cdc.gov);
  - [www.who.int](http://www.who.int);
  - Your state's website for daily updates;
  - Utilize your local medical relationships to better understand what they are seeing currently and what they see down the road to help you make more informed decisions.
3. Create a plan for what you will be doing



Karen Woodard-Chavez

and communicate that to your staff *then* to your members, in that order. Be sure that your staff can communicate the plan with (See **Karen Woodard-Chavez** Page 22)



# We Got This!

By: **Derek Barton**

I have never experienced anything like this Coronavirus pandemic, and I'm sure you haven't either. I remember the '50s and taking the polio sugar cube vaccine. We were also trying to dodge measles, mumps and chickenpox. I even dodged a bullet twelve years ago from a blood clot in my leg, which later moved into my lung. Last year, after walking around in a friend's yard that was sprayed with the weed killer, Roundup, I woke up that night out of a deep sleep and couldn't breathe, but somehow, I survived. When we look back on our lives, we have all survived a lot of things, and I am confident we will survive this Coronavirus if we work together.

Playing team sports throughout my life has taught me that a united team all focused on a common goal can beat anyone and anything. And, having been a professional stuntman taught me what it takes to handle death-defying situations. In 1978, I was 26 years old on the set of the movie, *Hooper*, directed by Hal Needham and starring Burt Reynolds and Sally Field. A veteran stuntman was about to do a "canon roll" (a highly dangerous stunt in a car where a two-foot-piece of telephone pole inside a metal canister in the passenger seat area is fired into the ground causing the car to roll over and over and over again). Needless to say, it takes some big cojones to do this stunt.

So, I'm sitting on a stump on the side of a country road close to this veteran stuntman watching him prepare for his death-defying stunt. He is padding up and putting on the same shin-guards that baseball catchers wear. He's got elbow guards, a chest protector, everything that makes sense to protect yourself from a two-ton car spinning through the air and crashing along the ground with you inside of it.

The veteran stunt coordinator of the movie walks over to him. They are standing right in front of me. Two close friends and two of the most macho guys I knew at the time. They both had hundreds of movie credits between them and had done many famous stunts. What impressed me even more was their conversation at that moment, one I would never forget. This was teamwork at its best. This was raw human emotion unfiltered. This was straight from each other's heart. And, I had a front row seat to watch and listen.

The stunt coordinator studied his fellow stuntman adjusting his padding and said in a supportive tone, "You good?" Without looking at him while repositioning his elbow pads, the stuntman answered his friend in a calm demeanor, "Yeah." And, the stunt coordinator said to him, "We'll go when you're ready." The stuntman, deep in

thought while making one last adjustment, nodded and said, "I'm ready."

My heart was pounding and nervous for the both of them. Anything can go wrong on a monumental stunt like this. The stuntman finally looked up and into the eyes of his long-time comrade. They've been here before, the gates of the unknown. With quiet confidence, the stunt coordinator said, "You got this." The stuntman holding onto his helmet with one hand at his side, mustered a smile of appreciation. I thought that was the end of the pep talk. Then, the stunt coordinator smiled and said to his friend, "I love you." These two big macho guys gave each other a bear hug, and the veteran stuntman echoed, "I love you, too."

They walked away and did the stunt, which was flawless and breathtaking to behold. But, the conversation that I witnessed between those two legends of the stunt business was even more inspirational to this young stuntman. From that moment on, I said, "I love you," to everybody when I was about to do something dangerous. Even when I was boarding a plane to fly somewhere, I would call my family and say, "I love you!"

We have entered the gates of the unknown with this Coronavirus, and so far, it has been a tough crisis to deal with. It's like a horror movie. Many of us around the world have been ordered to self-quarantine. It is not only affecting our wellness, but it is affecting us economically. It's sad to see so many businesses forced to close, e.g., restaurants, sports leagues, movie theaters, theme parks like Disneyland and Disney World, business conferences like IHRSA, and health and fitness clubs. We are all taking a huge hit financially, but I am impressed with the teamwork and unity I am seeing around the world.

In Italy, people are singing songs to each other from their balconies. They are playing Bingo and other games across their courtyards. One fitness professional on the empty street below conducts an exercise class for those stuck in their apartments.

Now, more than ever, it's important to be healthy and fit. I have seen my gym owner friends and clients scramble to make videos and apps so that their members can train at home while waiting for their gyms to reopen. And, industry leaders are doing blogs and webinars to help their fellow colleagues.

**Joe Cirulli**, a former client and a dear friend, has been keeping me updated on his three gyms in Gainesville, Florida (See **Joe's Letter on Page #16**). First, he was allowed to have only 50 people in his gyms at a time. Now, no one in Gainesville is allowed to train in a public gym there. Joe was pleasantly surprised to hear from so many of his members who told him not to

freeze their memberships. They felt that Joe and his team had taken good care of them throughout the years, and now, his members wanted to reciprocate. One member said it best to Joe, "Take care of your employees. We want to see them when you reopen!"

For those of us who know Joe Cirulli, those sentiments from his members are not surprising. Joe has always taken good care of his members and staff since he started in the health club business decades ago. He has always followed the rule, "If you take care of your staff, they in turn will take care of your customers." Now, Joe is seeing that his members are helping him work through this crisis. So, for every day that his gyms are closed, he adds that time to the end of their membership. And, for those who want their memberships frozen or cancelled, he will do so. He has everyone's trust, as he has always had mine.

I'll never forget when I was in Gainesville years ago working with Joe. He wanted to fly to his home in Sarasota for the weekend. I looked into the sky, and it was thundering and lightning. I said, "Joe, should we be flying in a sky like that?" He smiled and with that quiet confidence said, "We'll be fine." Even though I was nervous, I trusted Joe. He is a good pilot. So, I boarded Joe's private plane, and we flew into The Twilight Zone. It was a bumpy ride, but we made it. What a rush! I was happy knowing I had packed an extra pair of pants.

As I learned in the stunt business, no matter how much you plan, and no matter how confident you are in doing a stunt, there is always an element of risk involved. That's the rush of pulling off a



Derek Barton

stunt successfully. And, as in sports, you have to trust your team. You can't succeed without them.

Today, with this worldwide crisis, we all have to trust each other and work together to get through it. We have to have each other's back. And, it's okay to be nervous dealing with tough situations like this. On that day in 1978, I asked that stuntman who did the canon roll if he was nervous on every stunt he did. He put his big arm on my shoulder and said, "If you aren't nervous before every stunt, you will lose focus on doing everything you need to do to pull it off."

With that in mind: **We got this!**

**I love you.**

(Derek Barton is CEO of Barton Productions, and he can be reached at [derek@bartonproductions.com](mailto:derek@bartonproductions.com).)

## ...Jon Butts

continued from page 20

strengths and weaknesses.

### 4. Invite former members to come back.

During that proactive phone call, tell your recently cancelled members how much they mean to your business and see if they're willing to be contacted when your club resumes normal operations. At the right time, call or email them with a special return offer. This gives you an opportunity to do things right the second time around. You may also consider launching a "We Want You Back" direct mail campaign to a wider net of those who canceled in the last 18 - 24 months.

■ ■ ■

While this is an especially difficult time for our industry, others in your local communities are also suffering. Show

compassion to your staff and members, focus on the things you can control, use this time to uncover other issues you can improve at your business and consistently be marketing when things normalize. Remember, while we can't see the sun right now, it's still there and will undoubtedly shine again soon. In the meantime, stay safe and stay strong.

(Jon Butts is a Co-Founder of UpSwell. He has over 15 years of hyper-local marketing experience, helping thousands of health clubs grow through innovative omnichannel campaigns. He earned his Bachelor's Degree at Auburn University and his MBA from the University of Georgia. Jon has received numerous recognitions, including Entrepreneur of the Year by Auburn University, a Top 40 Under 40 Marketing Professional by DM News and Atlanta's Man of the Year by LLS. For more information on UpSwell, visit [www.upswellmarketing.com](http://www.upswellmarketing.com).)

## ...Karen Woodard-Chavez

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the clarity you expect. Articulate to them and have them articulate back to you. Communicate verbally, in writing and with repetition.

4. If you have closed your business, how will you communicate to your staff on a consistent basis to retain them when you are ready to reopen? Will you continue to pay them? It is critical that you communicate in a genuine and inspiring way that creates a consistent connection and sense of community that existed when they were onsite each day at the business. Consider doing this via virtual staff meetings, daily emails, daily calls or online training. It is critical to maintain weekly leadership meetings and departmental meetings to keep all staff in the loop. Remember, when people do not have the facts, they make up their own facts. With the club being closed, this is a good time to focus on staff training that can be done from their home to keep them fresh and connected to the business as well as revising policies, programs, cleaning and maintenance.

5. Communicate with your insurance company regarding business interruption

coverage. This is important to do immediately to get *confirmation or denial* in written form so that you may utilize that to pursue grants or governmental finance assistance with expediency.

6. Create daily time that you focus on what needs to be done in the business during this time and for the future. Consider the following: What will your recovery strategy be? What will your virtual strategy or digital delivery system look like while closed and then when open? What will your member retention strategy be during the time your business is closed? Remember, your members will have been away from you for likely 2 - 3 months and have developed new exercise habits as well as club re-openings likely happening as warmer sunnier days occur, which means that many members will want to be outside for their fitness. How will you communicate with members via email, texts, calls, how will you serve your members and staff in this new reality with virtual health and fitness offerings (classes, training sessions, lunch and learns, webinars with local mental health professionals on dealing with anxiety, etc.) to keep your members connected during this time of isolation and create a sense of community that they felt whilst coming to the club when it was open, and

very importantly, return to the club when it reopens.

7. Create a member chat board to share what members are doing whilst they are at home: How are they staying fit (physically and mentally)? What are they doing with their kids to create connection? What are they doing to stay connected with their friends? What are they doing to maintain a positive outlook? What are they doing to find humor in each day? All of these things can create a strong sense of community. Consider doing this same chat board for staff as well.

8. Practice good self-care: eat well, get enough rest, stay hydrated, practice your exercise daily, acknowledge your own anxiety/fears, consult with mental health care professionals, practice good health habits regarding this insidious virus, find humor/make sure to laugh every day and find and share the positive in each day. These elements are critical for you to keep your immunity strong.



The actions listed will allow you to be a calming force in a time of fear for many. Also, understand that, in this process, you

are going to feel fear as well. Know that that would be a normal feeling during this time. Consistently practicing these actions will further create a sense of connection and clarity for the people you serve and when our lives get to a more normalized point, your staff and members will return to you because you continued to serve them and impact their lives in a meaningful way during a verrrrrry difficult time.

Please know I am here for you. You are not alone. Stay connected, share best practices and utilize collective genius. If you would like to discuss any of these points further, I am happy to do so.

Stay Healthy,

Karen

(Karen Woodard-Chavez is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Mexico. She has owned and operated clubs since 1985 and now consults with and trains club staff throughout the world. She provides her services on-site, online, by phone and through her books, CDs, DVDs and manuals. She can be contacted at 303-417-0653 or karen@karenwoodard.com.)

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# FROM FOOD TO FITNESS

## Aaron Davis's story...

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

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