

Norm Cates'

CLUB INSIDER

CELEBRATING 28 YEARS OF TRUST

REX Roundtables

Providing Industry Leaders With Advanced Learning and Sharing



APRIL 2021

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CLUB INSIDER

CELEBRATING 28 YEARS OF TRUST

REX Roundtables

Providing Industry Leaders With Advanced Learning and Sharing

By: Norm Cates & Justin Cates

My name is Norm Cates, and I've been very blessed to be involved in our great industry for 47 years. While some of you youngsters may not want to hear it, I've been around long enough to know a "Real McCoy" organization when I see one. **Eddie Tock** and **REX Roundtables** are the "Real McCoy."

I'm Co-Authoring this very special *Club Insider* Cover Story with my son, **Justin Cates**, who also happens to be the *Publisher* of our 28-year running *Club Insider*. Our purpose here is pure and simple: **It is to help club owners and operators do better in their clubs and to succeed tremendously in the field they've chosen to pursue in life.**

Eddie Tock is a family man, and he's married to **Jenny**. Together, they have raised

Joe, 19, who's a Sophomore in college, and **Giuliana**, 17, who's a Senior in high school. Folks, please read on and hold onto your hat for one of the most remarkable cover stories you'll ever read!

First, let me tell you a little bit about Eddie Tock, REX CEO

At this point, even though I know he will object, I want to first write about Eddie Tock. Ed is the REX CEO. To give you an idea of the kind of great guy Ed Tock actually is, when I told him I wanted to put him alone on our April Edition Cover Page, he immediately and vehemently objected and told me, "No, Norm, I don't want to be alone on the cover! This story is not about me; it's about the great REX Roundtable Members I serve and work with." So, I listened carefully and heard Ed

out, then I suggested a compromise to him, to which he agreed, and you can now see on this month's cover.

Should you Google "Eddie Tock," you'll learn a lot, which I've significantly boiled down here because of space. But, this intro section is intended to provide an honest and fair description of one of the most influential and important people in our entire industry these days. Here are just some of the reasons I say that...

Ed Tock has more than 30 years of experience in the fitness club industry. He's described as "gifted." And, in my opinion, Ed gave that "Gift" to himself by working his rear-end off for many years. Since 1983, Ed has consulted with over 1,400 clubs in 41 states and six countries. For years, Ed has been acknowledged as one of the top speakers at *IHRSA* and *Club Industry* conventions.



Ed was a partner with **Ray Gordon** and the late **Lyle Schuler** at *Sales Makers*, which (See *REX Roundtables* Page 10)

IHRSA Reports Widespread Damage to the Industry Due to COVID-19

BOSTON, MA - After posting record numbers in 2019, the U.S. health club industry was off to a promising start last year. No one would have imagined that by spring, virtually all gyms and studios would be closed. The pandemic took a harsh toll on fitness club operators, employees and consumers. And, it may take years for the industry to recover from the damage. Five indicators speak to the indelible mark COVID left on the industry last year:

1. Industry revenue plummeted by 58%;
2. 17% of fitness facilities permanently closed in the U.S.;
3. Eight major fitness companies filed for bankruptcy;
4. More than 1 million industry employees

lost their jobs;

5. Americans lacked access to their go-to outlets for fitness and health;

Industry Revenue Plummeted By 58% in 2020

IHRSA estimates the industry lost \$20.4 billion in 2020, just one year removed from generating an all-time high of \$35 billion in revenue. These losses represent a 58% revenue decline. In April and May alone, the industry lost \$5.5 billion in revenue.

Health clubs, gyms and studios in all states were closed for at least a total of one month last year. In many states like California, Oregon and Washington,

closures persisted for most of 12 months. Mandated restrictions in most states allowed limited operations ranging from outdoor or virtual-only services to a maximum of 50% capacity.

Continued closures and restrictions curtailed club operators' efforts to run a sustainable business and forced many to close down for good. Others are teetering on the brink.

"One has to remember that health clubs are largely fixed costs businesses. A decline in revenue to such a large degree has devastating consequences, both short- and long-term," said **Brian Smith**, *Managing Director of Consumer Investment Banking at Piper Sandler Companies*, a leading investment bank and



institutional securities firm. "We are going to see lasting effects as operators look to rebuild cash flow, recapitalize their base business, rehire staff and so forth."

17% of Fitness Clubs and Studios Permanently Closed in the U.S.

Data from major gym and studio (See *IHRSA* Page 8)

Inside the Insider: Edition #328

- Leaders Aspire to Inspire - **By:** Frank Guengerich
- The Fight for Independent Club Operators - **By:** Geoff Hampton
- Keeping Your Gym In Shape: Ways Your Gym Billing Company Might Be Losing You Money - **By:** Jim Thomas
- Digital Deluge or Delusion: Is the Virtual World Becoming a Real Reality? - **By:** Jeffrey Pinkerton
- Using Courts and Court Sports Programming as a Competitive Advantage
- 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 our **328th** monthly edition of *Club Insider*! Please read on as I have an important message for our great industry and its future!

■ **Is America a great country, or what?** I hope this finds you, your family and your team avoiding the **Coronavirus** like the plague it is! **GOD Bless America!**

■ **I'm very sad today** that I must do the one part of my job that I hate, and that's when I must inform you all about our friends in the industry who have passed away. Today, I'm very saddened to report that my great friend, the one and only, **BOB PROVOST, 85**, of Greenville, South Carolina, passed away on **March 25, 2021**. Bob was born on **February 15, 1936**. Bob was predeceased two months ago by **LORRIE**, his beloved wife of 63 years, and his son, **EDWARD**. Bob is survived by his children: **JOANNE COGGINS; BOB PROVOST, JR.; THOMAS PROVOST; MARY BETH PROVOST** and **ALLYSON LEWIS POPPER**.

Bob and his daughter, **MARY BETH PROVOST**, were the *Cover Story Subjects* for our **December 1998** edition. To say **The BOB PROVOST Story** is a wonderful story about a truly great man, our friend, Bob Provost, would be an understatement. I urge you to read his *Cover Story*, which is among 327 other *Club Insider* editions you will find at www.clubinsideronline.com/archives. Sadly, we all know that old saying, "We've all got to go sometime." While that's true, I sure wish Bob had stayed with us longer. I met Bob in 1980 when **RICH BOGGS**, the late **RAY IRWIN** and the late **FRED STRECK**, and I were partners in **CourtSouth** in Marietta, Georgia. Bob had opened a 48,000 square-foot indoor tennis center in Greenville in 1976. It wasn't long before Bob decided to convert some of his indoor tennis courts to racquetball courts, and he added *Nautilus* machines, free weight workout areas, *Lifecycles* and an indoor track and other amenities. We assisted Bob in that endeavor because we were already in the process of converting some of our racquetball courts in Atlanta to

multi-purpose amenities. To access Bob's *Cover Story*, go to bit.ly/bob-provost. **May Bob Rest In Peace.**

■ **BILLY ROBINSON, 69**, of Brimfield, Ohio died unexpectedly on **March 21, 2021**. Born in Akron, Ohio. Billy was a successful entrepreneur who's passion for health and fitness carried him throughout his career. Billy's mentor, **JERRY ALLES**, and others, aided Billy during the most significant time of his career as *Vice President of Sports Life Inc.* in Atlanta. Billy was preceded in death by both parents, **JEFF and EVELYN ROBINSON**; brother, **JEFFREY ROBINSON**; and sisters, **CAROLEE and SHELLEY**. Also preceding him in death were father-in-law, **ROBERT OSWALD**; mother-in-law, **EILEEN OSWALD**; and brother-in-law, **JANI LANE**. Billy is survived by his loving wife of 46 years, **MICHELLE**, and his only son, **ROBERT "BEAU" ROBINSON**, brothers- and sisters-in-law, his beloved nieces, nephews and his extended family and friends. Billy was cremated and a memorial mass was scheduled to be held for him on Wednesday, March 31, 2021. **May Billy Robinson REST IN ETERNAL PEACE.**



Norm Cates

to improve their club operations, and **(B)** You'll also find multiple ideas you can use in your organization.

■ I also want to **Tip My Black Hat** to **BRENT DARDEN**, *IHRSA Interim CEO-President*, and **JAY ABLONDI**, *IHRSA's EVP of Global Products* because Brent, Jay and their **IHRSA Teammates** have been trying like hell to get something done on Government funding via the **GYMS Act**. Brent's repeatedly urged all of us to maintain pressure on Congress to get the **GYMS Act** passed, and I want to echo Brent's urging to all of you to follow up today and contact your **Senators and Representatives** and **urge them all to pass the GYMS Act**, which will provide our industry with **\$30 Billion badly needed dollars**. The bill currently has **74 Co-Sponsors**, but it needs more! To learn more about and help get this bill in front of Congress, go to bit.ly/clubinsider126.
(See *Norm's Notes* Page 6)

■ **Welcome Back** to **LA Fitness** as they rejoin the *Club Insider Advertising Team*. Check out their **Ad** on **Page #17**.

■ I want to **Tip My Black Hat** and say **Sincere Thanks and Appreciation** to **EDDIE TOCK**, our good friend who's very successfully running the **REX Roundtables** organization. We've chronicled that work in this month's must-read cover story. Don't miss reading it all because therein you will: **(A)** Learn a lot about what the top club owner/operators in the world are doing

About Club Insider

CELEBRATING 28 YEARS OF TRUST

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PUBLISHER (p): (863) 999 - 2677
Justin Cates (e): Justin@clubinsideronline.com

FOUNDER & TRIBAL LEADER SINCE 1993 (p): (770) 635 - 7578
Norm Cates, Jr. (e): Norm@clubinsideronline.com

CONTRIBUTING AUTHORS - Bill McBride, Bonnie Patrick Mattalian, Bruce Carter, Casey Conrad, Cathy Spencer Browning, Daron Allen, Derek Barton, Donna Krech, Eric Durak, Gary Polic, Jeffrey Pinkerton, Jim Thomas, Joe Moore, John McCarthy, Jon Butts, Karen Woodard-Chavez, Kristen Deazeley, Mark Williamson, Melissa Knowles, Michael Gelfgot, Michele Wong, Mike Alpert, Nancy Trent, Paul R. Bedard Esquire, Paul Bosley, Rick Caro, Sumit Seth and Thomas Plummer

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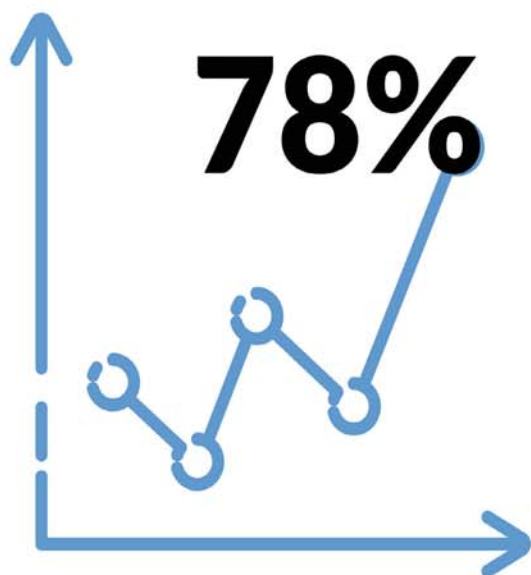
At *Club Insider*, we are excited to be in our **28th Year** of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom* for my son, **Justin**, is still intriguing and amazing to us. So, I wish to extend my most sincere **Thanks and Appreciation** to everyone who has made this amazing 28-year run possible.

A very sincere *Thanks and Appreciation* go to **Rick Caro**, the late **Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. *Thanks and Appreciation* to my long-time friends, **Ron Hudspeth** and **Cathy Miller**, formerly of **Atlanta's Hudspeth Report** for the tremendous assistance they provided. *Thanks and Appreciation* to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! And, of course, *Thanks and Appreciation* to the **United States Postal Service** for sending those editions to our readers! *Thanks and Appreciation* to all of our **READERS**. Sincere *Thanks and Appreciation* to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. *Thanks and Appreciation* to all of our **Club Insider Contributing Authors**, past and present. *Thanks and Appreciation* to **IHRSA** for all it does for all of us. And, sincere *Thanks and Appreciation* to my son, **Justin**, who has become our Publisher and is a truly great partner. You name it and Justin does it each and every month!

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

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

Norm Cates, Jr.



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...Norm's Notes

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■ Folks, let me get down to some **extremely important business here**. Let me start by saying that what I'm about to say here applies to **ALL OF US IN THE INDUSTRY THAT WE ALL LOVE** no matter what political inclination you may have as an American. This is **VERY IMPORTANT** because it is about your business!

My message about YOUR business is this: If you are in the club business in any way, shape or form, as a club owner/operator or a vendor of any

product to clubs, you need to get with **Team IHRSA** on this very important effort, and contact your elected representatives to tell them: **How dare you pass a \$1.9 trillion stimulus bill and provide ZERO assistance to our industry, one that is part of the solution and not the problem!**

WE GOT SNUBBED, folks, plain and simple. **BUT**, what we can do is keep at it, **hard and heavy**, to help **Brent Darden, Jay Ablondi** and the **IHRSA Team** finally crack through this total ignoring of our industry and **get the GYMS ACT PASSED NOW!** Again, the legislation will provide our industry with **\$30 billion** in very badly

needed funds. There are currently **74 Co-Sponsors** signed on to support the **GYMS Act**, but folks, **let's PUSH HARD and GET THIS DONE!** Go to bit.ly/clubinsider126 and do your part to help!

■ Read on folks, as the following news should be ample evidence to support my writing that **OUR GREAT INDUSTRY BADLY NEEDS FINANCIAL HELP!** If you're in our industry and don't think this matter is **URGENT**, then you have your head in the sand! Here are excerpts *Club Industry* provided from a recent report filed by **IHRSA** (See the **Full Report** beginning on **Page #3**):

U.S. health club revenue fell \$20 billion in 2020, a 58% decrease from its all-time high in 2019 of \$35 billion, according to estimates from **IHRSA**. **The industry lost \$5.5 billion in revenue in April and May, 2020 alone!** **IHRSA** shared a rundown of some of the losses the industry faced in 2020 due to the temporary closures of health clubs and studios caused by **COVID-19**. Those closures lasted for a few months for many states, but states such as California, Oregon and Washington faced almost a full year of closures or restrictions on capacity and indoor workouts. As of **December 31, 2020, 19% of boutique studios and 14% of health clubs had closed permanently**, according to data that **IHRSA** collected from payment processing companies. And, eight major health club brands have filed for bankruptcy: **24 Hour Fitness, Gold's Gym, Town Sports International, In-Shape Health Clubs, YouFit, Cyc Fitness, YogaWorks and Flywheel**. The pandemic also affected employment with **1.4 million people, or 44% of the fitness industry workforce, losing their jobs in 2020**, according to **IHRSA**. Visits to health clubs also decreased last year, particularly in the second quarter of 2020, **down 80%** for some of the largest brands (compared to the second quarter of 2019), according to data from **Placer Ai**, a firm that analyzes foot traffic and also creates consumer profiles. Visits were also **lower in the third quarter by 50%** and in the **fourth quarter by 38%**.

Folks, the evidence is clear, so third times the charm. Please go to bit.ly/clubinsider126 to learn what you can do to help pass the **GYMS Act!**

■ I'm totally fired up and looking forward to attending **IHRSA's 40th Anniversary Convention and Trade Show** with my partner, son and *Club Insider* Publisher, **JUSTIN CATES**. With the event slated for **September 20 - 22, 2021** in Los Angeles, California, **it's coming fast! YAHOO!** This is going to be an **IHRSA Convention and Trade Show for the AGES**, and if you miss this one, you will never forgive yourself! **SO... MAKE PLANS RIGHT NOW TO BE THERE with BRENT DARDEN and Team IHRSA**, as well as Justin and me, and of course, folks and friends from all over


the world. If you've not yet booked your flights, do it now to save some money. And, check back here each month for the latest **IHRSA40 news!**

■ Just in case you missed it, the terrific **Club Industry 2021 Future of Fitness global virtual event** was held **March 9 - 10, 2021**, and it shared insights from experts about the most vital topics affecting the future of the industry. Over 4,000 attended. To view the entire presentation, go to futureoffitness.clubindustry.com.

■ **HAPPY 90th BIRTHDAY to the ONE and ONLY DR. KENNETH COOPER**, as he celebrated this landmark birthday on **March 4**. Born on that date in Oklahoma City, Oklahoma in 1931, **Dr. Cooper has made a TRULY HUGE MARK ON THIS EARTH!** He's well known as the "**Father of Aerobics**," because years ago, he was the first person ever to define and promote the value of aerobic training for a healthy life. Dr. Cooper's father, a periodontist, instilled in him the idea and desire to practice preventive medicine. In 1968, America was introduced to a new word, and more importantly, a new concept. Dr. Cooper's first bestselling book, *Aerobics*, created a fitness revolution and subsequent preventative medicine research, persuasive public appearances and a series of inspiring books has motivated millions to change their lives and adopt a habit of regular exercise leading to a healthier lifestyle. The Cooper Institute was founded in 1970. Our **April 2018 Cover Story** about Dr. Cooper chronicled 50 years of aerobics, and our previous **November 2008 Cover Story** featured Dr. Cooper when he received *Club Industry's Lifetime Achievement Award* at its yearly show in Chicago. Early on in his career, Dr. Cooper believed it was as important to try to *prevent disease* as it was to *treat and cure disease*. Fifty years later, through meticulous research, that basic premise and vision has been reaffirmed and strengthened. What was once looked upon as "opinion" has become scientific reality. **CONGRATULATIONS DR. KENNETH COOPER on your milestone 90th Birthday!** You're now going on 91, and we **CONGRATULATE YOU ON THAT, TOO!**

■ I received this news at my desk one day before our **April Edition Deadline**, so I'm happy to report this news about my friend's **STEVE STRICKLAND** and **JOHN QUATROCCHI's Workout Anytime**. And, **I Tip My Black Hat** to them on how they've created a really great group of clubs that have continued to perform well even as they, like all of us, have battled the dangerous Coronavirus. The following news about **Workout Anytime** comes courtesy of **The ABS Company**, and it reads:

Workout Anytime Approves The GluteCoaster For Clubs Nationwide! **Workout Anytime (WOA)** is taking glute training to the next level! The renowned
(See *Norm's Notes* Page 7)



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...Norm's Notes

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WOA fitness chain has officially approved *The GluteCoaster from The Abs Company* as their newest booty training tool for their 160+ clubs. "We are very excited about the recent addition of the GluteCoaster to the approved products that will be featured in over 160 Workout Anytime locations," said **MICHAEL RITTER**, Vice President of *The Abs Company*. "Glute training is one of the hottest trends in fitness today, and we look forward to helping Workout Anytime continue to provide an amazing member experience by giving members what they want with the latest innovation to our equipment line." Many Workout Anytime clubs are already finding that the GluteCoaster is a big hit. "My members love it!" says **LORNE SALTSMAN**, Owner of *Workout Anytime Glasgow, Bowling Green, and Campbellsville in Kentucky*.

Folks, be sure to check out **Workout Anytime's Full Page Ad** on our **Outside Back Page!**

■The **RSG Group**, one of the world's leaders in innovation in fitness and lifestyle, has brought their **John Reed Fitness Clubs** to North America with their first location having opened on March 17, 2021 in Downtown Los Angeles. The new John Reed Fitness Club opened in the vibrant South Park neighborhood where modern high-rise residential towers, entertainment, sports and dining intersect. Spanning **over 33,000 square feet**, the new club is a symbiosis of fitness, music and design. Members receive unlimited training opportunities from free weights, cardio, functional and machine strength training with top-of-line equipment as well as an array of boutique-style classes with dedicated instructors leading Cycling, HIIT, Pilates, Barre, Dance, Yoga and more. **Stay Tuned, Folks!**

■As light is beginning to be seen at the end of the tunnel, and when it is safe to do so, **WELCOME BACK PARTIES** are an idea my son, Justin, came up with during his *January 2021 Cover Story* interview with me. Justin did a great job as the author of that cover story! I loved his idea, and together, we're passing it on to you here today. The idea is simple, and it's actually a "spin-off" of the monthly "Member Appreciation Parties" I've promoted to you for many years. When it is safe to do so, the idea is for club owners to begin monthly "Welcome Back Parties" to meet and greet your members and their family/friends. You would make the investment of providing food and adult beverages on a specific weeknight evening starting at around 7 or 8PM.

Your invitation would read something like this: **"You, your family and friends are cordially invited to our special Welcome Back Party** where we invite you to join us to enjoy some excellent

complimentary food and adult beverages with our staff, friends and your fellow members. There is **NO CHARGE**, and this special party will last from **7 to 10PM (Or, 8 to 11.)** Of course, we still encourage social distancing and the wearing of a mask. See you soon!"

Folks, it has been a tough, long year. Everyone is in need of some **FUN**, so **BE THAT FUN** in your member's lives.

■**GEOFF HAMPTON**, an old friend and a long-time industry veteran, and I go way back. Geoff recently contacted me to tell me about a new initiative he's become involved with. He told me he had become involved in something that actually brought back a lot of memories for both Geoff and me. **Geoff's Article on Page #23** is entitled: **The Fight for Independent Club Operators... From The Battle of New Orleans to The Battle for Independents**. The aforementioned memories his article brings back for both of us go back about 25 or 30 years or so ago when many of us IRSA Members conducted a big protest meeting at the IRSA Convention Hotel in New Orleans because there was a movement in play to admit the *Bally Health Clubs* into IRSA's Membership. Several hundred of us independent club owners attended that meeting, and the result of it was successful, because on that day, we *stopped Bally from being admitted into IRSA!* (And, in case you're thinking I'm screwing up and misspelling IHRSA... **Nope...** I'm not misspelling the IHRSA acronym because it was IRSA in those days before the word Health, and the letter H, added.) I do hope y'all will check out Geoff's interesting article on **Page #23** of this edition.

■In keeping with something I started for the first time last month, here's the *February 2021 list of Government Thrusts and Initiatives* as reported by **IHRSA's JAKE LANDRY**. Folks, in the wild, wild world we all know, from coast to coast, and depending upon what your mindset is, this list could be **good news** or it could be **bad news**. But, one thing's for sure, this list is provided on a regular basis by IHRSA's Jake Landry, and it contains facts that **you can trust to be true:**

- Missouri Considers Bill Regarding Gym Status in Health Emergencies;
- Illinois Considers Bill to Amend Biometric Information Privacy Act;
- Lawmakers in Connecticut Propose Bill Requiring AEDs in Health Clubs;
- Utah to Consider Bill Impacting Bonding and Automatic Renewal;
- Massachusetts to Consider Bill Requiring Trauma Kits;
- Illinois to Consider Bill Regulating Automatically Renewing Contracts;
- Maryland to Consider Bill Exempting Health Clubs from Local Tax;
- New Hampshire to Consider Auto Renew Bill in Hearing;
- Massachusetts to Consider Bill Requiring

- Posted Emergency Response Plan;
- Connecticut to Hold Hearing on Bill Expanding Options for Cancellation of Health Club Contracts;
- Kentucky Considers Bill Regulating Massage Therapy;
- West Virginia Considers Bill Restricting Collection of Biometric Data;
- West Virginia Lawmakers File Bill To Create Wellness Tax Credit;
- Arizona Bill Expanding Options for Cancellation of Health Club Contracts Passes House;
- Illinois Considers Bill to Amend Biometric Information Privacy Act;

- Utah to Consider Bill Prohibiting Online Only Cancellation;
- North Carolina to Consider Bill Changing Requirements of Auto-Renewing Contracts;
- West Virginia Files Bill Requiring Notification Before Auto-Renewal;
- Illinois to Consider Bill Changing Requirements of Auto-Renewing Contracts;

Thanks to Jake Landry and IHRSA!

■Well, colleagues, friends and neighbors, let me close this month's Norm's Notes with this: **Muscles Have Memories**. I'm happy (See *Norm's Notes* Page 8)

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...IHRSA

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payment processing companies serving the industry reveals 19% of boutique fitness studios have permanently closed as of December 31, 2020. Approximately 14% of gyms and traditional health clubs have ceased operations.

No club concept was immune to the impact of COVID-19: full-service health clubs, HV/LP gyms, fitness studios and independent clubs were all afflicted by widespread closures and ensuing restrictions.

"Compliance with mandates caused many clubs, especially single-activity studios, to close because their economic model was no longer feasible," said **Rick Caro**, a 48-year veteran of the industry and President of *Management Vision, Inc.*, a leading consulting firm specializing in the club industry. "Their subsequent lack of liquidity created the immediate need to discontinue their operations. This has caused clubs to close, costing jobs and leaving members with no alternative for needed physical activity and social interaction."

Eight Major Fitness Companies Filed for Bankruptcy

Leading companies across the health club, gym, and fitness studio segments filed for bankruptcy in 2020. Companies that filed for Chapter 11 restructuring include: *Gold's Gym*, *24 Hour Fitness*, *Town Sports International (TSI)*,

YouFit and *In-Shape Health Clubs*.

24 Hour Fitness closed 144 locations while Gold's Gyms shuttered 31 sites. TSI ceased operation on more than 100 establishments.

Studio brands Flywheel, Yoga Works and Cyc Fitness filed for bankruptcy due to the pandemic's financial distress. Flywheel and Yoga Works closed all of their 42 and 56 respective studios.

For many fitness club operators, bankruptcy seemed to be the only option.

"Health club operators were holding off lenders seeking debt payments, landlords seeking full rent payments, [and] members still on freeze, [all] with an increased cost of operations related to safety and cleaning," said **Pete Moore**, Founder of *Integrity Square*, an equity and financial advisory firm serving the Health, Active Lifestyle and Outdoors (HALO) sector. "Larger club groups used Chapter 11 bankruptcy protection to reorganize, shed creditors, reject bad leases in order to reset and survive. Smaller footprint clubs and studios had to strongly consider filing for bankruptcy."

More Than 1 Million Industry Employees Lost Their Jobs

Last year, the fitness club industry's workforce shrunk by 44% as 1.4 million staff members lost their jobs. The 3.2 million industry jobs were in limbo when roughly 95% of fitness centers were closed at the peak of shutdowns in the spring.

Job losses affected small business owner-operators, executives, instructors,

administrative staff and seasonal workers. With continued restrictions, some of these job and career opportunities may never return to the industry.

Americans Lacked Access to Their Go-to Outlets for Health and Fitness

When they needed it most, Americans were essentially barred access to their health and fitness clubs. All through last year, fitness club operators struggled with closures and restrictions, despite the well-documented research showing the vital role exercise plays in boosting health and wellness. Club operators experienced this limited access in the staggering decline in the number of on-site visits last year.

Placer Ai data shows that Q2 2020 health club visits fell by 80% for leading brands relative to Q2 2019. Declines in usage continued throughout the year. In Q3, visits shrank by 50%, and in Q4, visits decreased by 38%.

■ ■ ■

Last year was one the fitness industry would hope to forget. It may take years to recover from the economic damage from COVID-19. But, health clubs, gyms and studios are more critical now than ever. The direct negative consequences of an at-home lifestyle have created significant negative health factors and increased medical costs. The public needs the environment and support club operators provide in improving the health and wellness of their local communities.

...Norm's Notes

continued from page 7

to be reporting to you that, **at the ripe old age of 75, I'm off and running on a new weightlifting program!** In my youth, while I was playing football in high school and college, I did a lot of weightlifting, and for sure, my dedicated weight training helped me make *1st Team All Atlantic Coast Conference* and *Honorable Mention All American* in football. **BUT...** that was a **LONG TIME AGO!** So, stay tuned next month for occasional updates on my renewed iron pumping!

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

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

(Norm Cates, Jr. is a 47-year veteran of the health, racquet and sportsclub industry. He is the Founder and Tribal Leader Since 1993 of *Club Insider*, now in its 28th year of monthly publication. In 1981, he was IHRSA's First President, and a Co-Founder of the Association with Rick Caro and five others. In 2001, he was honored by IHRSA honored with its DALE DIBBLE Distinguished Service Award, one of its highest honors. And, in 2017, he was honored with Club Industry's Lifetime Achievement Award. He can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com.)

Pride and Discipline: The Legacy of Jack LaLanne

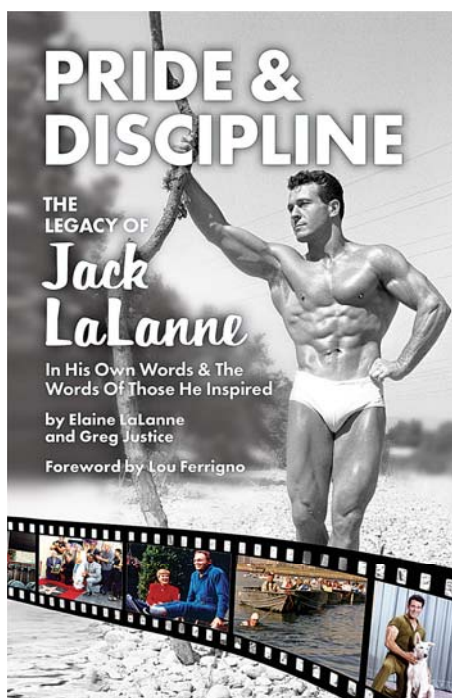
Coming Spring of 2021, *Pride and Discipline: The Legacy of Jack LaLanne*, was put together by National Fitness Hall of Fame Inductees, **Elaine LaLanne** (NFHOF 2017) and **Greg Justice** (NFHOF 2017).

This is a book nearly 100 years in the making, and it includes some never seen before material by Jack LaLanne, along with a timeline of Jack's life. To say these pages are full of motivation, inspiration and life-changing material is an understatement, and we're so excited to share it with the world.

Pride and Discipline: The Legacy of Jack LaLanne was compiled as a tribute to the *Godfather of Fitness*, and to introduce an entirely new generation to his life and legacy.

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- Mary Clark, Owner,
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...REX Roundtables

continued from page 3

was honored with the *IHRSA Associate of the Year Award*, the only consulting firm in 25 years to win that honor. Ed's early involvement with REX began when he joined **Will Phillips** of *REX Roundtables* to develop new Roundtables for club owners and CEOs. Ed now oversees REX Roundtables, which currently has 19 Roundtables with over 250 members worldwide (with the help of **Justin Tamsett** in Australia and **Fausto Di Giulio** in Europe).

Ed's many other industry achievements and honors during his career include:

1. Ed has been a featured speaker at over 90% of the IHRSA Conventions since 1990, and he's authored many articles for their *CBI Magazine*.
2. Ed has been a judge for *IHRSA's Sales Team of the Year Award*.
3. Ed has been a *Club Insider Contributing*

Author, and he has authored articles for *Club Insider*.

4. As a partner with Ray Gordon and the late Lyle Schuler, Ed sponsored and authored the *IHRSA Video on Sales*.

With that folks, I invite you to read on as an in-depth interview with *REX CEO, Eddie Tock*, follows.

An Interview with Ed Tock, Club Business Veteran and CEO of REX Executive Roundtables

Club Insider (C.I.) - Ed, you've said that the REX Roundtables are more like a *FAMILY*, not just another 'networking group.' Please give us an example of *how REX is a FAMILY?*
Eddie Tock (ET) - We've had many times where REX Members have had challenges back home. And, when they shared them with their entire REX Roundtable, several of their Roundtable Members, myself included,

have stepped up and offered to really make a difference. We had one person who didn't want to go in for an important surgery because he was concerned about leaving the club in the hands of his brother, who was his business partner and a good business guy, but he was more of an accountant personality. And, the staff hated him! This comment from him was shared with me at a discussion I was having with him over dinner, so I said to him, 'Okay, can you give me the dates you need to go in for surgery? Let me check my schedule, and I'll come down and run your club for two weeks.' When the person sitting next to me heard that, he said, 'What are you doing? Count me in for a week!' Before we left dinner, we had two months' worth of experienced management supervision coverage for him!

C.I. - WOW! I bet in a situation like that, he was very appreciative!

ET - Yes. That's one example. In another case, a REX Member's son was hanging around with a bunch of kids and got hurt badly with burns on 30% of his body. We didn't know if his ex-wife's medical coverage was going to be sufficient, and within one week, we raised \$50,000 to help out... just from his REX Roundtable. Those are just two of dozens of stories that I can think of that are similar.

C.I. - Man oh man, Ed! Those are fabulous stories! God bless the whole REX Team there, *because it IS both a FAMILY and a TEAM!* Ed, is there any other comment you want to add to your response to this first question?

ET - I think that, when someone joins a Roundtable, the REX Roundtables have actually become a family. In reality, the REX Roundtables become a *second family... and a second home*. We are a safe place where safe talk can happen. **DAVID PATCHEL-EVANS, a/k/a PATCH**, who owns *Good Life Clubs* in Canada, shared this with all REX Members: 'Professionally, when I started as a REX Roundtable Member, I had ten Clubs... Now, I have 400+. It has meant sharing with people that aren't from home, don't talk and aren't paid to give you advice, so it's from the heart. Personally, it has meant having people to share life challenges without fear of being stabbed in the back... without judgement.'

Norm, sometimes, a business owner cannot have that type of conversation back home with his business partner or his other staff. And, sometimes, with his own families. *We've become a real safe space*. And, not just during the three meetings we



Eddie Tock

do every year. Our members are really well connected. I have one REX Member who's been in the Roundtable about three years. His first Summer, he got in his car and drove to visit eight of his REX Roundtable Members at their clubs. He saw their business operations firsthand.

C.I. - Can you give three examples of the biggest win a REX Member had as a result of being in REX?

ET - Sure, as before, what I'm going to do is give examples but not the names of REX Members or their clubs. We had one REX Member whose club was struggling when he attended his first meeting. He was near bankruptcy. He couldn't get credit to buy equipment, and he needed to refresh his club by buying new equipment. As a result of working with us, and being part of REX, fast forward to today, he now has seven clubs and is the market leader in his area. He's really a shining example of how to build a company and to do it well. He has an amazing culture with his teams. He's done a wonderful job for his community. He's done everything you could ever ask of an owner to do in giving back to the community. When this fellow had his first club, for a while, he was living in his van! It's a **Joe Cirulli**-type story, you know. I mean Joe has shared with our industry that, when he was just getting started, he was actually sleeping in his van. Well, this REX Member was actually living in his van just like Joe Cirulli did when he started!

Another REX Roundtable Member
(See *REX Roundtables Page 12*)

REX Chair Interview

Frank Ancharski, Chief Coaching Officer of Club Coach Services

Club Insider (C.I.) - How long have you been a REX Member?
Frank Ancharski (FA) - I was in *Roundtable #3* led by **Will Phillips** for two years while a GM at the *Oxford Athletic Club* in Pittsburgh and for a time as a consultant. Years later, I started the GM Roundtable for REX that is being so well run by a friend/colleague, **Mark Miller** (See **Mark's Comments on Page #12**), from *Merritt Clubs*.

C.I. - How does being a REX Member impact your business?
FA - The ability to trust your own 'Board of Directors,' if you will, actually helped turnaround the *Oxford Club* in *Sales/EBITDA* and *Service Engagement*, and then, it helped me successfully launch my consulting company, *Club Coach Services*.

C.I. - When and how did you become a REX Chair?

FA - In 2010 after finishing my career at *Life Time Fitness* opening a Top 10 club for them, I worked with **Will Phillips** on creating opportunities for managers similar to the Owner/C-Suite ones that now dot the globe worldwide. I have stayed in touch with the legendary **Eddie Tock** since his days at *Sales Makers*, and we both long had a desire to expand the offerings, especially now with the new *IHRSA/REX* partnership. I am blessed that **Eddie** offered me an opportunity.

C.I. - What additional responsibilities/privileges did this add to your involvement with REX?

FA - As a Chair, I take my role in this 'franchise' we know as REX Roundtables for Executives to heart and will do anything necessary to 'be there' for our members. Whether it be sharing invaluable information, providing valuable advice/coaching, making connections, lending a compassionate ear or recruiting new members, I'll bring my passion for helping REX members improve their lives professionally and personally.

C.I. - As a Participant or Chair, please provide the most unique example of a problem/challenge brought forth during a Roundtable and its resolution because of the Roundtable.

FA - When I was separated from the *Oxford Athletic Club*, I was devastated. I had moved my family from Boston, Massachusetts and expected to spend the rest of my life in a great city, Pittsburgh, Pennsylvania. Right after the departure, I was emotional sharing my plight with members of Roundtable #3. In front of all of them, good friends like **Jeff Esswein**, **Terry Blachek**, **Bob Stedman** and **Andrew Eker**, **Will Phillips** asked me poignantly, 'so what did I do to be gone from Oxford?' Bam! Such transparency, love, honesty, pain and caring hit me right between the eyes at the same time. That question moved me like nothing else in my life. Now, years later, I came to find out that my departure was due to extenuating circumstance and not anything to do with what I did or did not do (proven by two respected 'Pittsburghers'), which helped ease the pain. However, I truly learned that any relationship, no matter whose fault, comes down to what *EACH* contributes to it. Having to look in the mirror was the best lesson I could have ever learned about not being driven to find fault but rather accept shared responsibility. That type of compassion and tough love happens with REX members. This membership in REX is really powerful, moving and life changing.

C.I. - Why should someone join a REX Roundtable?

FA - Because it makes a measurable and tactical difference in not only your professional life, it expands and broadens your family and personal relationships, too. REX is the 'straw that stirs life's beverages of opportunities.' I'd also add that the testimonials are so powerful by leaders in the industry like REX Member, **David Patchel-Evans**, it's worth watching and listening to them speak the merits of REX. Go to www.rexroundtables.com/rextestimonials.



REX Roundtable #2 at the Mayo Clinic Learning About Their Culture and History

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...REX Roundtables

continued from page 10

saw the changing environment in the industry, and as a result of asking his REX Roundtable for help, he came up with an entirely new business model. He took a huge risk, and he went from one of the higher-priced clubs in his market to tiered memberships. After the second month of restructuring both his pricing

and his offerings, as a result, his memberships went up. His profits went up. And, his business really took off!

The third example I have for you is the story about a REX Roundtable Member who was a top executive, and his company was sold. For two years, we kept him in the Roundtable for free while he was trying to figure out his next career move, as he started doing consulting. He eventually got back into

the club ownership business, and he grew his company from one location to multiple locations. Then, he brought private equity in as partners in multiple states.

C.I. - After all your years of running REX Roundtables, what are the five characteristics of those who get the most from their involvement in REX?

ET - That's easy!

1. You have to be willing to learn. You've got to be open to learning. Most great entrepreneurs in any industry have that characteristic. As smart and as successful as they are, they are always willing to listen and to learn.

2. Execution and implementation. Joe Cirulli is always one of the best examples of that with his 'Getting Better Team.' After every Roundtable, Joe takes his executives who are on the 'Getting Better Team' off site for half a day, and they review all the great ideas they got from his REX Roundtable and come up with an implementation and execution plan. We've recommended that strategy to every Roundtable Member, and those who have implemented Joe's plan have gotten a lot more out of REX.

3. You have to be willing to show support of others in the group. And, be willing to help others, because when you do, they want to help you back even more.

4. SHOW UP! This is pretty easy, but it's *not* always so easy. Show up three times a year for the meetings. Because of the pandemic, we've been doing weekly and bi-weekly Zoom calls since March of 2020. Be present and stay there. We have REX Members who have not missed a meeting in 20 years!

5. Take 'Rifle Shots.' This comes from Jim Collins' book *Good to Great*, which we focused on in 2019. 'Rifle Shots' means *before making big decisions*, you have to do things that are *low risk, low disruption and low cost*. Then, if it works, you **fire a cannonball**. Jim's analogy has to do with the English and French ship captains fighting battles in the 1700s. You can only carry so many cannonballs. If I took a shot at you, and I missed you, then you move closer and kill me. So, the smart captains on those English and French ships were taking rifle shots first. Then, they were making judgments based on the results of the rifle shots to decide **IF** and **WHEN** to **fire the cannonballs**. In business, you need to do that, too. So, we encourage one rifle shot in

between each meeting, if not more. To further clarify, Collin's rifle shot ideas means to test new products, technologies, services and processes first to see *what works* and *what doesn't*. Then, *only after new ideas have been tested and proven* should the organization go *all in and fire a cannonball*. Bullets don't sink the ship, but a cannonball can. Organizations should fire cannonballs (put large amounts of organizational resources and energy into ideas) **ONLY AFTER** they've fired lots of small rifle shots which test those new ideas to prove whether or not they will work. An example of a rifle shot in our industry could be changing your pricing model. First, before you make a big overall systemwide change move, take the time to experiment with a small group of targeted ads or prospects, using A-B testing (two different offers to see what works better), then you can determine your new pricing. For example, offering one month free when they join, or 50% off the first two months. Surprisingly, the second offer works much better!

Outside Learning and Reading

C.I. - I understand that you have taken many REX Roundtables outside our industry to learn more about improving their business. Can you share some of those ventures with us?

ET - The concept and plan is every REX Roundtable goes outside the industry every *third* to *fifth* meeting. So, that works out to our REX Roundtables going outside the industry to learn once a year to every year and a half. Here are a few examples:

Battlefield Leadership - We've taken almost every REX Roundtable to *Gettysburg* or *Little Big Horn* for leadership development (See **Photo on This Page**). We hire an outside company called *Battlefield Leadership*. We talk about the lessons you can learn from not just military leadership lessons but how you apply those lessons to clubs.

Nick's Pizza to learn about culture and systems. There was a cover story in *INC. Magazine* about Nick's Pizza. We go there to learn about how to develop a culture and systems, and he has the same challenges we do: a lot of his front-line staff are 18- to 25-year-olds and they are running up against that challenge every day.

ITR Economic Forecast, also used by **Vistage**, is a company that has accurately forecasted the economy 94% over the last 20 years. Vistage has mastermind groups (See **REX Roundtables Page 13**)

REX Chair Interview

Mark Miller, COO of Merritt Athletic Clubs

Club Insider (C.I.) - How long have you been a REX Member?
Mark Miller (MM) - I have been a member of REX for, I think, 18 years now.

C.I. - How does being a REX Member impact your business?

MM - This is a great question and one that could be so expansive, so I will try to keep short in bullet form:

- It is a family, and we do not do just business; we do life. You share and grow together.
- From a business aspect, being a COO can be lonely, so having a peer group allows you to share and bounce ideas off people. To learn, be challenged and grow.
- You do not have to have the answer. For example, in my group, there are 18 brilliant minds who can assist you and help you.
- You are challenged and pushed.
- You are exposed to a wealth of information and new ideas that grow your business ten-fold.
- You are required to get out of your comfort zone, and that is where the growth and magic happens.
- When my son was burned, I learned about peer-to-peer and its power. The REX group is that peer-to-peer, and the power behind it is what drives you and your business as well as your life and family so much. This is the magic.

C.I. - When and how did you become a REX Chair?

MM - I have always wanted to, and about three years ago, I was given the opportunity. It has been a great experience so far. The REX GM group is a top-level group of some of the future talent in our industry. Simply smart talent, humble and hungry individuals who have an incredible future in this industry.

C.I. - What additional responsibilities/privileges did this add to your involvement with REX?

MM - No responsibilities, more a privilege to help shape and lead other up-and-coming leaders. They challenge me to grow and get better so that I can help them grow and be their best. The group runs just like every other, and they are committed to being the best they can and grow their clubs to new heights. It's exciting to be a part of and to watch them grow.

C.I. - As a Participant or Chair, please provide the most unique example of a problem/challenge brought forth during a Roundtable and its resolution because of the Roundtable.

MM - I recall so many. One person had a personal issue he needed to attend to and would be away from the club for a long time and several of us volunteered without hesitation to just go work and watch his club for him. However, I think one of the most recent ones was we had a REX member who was tasked with driving their clubs, yet they were not given the tools or info fully shared from their owners. It was like they were driving their clubs and the windshield was covered in mud. Then, every time the wipers went over, it made it messier. They came to the meeting frustrated and on the verge of saying, 'they quit.' The group listened and then challenged them to own the problem. How do we get through the various stages of decision making? As the group asked questions and challenged the person, they gained strength in their abilities and resiliency to own the solution. They went back and discussed with their owner how open book transparency can help. If the owner trusted them, then they needed to share all and allow them to lead. Since that time, their clubs have grown over 50%, they are both happier than ever, they have planning retreats and set a vision for the future *together*. As a side note, the owner also sees the power in REX more than ever and has also joined his own group.

C.I. - Why should someone join a REX Roundtable?

MM - Easy! If you want to accelerate your learning, your growth and your success in both life and business, then this is a no brainer. It's simply an investment. We invest in our homes by doing projects, buying artwork and décor, doing landscaping etc. We invest in our health with nutrition, recovery and our workout and supplementation routines. Do you invest in yourself? Learning through education, sharing best practices giving and receiving advice to help others and yourself achieve new heights personally and professionally. The sad truth is most do not. If you do, I can assure you one thing, it will be the best ROI on invest one can have in their lifetime. For once, put yourself first; and as my Dad once taught me, if you want to take care of your family and others, it first starts with taking care of yourself. Your growth, your happiness and your attitude. REX has had such a profound impact on them all that, by default, my business and professional life have grown exponentially. I cannot thank REX Teams and Crew enough, as well as **Eddie Tock** and **Will Phillips** for all they have given me over the years. The love, support and push has helped me be who I am today. I have so much gratitude and love for them all. You can experience the same if you so choose and desire.



REX CREW Roundtable Doing Leadership Development at Gettysburg








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...REX Roundtables

continued from page 12

worldwide. Both Joe Cirulli and **Steve Wild**, as well as a few others are part of that. So, they brought the idea to me. REX supports Steve Wild's membership into ITR, and in turn, Steve does a monthly video interpreting the monthly data for us. *Here's some good news from Vistage...* the forecast is that most of the economic indicators are up and positive with slow growth for this year, and good strong growth for next year. That's what they are predicting, and by the way, they have nothing to do with politics.

Pandemic Times - We had a bunch scheduled in the past year that we had to cancel because of the pandemic, including the *Ford/Edison Museum*, in Dearborn, Michigan. We brought 3 REX Roundtables to the Ford/Edison Museum in 2019 and hired a former Museum Director to spend the day with us to teach us about innovation and what **Thomas Edison** and **Henry Ford** did. I'm even more impressed with the culture Thomas Edison created because the culture he developed back then was a culture where everybody went to work because they *WANTED TO*, not because they *HAD TO*!

Norm, another thing I want to mention is that, in 2021, we decided to start a monthly speaker series for all the REX Members. Here's the schedule of our *REX Roundtable Monthly Speaker Series*:

- In February, we started with **Robbie Baxter**, Author of *Membership Economy & the Forever Transaction*;
- In March, we featured **Mark Schaefer**, *The Marketing Rebellion*;
- In April, we'll present **Annette Franz**, *CX Journey (customer journey)*;
- And, we just finalized a contract with **Michelle Segar**, Author of *No Sweat*.

I can tell you, for sure, the comments and feedback we got from Robbie Baxter's presentation in February and Mark's talk in March about marketing have been terrific and amazing!

C.I. - Ed, how do you get the connections with these speakers?

ET - (laughing) Norm, I have my OWN Justin! **Justin Tamsett** (of Australia) also owns the *Fitness Business Podcast*, so they've interviewed many amazing speakers. Interestingly, more than 60% of their podcast downloads are in the U.S. Of course, these folks are happy to share their stories with the hope of selling their books.

C.I. - I know of Justin, but I don't think I've met him. I hope Justin Cates and I can meet him in Los Angeles at IHRSA in September. But, Tamsett and I already have something in common. That was my Dad served in the *U.S. Air Force* as a gunner on bombers during World War II, and his bomber squadron was based on New Guinea, an island off the coast (See *REX Roundtables* Page 16)

REX Chair Interview

Mary Laudati, CEO of Mary Laudati Sales Consulting

Club Insider (C.I.) - When and how did you become a REX Chair?

Mary Laudati (ML) - I became a Chair in March 2014. Eddie and I initially met at the *Sportset Clubs in N.Y.* (Eddie was the VP of Sales, and I was the Fitness Director), and we had reunited at many an IHRSA event. When I launched *Mary Laudati Sales Consulting*, I immediately reached out to Eddie, and the rest is history. I became the Chair for Roundtables, such as *Studio Owners*, *Marketing Directors*, *Sales Directors*, *PT Directors* and *CFOs*.



C.I. - As a Participant or Chair, please provide the most unique example of a problem/challenge brought forth during a Roundtable and its resolution because of the Roundtable.

ML - A great example (and there are hundreds) starts with the *CFO Roundtable*. The CFOs wanted to better coach their department heads in order to gain financial success. They shared the most important KPIs by department so they could be more of an advocate of growth VS. focused on cost saving initiatives. The *Marketing Roundtable* shared their best third-party vendors to expedite the growth and quality of leads. The *Sales Manager Roundtable* shared best 'CRM in Class' in order to organize their salespeople and create valuable KPIs for P&L reviews. PT Directors shared how to find new trainers and how to convert more new members to training clients! The list goes on...

C.I. - Why should someone join a REX Roundtable?

ML - *The Power of Peers!* (1) To become more efficient in the areas that are crucial to the business/operations. (2) Create a winning company culture, by implementing strategies, systems and hiring the best staff. Also, most important, to create a better quality of life. (3) Enhance the leadership skills within the organization.

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...REX Roundtables

continued from page 15

of Australia, a great country and American ally during WWII.

C.I. - Ed, I understand that REX Roundtables

focuses on at least one book per year.

ET - We do this to help all the entrepreneurs get better. We go in depth each year using a business book from outside our industry that we feel will have a strong impact on all REX Members. In 2020, we started with **John Maxwell's Leadership**. Maxwell begins his

book with the analogy of the cheetah. The fastest animal on the planet does not simply catch its prey through speed but through its agility and its ability to change directions at high speed. This became very apparent and important to every REX Member in 2020. We all had to quickly pivot to survive.

In 2019, we read *Great at Work* by **Jim Collins** and learned how to become a 10X company and learned about Rifle Shots. Other great books we have used are *Start With Why* by **Simon Sinek** and *Scaling Up and Rockefeller Habits* by **Verne Harnish**. For many years, we have showed REX Members how to use many of **Patrick Lencioni's** great books, such as *The 5 Dysfunctions, The Ideal Team Player, Meeting by Death* and others. In 2020, we hired his company, *The Table Group*, to do two workshops, free to all REX Members on *The Advantage* and *The Ideal Team Player*. The REX Members gave them rave reviews and learned a lot of things they could easily and quickly apply to their organizations!

The Three Agendas

C.I. - I've heard you speak about the **Three Agendas**, can you tell me more about them and why you think they are so important for everyone in our industry?

ET - The **Three Agendas** is something that applies in any industry. Actually, the origins are with management guru **Ichak Adizes**, who was the mentor to both the late **Dr. Gerry Faust** and still present **Will Phillips**. The easy way to remember this is the **First Agenda is everything operational**. It is 99% of what any business deals with every day in their business. *It's marketing, sales, accounting, finance, personnel, technology, operations, facilities, customer care, retention...* everything that's literally right in front of you every day. If you only compete on that, you're just not going to be as successful as you could be. For example, if you have the biggest club in your market, that's great... until someone else comes in and builds a bigger one. If you have 20 treadmills, that's great... until someone puts in 40. So, those are **First Agendas**. And, it's easy to be knocked out of a competitive market advantage if you only stay in the **First Agenda**.

Now, when you move on to the **Second and Third Agendas**, that's where the real opportunities come in for your business. The **Second Agenda has to deal with developing a strong culture and having the culture to drive the First Agenda**. It also has to do with *strategy, structure, staffing and systems*, but *the heart of it is the culture*. And, when you have a really strong culture, like many of our REX Members have, and many have developed over the years as a result of their focus, it drives the **First Agenda** to be much more effective. So, you're much more effective at executing and implementing everything you need operationally.

Finally, the **Third Agenda is leadership development**. It is the development of the leader themselves and looking for blind spots. At REX, what we do is help develop the leaders to be stronger and more effective, and we give them tools to take back home to develop more leaders within their organization so they don't have to micromanage everything. When you focus on the **Second and Third Agendas**, as well as the **First Agenda** (you can't ignore the

operational part of your business), *that's when your business changes and develops much more effectively*.

As mentioned before, the pandemic has caused us to switch and immediately pivot to doing weekly 90-minute Zoom calls with all nineteen of our REX Roundtables. I'd bet I've got more Zoom calls than anybody, but I'm happy to be on every one of them as this was really effective to help everyone stay connected. As they started reopening in September, we moved Zoom calls to every two weeks, and we're continuing that until the next time we meet in person.

Let me close my comments on this question by saying that, **'Best practices are what worked yesterday, so that's why we do a lot more than just that.'** We get club owners and executives to challenge themselves and each other and constantly strive to improve and take monthly rifle shots! And, I will add that we've all got to remember the old saying: **'The only thing guaranteed in life is: CHANGE.'** Guaranteed! Norm, you made that comment the other day about how you used to fax stuff, right!? (laughing)

C.I. - (laughing, also.) Heck, I don't even have a fax machine anymore!

The Origins of REX

C.I. - How, when and by whom were the REX Roundtables originally created and founded?
ET - REX was created in 1989 by **Will Phillips**, who was working with the now late **Dr. Gerry Faust**. *REX Roundtable #2* with **Joe Cirulli, Steve Wild** and **Bobby McLennan** are still in there, and **Patch, Geoff Dyer, Victor and Lynne Brick** and **Philip Mills** and others split to create the **REX Leading Edge Roundtable**.

C.I. - How, when and where did you first personally become involved in REX Roundtables?

ET - In 2008, after we closed **Sales Makers** after 21 years, Will asked me if I wanted to help change the industry. When I met with Will, he had three Roundtables, including *The Leading Edge*, plus two REX Roundtables. After that, I started at least one new REX Roundtable every year. We now have thirteen REX Roundtables in the U.S., three in Australia and three in Europe, for a total of 19.

C.I. - Across 19 Roundtables, how many total REX Roundtable Members are there now?

ET - We've got over 250 Roundtable Members worldwide! That covers about 2,700 clubs.

C.I. - Please tell our readers about your own concept of Roundtables.

ET - To me, a Roundtable is a place where you have an unofficial Board of Directors that care almost as much about your business as you do. It's a *deep level of thinking*. It's also a *deep level of caring*. They hold you *accountable*. They help you *implement*. They go *above and beyond* without being asked to help make a difference in your business. They respond quickly, and *they are brutally honest*... to really help make a difference. They genuinely care deep down about you, personally, not just about your business. That's what makes the difference, and that's the difference between the REX Roundtables. They are a lot more than a networking group or just sharing a few ideas you think will work.

(See **REX Roundtables** Page 17)

REX Chair Interview

Bill McBride, Founder, President and CEO of Active Wellness and BMC3

Club Insider (C.I.) - How long have you been a REX Member?
Bill McBride (BM) - I've been a member of the *REX Roundtable #2* for a little more than a year. Prior to that I was on *Faust Roundtable #1*.

C.I. - How does being a REX Member impact your business?

BM - That is a great question with an ever-greater answer. The number of resources I now have available, not only from my own Roundtable, but from the REX community at large, is amazing. Answers to questions; sharing of best practices; innovations that have worked and didn't work; outside speakers and resources; access to the best and brightest in our industry and outside our industry. It's actually a game-changer on accelerated learning and implementation of ideas.



C.I. - When and how did you become a REX Chair?

BM - I've known and respected **Eddie Tock, Brent Darden, Justin Tamsett** and **Mark Miller** for a long time. As they were looking to expand the reach of industry sharing through REX Roundtables partnering with IHRSA, I was asked to be a contributor. I'm committed to sharing and bringing out the best in people and our industry, so I eagerly agreed to do 1 - 2 Roundtables within the REX/IHRSA Partnership. Depending on how it all goes, I may want or be willing to do even more. I'm passionate about industry sharing and industry elevation. We have so much on the horizon beyond what the industry looks like today.

C.I. - What additional responsibilities / privileges did this add to your involvement with REX?

BM - The responsibilities are to prepare for each meeting virtual or live, in great detail to allow all of our REX Members to get the most out of their time spent. REX is committed to delivering much more value than the cost of membership. I know on Roundtable #2, no one dropped out during this ongoing COVID-19 crisis, because we all felt the value exceeded the expense, even as some of us needed to cut expenses. I'm sure all of the other REX Roundtables felt the same way.

I get the privilege to serve others, and I will receive some compensation for time spent. The compensation isn't going to change my life, but it allows for me to spend time on preparation and facilitation. But, the contribution of working with others in our industry will be the true payoff. I will get better, each member of my Roundtable will get better, and we will all have a lot of fun along the way.

C.I. - As a Participant or Chair, please provide the most unique example of a problem/challenge brought forth during a Roundtable and its resolution because of the Roundtable.

BM - This is a tough question as we have discussed every aspect of survival, stability and growth during our weekly calls. REX is a community of full sharing. Some gain new ideas, some expand their ideas, some share their ideas, other share their failed attempts; it is a full share of best practices, what works, what might not have worked in a certain circumstance and innovative ideas on what we or some of us might try. It is true collaboration and true sharing to get to better outcomes.

Examples during COVID-19 include: What each did with PPP; What each did with ERTC; What each did with outdoor spaces (this was extremely beneficial to our group); Early on, protecting staff and members with PPE and Protocols; Signage and Policies; Contact Tracing and Reporting; What each did with HVAC; New Business Models; Holds and bringing back holds; New Virtual Training and Virtual Membership Models; Plexiglass and space configurations; Furloughing strategies and assisting employees not working; and the list goes on and on...

The reality is the groups make each operator better as they all share, discuss and brainstorm. This is very unique in getting real time feedback from others who are experts in their fields and in the *know*. It's actually a godsend circumstance. There is no other resource that allows for accelerated learning to this level.

C.I. - Why should someone join a REX Roundtable?

BM - I've been in this industry for 30+ years. I read, I study, I listen. But, there is no substitute for networking with peers doing better or worse than you are doing at any given time. Peer feedback, which are real life case studies in real time accelerate one's learning and success beyond anything else someone can spend time on or do. REX Roundtables give you a competitive edge in business and life. Period. Three important caveats:

1. You must share and participate fully and openly.
2. You must be a collaborator and a team player for the broader group benefit. Sometimes, you will have a lot to share; sometimes you will have a lot to learn.
3. You have to commit to the calls and meetings as the power is in the group participation and attendance, made up of all of the individuals. Each one of the members has knowledge, experience and perspective that the rest of the group needs and relies on.



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...REX Roundtables

continued from page 16

While we all want best practices, remember they are what worked yesterday! REX is about rifle shots and exploring what else can work and truly thinking out of the box! We're not sitting around a table or on a zoom call only talking about First Agenda items.

I should add this to give a proper perspective: For about seven years, I was on a Mastermind Roundtable myself of 11 other industries that do what we do... organizing and delivering Roundtables to our industry. This included the Auto 20 groups that started in 1947, Masterminds for big accounting firms, computer firms, home remodelers and many more industries. Most of them were much bigger companies than REX. But, of all of them, we had the best retention, and we still do. **We have over 90% retention!** The average Roundtable company in other industries was at **50% retention**. That's because we're not just a networking group where you think you're going to get some operational answers, and that's enough to run your business... It goes a lot deeper than that. Many REX Members have told me that, after they joined and had been in a Roundtable for a couple of months to a year, they didn't realize what they were missing until they got involved. They told me they originally thought it was like going to another conference or webinar.

C.I. - How frequently and where do your REX

Roundtables meet?

ET - During normal times, usually three times per year in person for three days plus a Pre-IHRSA REX event every year. And, we stay in contact monthly in between via telephone calls or on Zoom calls. In 2018 and in 2019, we rented the San Diego Zoo (See **Photo** on **This Page**) and gave all of our REX Members free admission for the day and brought in amazing outside-the-industry speakers for an hour talk and three-hour networking event. Some of the speakers we've engaged include:

2018 - Tom Edwards - A Top Speaker from South by Southwest Conference;

2019 - Craig Weber - Vistage Speaker of the Year;

2020 - Leo Bottary - Vice President, Peer Influence at Vistage International. It was cancelled, but we had rented out Petco Park where the San Diego Padres play!

C.I. - What are the benefits realized by participants in Executive Roundtables?

ET - Your readers can go to our website,

www.rexroundtables.com where we have about 60 testimonial videos. I hired a videographer in Miami to do these video testimonials while we were down there for some of our Roundtables. Most of them are about a minute and a half long, and if you look at just a few of them, you'll get a lot.

C.I. - Well, Ed, our very beloved and now late Professor Gerry Faust has got to be up there in Heaven looking down on us now (See **REX Roundtables** Page 18)



REX Pre-IHRSA Event at the San Diego Zoo

...REX Roundtables

continued from page 17

and smiling at your success and at the great benefits and help you give an industry he and all of us love. **God Almighty don't we ALL miss him!**

ET - Norm, I'll tell you honestly that, for many years (and I still get requests), people would try to hire me as a consultant for them. They'd say they didn't want to join a Roundtable; they just wanted me to come and help them for a couple of days. My answer was always, 'No.' I tell them you'll get more out of a Roundtable than you'll ever get out of me. I tell them No because I firmly believe that *peer learning* is definitely better than any consultant in any industry. And, I tell them that, if they join a REX Roundtable, I'm going to help you anyway.

C.I. - Ed, one word comes to my mind after engaging in this truly amazing and informative interview with you, and that word is: **PASSION!** I think the *passion* of what you're doing at REX Roundtables, carrying on what you inherited from Gerry and Will, you've not just grabbed the baton and are running at a fast pace with that baton, you're sprinting with the baton! And, when I hear everything you've said, I must compliment you on how you've conquered and are performing at such a high level in a very important and totally unique trade in the world of professional education! The passion which you've shared with us during this interview has been, and will continue to be, the overriding factor of and for what I believe will be continued and ongoing success you all are experiencing with your 250 REX Members and 2,700 clubs. Good on you and all of your great REX Roundtable Teammates, Eddie!

ET - Thank you, Norm.

The IHRSA/REX Alliance

C.I. - Recently, IHRSA and REX Roundtables

created an alliance. Please tell us about how that happened and what it entails.

ET - In December, 2020, the *IHRSA Team's Jay Ablondi* reached out to me about forming an Alliance with IHRSA to help more club owners become more effective. So that you and all who may be concerned or interested to know, I *did not* deal with **Brent Darden** on this. Brent has been a REX Roundtable Member and Chairperson for seven years, so to avoid any *perceived conflict* of interests, he did not negotiate this arrangement. Instead, I dealt with the *four IHRSA Vice Presidents, Helen Durkin, Jay Ablondi, Pam O'Donnell and Regina Satagaj*, when putting this together. More specifically, it was Jay and me. We decided to work together to provide more REX Roundtables to help provide more education content to the entire industry from REX and to help IHRSA financially.

To Brent's credit, the moves he's made in his leadership of IHRSA have been *more than phenomenal*... that word doesn't do them justice. What the staff has done just financially has been amazing. IHRSA had to furlough and lay off 50% of their staff, and at the same time, launch a litany of bold new initiatives! They successfully renegotiated the IHRSA office lease, from a recently signed 10-year, 18,000 square feet down to 3,500 square feet, saving the Association \$1 million a year! It is amazing what Brent, the IHRSA team and the Board have gotten done with that space and the entire situation at IHRSA.

C.I. - What other items of information about the REX Roundtables and your new IHRSA alliance can you share with us today, Eddie?

ET - In 2021, we are forming at least two new REX Roundtables for Industry Partners, formerly known at IHRSA as Associate Members, another one for General Managers and another one for Owners. We will also share more best practices at the convention and the IHRSA Institute, as well as contributing

to *CBI*, IHRSA monthly magazine. IHRSA has always been our industry's best resource for content. We are happy to help them with this and will help provide innovative ideas to help all clubs.

Our current Team of REX Chairs includes: **Brent Darden, Mark Miller, Justin Tamsett and Mary Laudati**. And, to help us with this expansion, we've added **Frank Ancharki, Chris Stevenson and Bill McBride**. (Be sure to read the comments from Mark, Mary, Frank and Bill in the sidebars throughout this cover story.)

How to Join REX

C.I. - What member qualifications, if any, does REX Roundtables have for prospective new members?

ET - Be open to learning and willing to support and help other REX members. There must also be brutal honesty. And, they must be willing to take 'Rifle Shots,' as I described earlier.

C.I. - How does an interested party become a member of a REX Roundtable? Who should they contact, and what is their contact information?

ET - They can call me on my cell (914) 643-3207 or email me at eddie@rexroundtables.com. They can also email **Mary Laudati** at mary@rexroundtables.com. And, of course, more information and testimonials can be found at www.rexroundtables.com.

■ ■ ■

Justin and I want to express our sincere **Thanks and Appreciation to Eddie Tock** and the **REX Roundtable Chairs and Members** (See **This Page** and **Pages #20 and #21**) who've taken their very valuable time to contribute to this special cover story! **THANK YOU ALL!**



(Norm Cates, Jr. is a 47-year veteran of the health, racquet and sportsclub industry. He is the Founder and Tribal Leader Since 1993 of *Club Insider*, now in its 28th year of monthly publication. In 1981, he was IHRSA's First President, and a Co-Founder of the Association with Rick Caro and five others. In 2001, he was honored by IHRSA with its DALE DIBBLE Distinguished Service Award, one of its highest honors. And, in 2017, he was honored with Club Industry's Lifetime Achievement Award. He can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com.)

(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 36 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 13 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 863-999-2677 or email at Justin@clubinsideronline.com.)

REX Member Interview

April McCullough, General Manager of North Little Rock Athletic Club

Club Insider (C.I.) - How long have you been a REX Member?
April McCullough (AM) - I have been a member of REX since January 20, 2020 so a little over a year now.

C.I. - How does being a REX Member impact your business?
AM - Being part of the REX Roundtables has not only given me tools to help grow my business, but it has become a supportive system of managers connected in a way that challenges each of us to grow both personally and professionally.

C.I. - Why should someone join a REX Roundtable?

AM - Being part of a REX Roundtable is an extension of your work family. It is a platform to ask questions, gain insight, discussion and simply laughing through the challenges we all face sometimes. The Roundtable is diverse, and you are able to get a variety of perspectives on subjects that affect us. It is easy to lose your connection with the members of your organization during critical times, and being part of this group helps to keep you abreast of the ins and outs of the industry, which we have found to be imperative during this time.

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

AM - While in the middle of the pandemic, I felt like my perspective went from moving full throttle to barely surviving as a club and as a leader. After bringing my concerns to the Roundtable, I was able to talk through some of the changes that we were having to implement and reframe my vision of how to move forward in a way that would benefit the members and the staff returning in the safest way possible. The discussion of those changes were necessary for me to gain leverage as a leader so that I could point us all in the right direction, which is always forward.



REX Member Interview

Mike Feitelberg, President of The Edge

Club Insider (C.I.) - How long have you been a REX Member?
Mike Feitelberg (MF) - Five years.

C.I. - How does being a REX Member impact your business?
MF - Being a REX Member has had a profound, positive impact on almost every aspect of our business. There is simply not a greater resource of concentrated industry experts and leaders out there. The combination of innovative thinking with an open, honest environment that allows for the free flow of insight without the concerns of competition creates an extremely unique learning and growth opportunity.

C.I. - Why should someone join a REX Roundtable?

MF - By joining a REX Roundtable, you have positioned yourself and your company to be on the forefront of where our industry is going and how you can leverage best practices, programs and operational strategies to maximize your business. Potential members should know that participation in REX is an active one; you will be challenged, and you will be pushed to be your very best. REX goes well beyond just the business aspects to ensure members are getting the most out of life as well as their clubs.

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

MF - It is hard for me to single out just one example or challenge that I have brought to REX. From my bank to my software to our wearable devices, each of them were introduced to me via REX and its members. The support and information found in REX and my Roundtable group during the COVID-19 crisis was a fundamental resource and pillar to our recovery.



Leaders Aspire to Inspire

By: **Frank Guengerich**

Recently, I was approached by a member, and he was very complimentary about the operation, service and brand delivery at our multi-sports luxury athletic club called *VERDURE*. I'm always thrilled to hear positive feedback regarding service delivery, especially because our ownership group and management team are very focused on delivering an amazing experience for our members. The member asked me: If I had one piece of advice to provide a new owner or manager in the club business, what would it be? The answer has always been simple for me: To be a *Servant Leader*. To me, these are the keys to being a Servant Leader:

Be Authentic and Passionate About Your Product/Brand

To be the best, you have to pour your heart and soul into being the best. Your brand has to speak to what you are passionate about, and you and the team have to be committed to doing everything possible to delivering on your promise. Perfection should always be the pursuit and journey. As the saying goes, it's about the journey and not the destination. Pursuit of excellence is inspiring, and a leader should surround himself with others who understand the brand promise and are passionate about it. Our promise is to support our members in their fitness journey and provide them with an outstanding experience along the way.

Our brand, *VERDURE*, means a condition of health and vigor. We want our staff to be totally committed to not only our members health and vigor but to theirs as well.

I'm obsessed with our brand and product, and I passionately believe in it. I personally work out six days a week in the morning and compete nationally in bodybuilding and physique competitions in the Master's Division. I have never been able to understand how someone in a leadership position in the health and fitness business wasn't totally committed to his personal health and wellbeing. Also, I only want team members to be part of our brand and vision who feel and act the same way.

Being authentic and passionate about your product and brand are vital to being a Servant Leader, because to influence customers and team members, action speaks louder than words.

Being Customer Centric

To see your product and brand through the customer's lens is critical because only then will you truly understand what they encounter every day. How clean is the facility, does everything work, is the temperature perfect, are the team members respectful, helpful and available? The list goes on and on. Just doing a daily walkthrough for 30 minutes doesn't cut it. Use your club the same way your members use the club.

I've heard managers and owners talk about how important it is to conduct surveys for feedback. While I believe surveys are a tool and assist in better understanding customer satisfaction, speaking directly with your members and interacting so aggressively and consistently with them that they want to meet you and tell you about their experience is even more important. Make yourself available and don't sit in your office during prime times. Be on the fitness floor, outside classes when they are done, stand at the reception desk... be available and interact!

Have a rule to never talk negatively about a customer; that's a horribly slippery slope. As a Servant Leader, if you are having an issue with a member, take personal responsibility to speak directly with that member. Do not allow issues to be unresolved, and don't allow staff to talk to each other about a customer. That allows room for a culture that is not respectful.

Support, Interact and Teach Staff

A Servant Leader is hands-on, and no task is too small or too big for them to be involved. At *VERDURE*, our approach to training and development is to: (1) Tell (2) Show (3) Do. First, we *tell* them how to do a task. Next, we *show* them. Lastly, we have the team members *do* the task in front of us to demonstrate they have an understanding of how to successfully complete the task. This requires a hands-on approach to leading your team.

Just as it is vital to interact with your customers, it is equally important to interact with your frontline team members. After all, they are the ones in close contact with your customers all day. They will make or break your success. They need to exude your culture, and reinforcing the behavior and values you expect is critical. Servant Leaders have zero tolerance for anything except team members who are devoted to customer satisfaction and enjoyment.

A perfect example of this was

that, last summer, we had a grill team member at our resort pool complex (which is world-class) who became somewhat of a mascot. His name was Derrick, and he was a barback for our food and beverage operation, which is very large.

Derrick would run all day from bar to bar and customer to customer to make sure they got their food and drinks as fast as possible. But, at the same time, Derrick would take the time to stop and interact with customers. Often, he would even dance with them. Every customer knew Derrick. He always had a smile on his face, he had an amazing attitude and he genuinely loved his job.

Being a Servant Leader takes discipline and focus. It requires relentless attention to detail and an uncompromising approach. However, the satisfaction you and your team will have when you have raving fans as customers will be well worth it.

(Frank Guengerich is the President of



Frank Guengerich

Hospitality and Lifestyle at the Williams Group. The Williams Group is a Texas-based multi-company organization specializing in real estate development. The Williams Group owns several brands, one of which is VERDURE, a luxury multi-sport athletic, wellness and lifestyle brand unlike anything in the nation.)

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REX Member Interview

Assaf Gal, Crunch Fitness Franchisee

Club Insider (C.I.) - How long have you been a REX Member?

Assaf Gal (AG) - I have been a REX member for two and a half years.

C.I. - How does being a REX Member impact your business?

AG - Being a REX Member significantly impacts my business, but I also must mention that it enriches my life. Making deep and meaningful relationships with peers who also care so deeply about their employees, members, clubs, communities and families is very rewarding. My REX group members are now good friends and important figures in my life.

As to the business, REX meetings are a critical forcing function to redirecting our narrow focus and leveling up to the big strategic picture. Eddie will provide thought-provoking questions, make us aware of up-and-coming concepts, or introduce us to authors and thought leaders. Then, the professionals in the group will layer in their expertise and wisdom to analyze and discuss how that relates to us, what we're doing and how it may improve our operations. Meetings are really a great lens to filter knowledge and work towards application in the day-to-day to operations of the clubs.

Further, there is such an open and sharing environment that it really just fast forwards success. With such a big group trying so many things, you can quickly hear what someone is doing --specifically, granularly and tactically-- and how that's going for them, so you can implement things you already know are working for others. And, if you need, they'll offer up their time and team to connect and help you get started implementing it, too.

C.I. - Why should someone join a REX Roundtable?

AG - Well, they say you're the average of the five people you associate with most. By being a Member of a REX Roundtable, you level up, that's for sure. From a business standpoint, you just really expand your ability to learn about and quickly implement best practices. From a personal standpoint, you make great friends who truly matter to you. Business ownership can sometimes be a lonely slog, and by doing it surrounded by such a supportive group, it really eases the burden.

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

AG - The obvious one is the COVID-19 closures and business upheaval. As a leader, we really need to absorb fear and uncertainty, and exude confidence and optimism in our vision. That was harder than ever when our businesses were shut down. Being able to log in to that Zoom and see all those supportive friends looking back made it a whole lot easier. *The Stockdale Paradox*, as referred to by **Jim Collins** in *Good to Great*, refers to the need to accept the brutal facts, but never lose faith that in the end we'd get out of it. Add in the social ties of others in the same position and managing to deal with it, and we had the recipe for keeping the mindset needed to navigate through the turbulence.



REX Member Interview

Lisa Gorsline, President/General Manager of Corpus Christi Athletic Club

Club Insider (C.I.) - How long have you been a REX Member?

Lisa Gorsline (LG) - 2014, and it would have been sooner if I had known about REX!

C.I. - How does being a REX Member impact your business?

LG - REX has helped me be a better individual. I have grown and matured so much in my personal life due to the support and love of my REX Roundtable. I have shared so many personal situations with them, and they are always there to pick me up, build me up and make me who I am today. As far as the business, they have helped me learn it is okay not to know all the answers, it is okay to be afraid, not to feel stupid and not to be a superwoman. I can ask anything without hesitation, and they are there. I can tell them what I am truly afraid of, and they help me be braver. I can tell them I do not know the answers, and they feed me research, assistance and share their knowledge. I can say this is a group of compassionate human beings whom I learn with, laugh with, cry with, and most of all, cherish as industry leaders and love as friends.

C.I. - Why should someone join a REX Roundtable?

LG - I always say, 'it's lonely on the top,' and before REX, I was struggling. With REX, you have someone to truly lean on, count on, share with, and most of all, **TRUST!** I really feel I would not have made it through COVID-19, our hurricanes and our most recent Texas freeze if I didn't have my REX group to turn to for support. You cannot put a price on REX!

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

LG - Where do I start? When *Hurricane Harvey* hit Texas, it was devastating. **Brent Darden** arranged a GoFundMe page and helped my employees who were homeless, without drinking water, without power and without food. I do not know what they would have done without the generosity of Brent and REX. Then, like so many, COVID-19 hit. I truly feel like I had hit bottom in several areas of my business. I did not realize how much I was struggling until I was on a REX Roundtable call, and when I opened my mouth, it all came crashing down. REX was there for me with support, words of encouragement and love. It truly helped me get back on my feet. Then, there is the valuable educational presenters they provide to us. The presenters share valuable research, information and tools to help us run our company, thrive in our industry and become better leaders.



REX Member Interview

Jacob Thomas, General Manager of Razor Sharp Fitness

Club Insider (C.I.) - How long have you been a REX Member?

Jacob Thomas (JT) - 4 years.

C.I. - How does being a REX Member impact your business?

JT - It allows me to get out of my four walls and get not only different perspective but also advice from others throughout the industry. Being able to look at things different and research what other clubs are doing that are successful has made a significant impact on the business. Also, you have others looking at your club and offering up ideas on how you can make it better.

C.I. - Why should someone join a REX Roundtable?

JT - The network of people that you get to work with and learn from in the REX Roundtable is superb. There is no shortage of people in this network who are willing to share their expertise and wanting to help you be successful.

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

JT - Honestly, I have a ton. The two that come to mind are:

Fitness Consultation - I asked the group to let me know how they onboarded new members and all aspects of it (price, type of session, how many sessions, technology used, etc.). We spent a few hours on this topic, and it changed my entire thought process on how we can do it. In February 2020, we made the change to a Fitness Consultation model that members pay for, and the success from it is so high. I couldn't be happier that they all took the time to bring this information to the table for me.

24/7 Club Access - The REX group came to my club in June 2019. They assessed the club and gave me ideas on how to make it better. One of the ideas that they created was the ability for my club to go 24/7. Even better, they laid out the entire process of how I could do it, with different options. From this discussion, we planned out how we could do this, and just after we reopened from the COVID shutdown, we went to 24/7. It cost us very little money but made an enormous impact on our business. We would have never even thought about this if it weren't for the REX group suggesting it when they came to the club.



REX Member Interview

Laurie Smith, SVP of VillaSport Athletic Club and Spa

Club Insider (C.I.) - How long have you been a REX Member?

Laurie Smith (LS) - I have been a REX Member for four years.

C.I. - How does being a REX Member impact your business?

LS - Access to resources (people, information, statistics, suppliers, etc.) that help in operational and strategic decision making for your business that you would not likely have access to otherwise. Actionable tools to use in all facets of business operations and leadership.

C.I. - Why should someone join a REX Roundtable?

LS - Built-in network of industry colleagues who are invested in improving and growing their businesses and helping you do the same. Access to high quality vendors and discounts through REX's Preferred Supplier network. Continual learning and development opportunities through REX-organized webinars, book recommendations, excursions (pre-COVID), etc. Regular sharing of industry statistics, news, ideas, best practices, success stories, etc. Accountability to goalsetting and review.

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

LS - Just recently, after **Texas Governor Abbott** announced the State would return to full operations with no mask mandate and no capacity restrictions for all businesses, the 'mini-coalition' of Texas club operators on our Roundtable got together to compare notes and thoughts and share information about what clubs and other businesses in our markets were planning so our own plans and decisions could be as informed as possible.



REX Member Interview

Paula Neubert, President/General Manager of Club Greenwood

Club Insider (C.I.) - How long have you been a REX Member?

Paula Neubert (PN) - I have been a part of REX Roundtables for 11 years and intend on being a REX Member for the rest of my fitness career!



C.I. - How does being a REX Member impact your business?

PN - The past year is a perfect example of how REX has positively impacted our business. Simply stated, we would not be where we are today if it weren't for REX and the amazing members of the CREW. REX is a wealth of knowledge and information on virtually every subject. Anytime I have a question about a software program, piece of equipment, policy or business practice, I know I can get an answer from REX. REX has helped our business increase revenue, implement new programs and services, try new things and find what works for our members and employees. In addition, Eddie is a true leader and is a support system for all of us. He truly cares about us, our family and our entire business.

C.I. - Why should someone join a REX Roundtable?

PN - If you want to be successful in our industry, you should consider joining REX. You will be connected to some of the greatest minds in our industry who will never let you down and will care as much about your business as you do!

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

PN - We had a manager who had been with us for a number of years, but I felt the department was suffering under his leadership and guidance, and we needed a change. REX helped me prioritize my reasons for the change, keep focus on the business, and ultimately, what was right for the team he was leading. They kept me from second-guessing my decision, and I felt complete confidence in taking action.

REX Member Interview

Joel Potter, Chief Enlightenment Officer of Blue Moon Fitness

Club Insider (C.I.) - How long have you been a REX Member?

Joel Potter (JP) - 10 years.



C.I. - How does being a REX Member impact your business?

JP - I was a Gold's Gym licensee/franchisee for 22 years. While I loved being part of the Gold's Gym family, the format and openness of REX Roundtables has proven much more valuable in many respects. The Gold's Gym affiliation probably offered more benefit to a one or two club operator through the vendor partnerships, but REX has allowed me to understand much more about the industry on both a macro and micro level. It has helped me learn from other operators' failures and successes. COVID is a great example. REX connected me with global operators, national operators and maintained an open dialogue with my own REX Roundtable group. The information shared was priceless in navigating a constantly changing landscape, as was learning about the challenges of my fellow REX members. I have also been able to get vendors to be more responsive to issues due to potentially being exposed to the REX family for situations that they may have otherwise ignored if it was just my voice. Heck, REX is the only reason *Club Insider* is interviewing me. Need I say more?

C.I. - Why should someone join a REX Roundtable?

JP - The short answer can be summed up in two words: *insight and perspective*. The longer answer is to get more information about everything in business, not just the fitness industry; to share in the knowledge of your peers; to learn about other business models; to save money by making better decisions; to bounce ideas off of other seasoned experts, experts you are glad you don't compete against and who genuinely want to offer you their best advice; to stay excited about the industry by being able to reduce their myopic view of their business; and to be able to make friends with peers, friends you probably could not make with the operator in your own market, because while they may be a wonderful human being, they are your competition.

REX Member Interview

**Karen Raisch-Siegel, MS, FABC,
Executive Director of Lifeworks of Southwest General**

Club Insider (C.I.) - How long have you been a REX Member?

Karen Raisch-Siegel (KRS) - 7 1/2 years



C.I. - How does being a REX Member impact your business?

KRS - This is definitely a loaded question to which I have multiple answers. The most impactful for me is that REX reminds me to work on my business not just in it. How will we take this business to the next level? How will I grow as a leader to achieve this? As you can imagine, this has been more critical these days than ever before.

C.I. - Why should someone join a REX Roundtable?

KRS - If you want to improve your business, network and build relationships with industry experts, grow yourself in your leadership skills and take your life to the next level, then you want to join REX. There are so many facilities that are operating on an island when there is no need. Be part of something to learn and grow, to share your mistakes and to share your successes with, join REX.

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

KRS - One of our challenges that my REX group helped us with was our membership structure. It was about establishing the strategy to create the pricing and the plans to optimize the member's journey and the business' success. I would be remiss if I didn't mention that my REX Roundtable is what got me through the shutdown. We had our weekly zoom meetings to keep us sane and moving forward. The support and comfort knowing that I was not the only one feeling what I was feeling meant a great deal. I am very blessed and forever grateful to my REX family.

REX Member Interview

Elizabeth Asch, Owner of River Valley Club

Club Insider (C.I.) - How long have you been a REX Member?

Elizabeth Asch (EA) - The *River Valley Club* has been a member since April 2013. I personally started to attend after March 20, 2020, which was our shutdown date last year for COVID.



C.I. - How does being a REX Member impact your business?

EA - I honestly don't know how my club would have survived COVID without the support, and more importantly, the practical knowledge of my table as well as help from **Eddie Tock**.

C.I. - Why should someone join a REX Roundtable?

EA - The REX Roundtable group is a place you can come with any question, large or small, and get thoughtful and thorough responses. Colleagues will help you drill down into issues with tough questions. It is a place that will really make you search for the answers you need to make informed decisions. It is also a place for moral support. We get to know each other better with each passing meeting. All conversations are safe.

C.I. - Can you provide an example of a problem or challenge you brought to your REX Roundtable and how they helped you solve it?

EA - (1) I put in new, hands-free water bottle fillers two weeks ago. They were costly, too. When presented with a choice to have the water refrigerated (added cost) or not, I had no idea. I blasted out to our Roundtable, and within 36 hours, I had a quick response from everyone. I made my choice (Refrigerated!). (2) When I took over our family business, the *River Valley Club*, one thing I noticed was that there were at least twelve different levels of membership, maybe more, all with a different price point. I asked my REX group why this would be the case. We were sitting on a Zoom, and the immediate response all around was laughter. The answer was that our club has been open more than twenty years, and it was time to simplify the membership levels, which I did right away.

Using Courts and Court Sports Programming as a Competitive Advantage

If you have 20' x 40' courts in your club/facility, you possess a competitive advantage that others don't. Their very existence is Part I. Part II is how that advantage can be leveraged for membership growth and retention. This second article offered by *USAR* and *USHA* introduces some court sports programming best practices and food for thought.

Objectives for Win-Win Court Usage:

- Courts are playable and profitable;
- Use courts and court sport programs as a competitive strategy;
- Maximize courts' square footage for flexibility and versatility (outside the box thinking).

Last month, we said, "hello" and talked about *CPCs: Court Programming Coordinators*. This month, we've interviewed several individuals who embody the definition. This article content is abbreviated for space, but full interviews will be available soon on the *USA Racquetball* and *US Handball* websites.

Make no mistake, whatever their actual job titles and responsibilities are at their respective clubs, successful *CPCs* are also social directors, organizers, club ambassadors and business team members. They may be instructors, club pros and athletes as well. **Brian Ancheta** and **Wanda Collins** possess every one of the attributes of a *CPC*.

BRIAN ANCHETA: Assistant Manager/Racquetball Director/Coach (33 years, full-time); Racquetball player for 30 years;

Cascade Athletic Club, Gresham, Oregon; Opened in 1977; Nine courts, down from 11 in past years.

WANDA COLLINS: Racquetball and Court Sports Pro (38 years, part-time); Racquetball player for 45 years; Bellingham Athletic Club, Bellingham, Washington; Opened in 1976; Six courts, one utilized as a kids' club but intact for play.

Wanda and Brian agree that having someone (ideally an employee who is accountable for results) dedicated to managing court utilization, aka programming, is essential. To leave this to chance means a missed opportunity to use your courts and facility to create a *third place** culture at your club, i.e., a place beyond home and work that feels like *Cheers* (where everybody knows your name). That's a future article...

*See *Celebrating the Third Place - Inspiring Stories about the "Great Good Places" at the Heart of Our Communities* by **Ray Oldenburg**

Whether your *CPC* turns out to be a volunteer or a paid employee, what attributes make a great *CPC*? Someone who is engaging, likeable, fun, and personable. Someone who cares about the club and its members!

Brian advises, "If you don't have a person managing or running this [i.e. keeping courts busy], you won't be successful. Someone has to drive it. You can't have a fitness class with no instructor. You need a leader."

New Members - Use court sports to help them get comfortable with their "third place." Everyone gets a free lesson when he joins the club; don't just offer it, book it! Take the lead to potentially change someone's life and retain that member potentially far longer than the typical fitness member.

Wanda shares, "I do a lot of handholding at first. It's a process that starts with the first free lesson. Then comes a clinic or more private or group lessons. I supply the equipment, show them how to reserve a court, and help them make connections with other players of similar skill levels."

Both Brian and Wanda provide equipment (racquet, eye protection) to get new players started. Wanda says, "The club pays me to teach that hour; about 25 - 30% will see the fun and fitness aspects and want to continue." Brian describes a process that begins with that first free lesson and often progresses to additional lessons, leagues, club shootouts, and perhaps on to bigger tournaments. Helping a player make connections with other players of their skill level begins to build another level of community at the club.

Membership Revenue Built Through Court Programming - Brian and Wanda agree that Junior and High School leagues, team competitions, lessons, and clinics help create that third place for kids but often bring in parents and families as new members. Why should the kids have all the fun?

Charlie Ikard Brings Handball Spirit to Fellow Players - A volunteer who

has contributed his spirit and leadership into creating that third place for Handball players is U.S. Handball Association's Volunteer of the Year, Charlie Ikard, of Salem, Oregon. Charlie has taken that opportunity at every club he has belonged to since his introduction to Handball in the early '70s. From offering an introductory lesson, managing competition ladders, and promoting pro exhibition matches, Charlie's main focus has consistently been targeted toward keeping the courts full through organized play while promoting handball as a fun activity and an excellent workout. To keep the courts in use over the past year, Charlie helped local players follow safety precautions and continue indoor play each week through coordination with his club manager.

Concluding Thoughts and An Invitation

Please visit bit.ly/clubinsider124 for court programming resources and materials. And, visit ushandball.org for information on how to get free equipment, instructional resources, and more for your club from the *First Ace Development Program*!

Connect with us! What creative ways do you use to leave courts intact for court sports and at the same time build additional revenue? Please write with your success stories and your perspectives! Contact **Matthew Kruger** (Handball) at mkrueger@ushandball.org or **Mike Wedel** (Racquetball) at mwedel@usaracquetball.com with questions or comments.



Mike Wedel
Executive Director
USA Racquetball
719-635-5936 #5

mwedel@usaracquetball.com

WWW.TEAMUSA.ORG/USA-RACQUETBALL



Matthew Kruger
Executive Director
U.S. Handball Association
520-795-0434

mkrueger@ushandball.org

WWW.USHANDBALL.ORG

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The Fight for Independent Club Operators: *From The Battle of New Orleans to The Battle for Independents*

By: Geoff Hampton

History has a way of repeating itself, doesn't it? As we begin to move forward from the challenges 2020 brought to the industry, I see so many similarities from where it all began.

In the beginning, there were two distinctly different types of "fitness" businesses. One was the long established, traditional health club and the other was the racquet sports business, featuring mostly racquetball and tennis clubs. The racquetball clubs used a membership system called, "pay as you go," with a small annual fee; then, you only paid again when you used the club to play racquetball. Tennis clubs had the same basic format. Around 1980, it became obvious that this segment of the industry was at risk for massive failure for several reasons, most of which centered around the lack of consistency, marketplace changes and organizational structure. In essence, it needed purpose and direction.

Two industry visionaries, **Rick Caro** of the **NTA** (National Tennis Association, which represented tennis clubs) and

Norm Cates of the **NCCA** (National Court Club Association, which represented racquetball clubs) forged a radical idea of combining their forces into one with a plan to create positive growth for both. Their plan was initially called **IRSA** (International Racquet Sports Association). The mission was to help independently owned clubs find the success they desperately needed by professionalizing each offering and implementing effective systems, establishing measurable goals, creating urgency for growth and generally developing accountability with regards to how entities would not only be run, but grow. And, they could attract fitness clubs, also.

From the onset, there was both a level of excitement and concern. Change of any kind is always intimidating, and many clubs were initially apprehensive to join the movement. **John McCarthy**, a *visionary* and the *first Executive Director of IRSA*, and I met several times in the IRSA "office" (a small house outside of Boston). With only a handful of IRSA staff, we brainstormed how to successfully serve and support independent clubs who were splintered

and lacking definitive purpose. From those sets of initial meetings, the foundation of what was to become a remarkable boom evolved. Conferences grew and became the epicenter for all things industry related.

I presented at most of the early Conferences (not the first), published many articles (the first one being *Secrets of Membership Sales* in 1983), and then, from 1985 - 1986, I had a monthly column entitled *Sales Training: By Geoff Hampton* in the IRSA magazine. As events unfolded, it became obvious that the racquetball clubs needed to evolve to stay alive. Nautilus lines were added, and the clubs began to convert to monthly dues from pay as you go. I had two columns published in the industry about how to successfully convert to monthly dues (*Dues and Don'ts* and *Cashing In On Conversion*) and converted many clubs successfully under contract. That is the time I met my long-time industry friend, **Jim Worthington**, of the *Newtown Athletic Club*. He and his team have proven what an independent club can accomplish! Beyond the imagination really...

They say you can't be brave if



Geoff Hampton

you've only had wonderful things happen to you. As IRSA began to flourish, there was a departure from the original purpose of an association of independent clubs for independent clubs. Just prior to the New Orleans Convention, a massive marketing campaign was undertaken to admit *Bally's* (See **Geoff Hampton** Page 24)

Keeping Your Gym in Shape: Ways Your Gym Billing Company Might Be Losing You Money

By: **Jim Thomas**

Thousands of gyms and fitness clubs are doing their billing and member management using gym software. But, just because you have gone digital does not mean you are ahead of the game. There are many ways that your gym billing company can actually cost you money if you don't know the right questions to ask, and this article discusses several of those ways.

1. Your vendor requires you to use their merchant account. Gym billing companies are not financial institutions; they are middlemen that mark up and resell financial services at a profit. Requiring you to move your billing services to their merchant account can cost you an additional 2% to 3% in monthly charges.

2. Your vendor does not provide next day funding for ACH transactions. It is critical to keep the cash flow going in your gym. Gym billing companies that do not process your ACH transactions in one day may cause critical lapses in your cash flow. Prompt ACH processing is important so that you can manage your billing and cash flow of receivables.

3. Your vendor does not provide an integrated email and texting function within their software. Having software with integrated email that includes self-managed custom templates is critical if you do email marketing to your existing member base. If your vendor does not provide this service, you will incur the extra costs of a service like MailChimp. And, having your existing member database accessible to integrated SMS templates will eliminate the time consuming exercise of exporting your member database and uploading it to the SMS company your vendor uses for texting. Remember, though, if your vendor has integrated an outside texting service, there may be extra rates applied every time you do a text to your member base, so be sure to check for that.

4. Your vendor does not include an integrated EFT payment-processing gateway. If your vendor outsources their ACH and credit card processing, they will pass those costs on to you, usually with a markup.

5. Your vendor does not provide automatic processing of declines back into the system, along with an automated way of rebilling declines. If you have to search for declines after every billing, you are wasting your time and your employee's time. In the gym industry, time

is money. Your vendor should automatically process all declines and rebill them as part of their service.

6. Your vendor does not provide deferred revenue reporting for accounting purposes. Deferred revenue is money received by a company in advance of having earned it. In other words, deferred revenues are not yet revenues, and therefore, cannot yet be reported on the income statement. As a result, the unearned amount must be deferred to the company's balance sheet where it will be reported as a liability. If you have to spend time doing this reporting instead of your vendor, it becomes another added expense for you.

7. Your vendor does not provide a clear explanation of charges. There is nothing more aggravating than discovering "blended hidden" rates of services in your vendor's bill. If they do not provide this clarity, there is no way for you to know exactly how much you are paying for what.

8. Your vendor's software does not allow for extensive data mining of your member database. In the fitness industry, it is critical to be able to quickly contact ALL the members in your database --current, former and prospective-- so you can inform them of sales, specials, events, new products, "please come back" offers and use the integrated CRM to upsell them. If your vendor does not integrate this function into their software, it may take you hours to search the database for the group you want to reach, export the result, then contact the members through one of the email or texting services.

9. Your vendor's system does not include a mobile phone app. More and more gym members want to use their phones to schedule training, buy services, research history and check into the gym. A built-in app that your members can quickly acquire and download to their phone can save your club hundreds or thousands of dollars.

10. Your vendor's software does not allow for online training and scheduling. Being able to allow online booking and scheduling is crucial. It frees up your resources by letting the trainers and members schedule classes themselves. Plus, standalone scheduling systems can cost hundreds of extra dollars a month, a real detriment to your bottom line.

11. Your vendor's software does not reflect the number of training sessions used after purchase. If the vendor's

system does not automatically perform the function of managing the allocation and use of purchased sessions, you will spend your money using your staff to manually keep track of what was purchased and when it was used.

12. Your vendor does not provide a CRM website that integrates with your software. Fitness clubs that can be found on all the social media outlets are ahead of the game. And, the smart clubs use social media to link to a user-friendly website where the latest offers and specials can be purchased. If your vendor does not offer this service and link it directly to your software database, you are losing revenue that could push your earnings to a whole new level.

13. Your vendor does not include online contracts as a feature of their software. For years, you have been having your new clients fill out paper contracts at the front desk, contracts that you then have to file away and keep permanently somewhere



Jim Thomas

in your office. Software that stores all these contracts digitally and allows your members and prospects to sign up using a kiosk, tablet or phone allows you to store all your "paperwork" in the cloud, saving you space and allowing for instant retrieval of
(See **Jim Thomas** Page 26)

...Geoff Hampton

continued from page 23

health club chain to IRSA. Back-to-back cover stories in IRSA's magazine were printed professing the glories of Bally's. The first edition featured a picture of the late **Donahue Wildman** and the late **Roy Zurkowski**, *Founders* of the Bally chain. The next issue featured another key Bally's staff member with boxing gloves and a giant front-page headline that read, "*The Champ!*" All of the efforts to differentiate, build credibility and independence, and support clubs owned and operated by people from their respective communities was suddenly being compromised.

This did not sit well with my friends **Norm Cates** and **Rick Caro**. Norm contacted me, and we recruited a small group of folks (six or seven club owners) who were as passionate as we were to repulse the admittance of Bally's to the Association founded by independent club owners for independent club owners. The IRSA Convention, which was in New Orleans that year, had plenty of Bally's promotion, but our group was not given a voice initially. We finally got a large room, scheduled purposefully at night to have our say. I put together a flyer, and our group handed them out like crazy. The room ended up being packed with anti Bally's club owners, managers and staff. They got to vocally and passionately express their feelings. It was a *David vs Goliath* moment, and IRSA decided to stop the admittance

of Bally's at that time. We call it, "*The Battle of New Orleans.*" Many years later, and with the support of *Norm Cates' Club Insider*, Bally's was admitted into IRSA, followed thereafter by other club chains. IRSA was no longer an Association only for independent club owners.

I took some years away from the fitness business and did intensive research into inactive populations. My first wife had been stricken with inflammatory breast cancer in 1986 and my focus shifted to her. She passed away in 1994. I still dabbled in the fitness business but focused on healthy living and medical fitness. Now, with the pandemic, the failing economy and low-price fitness operators decimating independent clubs around the world, I have returned with a strong team to enjoin "*The Battle for Independents.*"

It's back to the future, and there has never been a more important time to establish credibility for the industry and what the industry provides. Consulting, management, webinars and on-site in-depth business building events. Our first business building event will be held **Thursday, May 13th from 10AM - 3PM** at the exclusive *Newtown Athletic Club*. The global fitness business is about independent owners and operators, and we are the battle for their success! Go to www.activeentities.com to learn more and sign up for events.

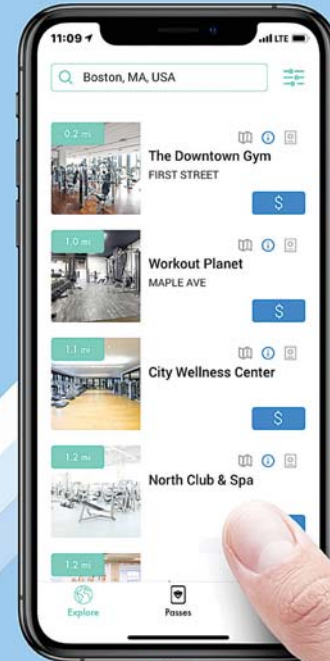
(Geoff Hampton is the Vice President of Development at Active Entities Consulting and can be reached by email at geoff@geoffhampton.org.)



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Digital Deluge or Delusion: *Is the Virtual World Becoming a Real Reality?*

By: **Jeffrey Pinkerton**

As the world cautiously reopens from a global shutdown, the future of fitness seems to be very much up for debate. With an influx of digital platform providers, the industry has been flooded by technology companies sponsoring virtual conferences, contributing to publications and hosting webcasts. It would appear that “everyone” is talking about digital fitness and the necessary and novel pivot of providing both live and digital fitness experiences for your members. It’s hard to wade through the muck of the moment and think clearly about what the future might really look like. Maybe looking to other industries could shed some light on the road ahead.

In discussions that I have had with colleagues and customers, one common topic is the *WFH* (*Work from Home*) movement and companies that have shifted to move employees to “permanently” office from home. Yes, officing from home is the new term. And, I checked, WFH is a thing. This model provides more flexibility, more

autonomy (for better or for worse), and with the right technology of Zoom, Teams, Slack and Chat, employees can still connect and collaborate just like the olden days... or so the theory goes.

However, this comparison has some serious flaws. A better comparison for the health club industry is to look at others in the service industry. One that immediately comes to mind is the airline industry. People are required to socially gather at airports, in terminals, in restaurants and in the plane itself. Traveling is largely about the overall experience and not the event of flying itself. In fact, many people are anxious flying but endure the situation because it is necessary to get where they want to go. But, what if the airline could alleviate some of the struggle and stress and deliver the same type of return and reward?

Enter the scene, Delta’s new VFH (*Vacation from Home*) model, one that, according to their website, allows guests to, “enjoy the experience of travel virtually anytime, anywhere.” It’s an interesting concept that will open the virtual doors

of the world to make travel accessible to anyone with an internet connection and a VR headset (available to rent for a small fee). The theory, at least according to the Reddit thread, is that with more people working from home and more people less inclined to gather in groups, people can experience and explore new parts of the world without the hassle of changing planes or changing time zones. No bags to pack. No airport security to endure. No currency to exchange. No crowds and no customs. The joy of travel without the anxiety of flying. You will even be able to upgrade your next staycation, and through the VFH Concierge Partners rumored to include names like UberEats, Rosetta Stone and Sony Entertainment, have culturally appropriate meals delivered to your door, schedule engaging cross-cultural, multi-language excursions and curate digital destinations that replicate real experiences from past travelers.

There are certainly a lot of unanswered questions about consumers’ readiness to go on virtual vacations,



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but there are also some interesting opportunities. Could travel bloggers elevate their influence (and income) by becoming digital tour guides? Would this new business channel replace travel or simply provide a supplement allowing people to
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...Jim Thomas

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contracts. Paperless contracts stored on a secure cloud server also keep your club PCI compliant.

■ ■ ■

Those are just some of the ways that your vendor can lose you money. When you are looking for gym billing software, or if you are just starting to wonder if you have gym software that is doing the very best job for you, review this information so you can ask the right questions.

(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. Visit his websites at www.fmconsulting.net or www.youtube.com/gymconsultant.)

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"travel" more? How will other industries pivot to invest in this (allegedly soon to be) emerging market? Does this all sound a little too outrageous? Like a too strange to be true April Fool's joke? That's because it is. Sorry to ruin your screen-cation hopes and dreams.

The role of digital fitness has dominated the collective conversation of the industry over the past few months. A year ago, the fitness industry needed digital solutions to meet the unexpected and unimaginable challenges of a global pandemic and mandated government closure. Without any real notice, doors were closed, and members needed a way to keep connected and keep moving. It would make sense that video fitness would experience an unprecedented growth when there was no alternative. However, fitness by video has been around for almost 40 years (and on demand virtual fitness providers for health clubs for over 10 years). Since 1982, people have been able to work out at home with a VHS tape and a TV. But, many chose

to join a health club because of the social experience. Now, the videos are in high definition and the apparel is different, but you can still work out at home. Now, it's with a computer connected to the cloud. But, is the future of fitness video? After a year of Zoom meetings and Facetime family gatherings, the future is more screen-time? I don't buy it.

With vaccines steadily rolling out and government restrictions lifting, we believe that, more than ever, people will search out live, social, shared experiences. In fact, more people are already starting to travel. Were they inspired to travel somewhere new because of something they saw online? Possibly. Did photos and reviews online get them excited about their upcoming trip? Or, maybe even take out some of the fear and anxiety? Probably. Could it ever replace the actual event of leaving home, being with other people and sharing in an experience? Probably not. But... could it help inspire them and encourage them to take the first step on their journey? Most definitely.

People travel for some of the same reasons they work out... because the

results are worth the effort. For some, it's a sense of adventure and accomplishment; for some, it's a way to escape, destress and relax; and, for others, it's as simple as having dedicated time to reset and regroup. Like traveling, a high-quality, live, social, group fitness experience can't and won't ever be replaced by a screen.

If you are looking for ways to reengage your members, reenergize your team and reboot and relaunch a high-quality member experience, we'd love to talk. Learn more at www.mossa.net.

(Jeffrey Pinkerton is the Business Development Manager for MOSSA. Jeffrey can be reached by phone at 770-989-4737 or email at jeffreypinkerton@mossa.net.)

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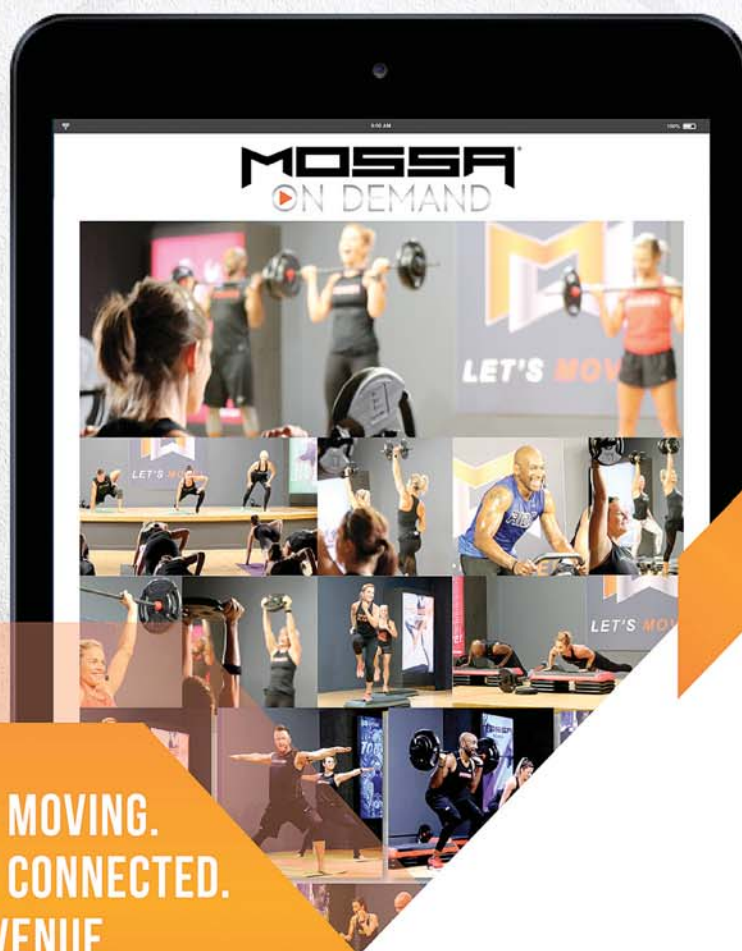
Thank You to Our Contributing Authors

- **Rick Caro** - President, Management Vision, Inc. - (212) 987 - 4300
- **John McCarthy** - 25-Year Executive Director Emeritus of IHRSA
- **Joe Moore** - former IHRSA President & CEO
- **Bill McBride** - Founder, BMC3 - BillMcBride@bmc3.com
- **Bonnie Patrick Mattalian** - Independent Consultant - bmattalian@gmail.com
- **Bruce Carter** - President, Optimal Design Systems International - (954) 888 - 5960
- **Casey Conrad** - Communications Consultants - (401) 932 - 9407
- **Cathy Spencer Browning** - VP of Training & Programming, MOSSA - (770) 989 - 4700
- **Daron Allen** - President & CEO, Visual Fitness Planner - dallen@vfp.us
- **Derek Barton** - Owner, Barton Productions - derek@bartonproductions.com
- **Donna Krech** - Founder/President, Wealth of Wellness - (419) 991 - 1223
- **Eric Durak** - President, Medical Health and Fitness - www.medhealthfit.com
- **Gary Polic** - Owner, Polic Consultants Group - (630) 410 - 1120
- **Jeffrey Pinkerton** - Business Development Manager, MOSSA - (770) 989 - 4737
- **Jim Thomas** - President, Fitness Management USA - (800) 929 - 2898
- **Jon Butts** - President, Muscle Up Marketing - jon@muscleupmarketing.com
- **Karen Woodard-Chavez** - Premium Performance Training - karen@karenwoodard.com
- **Kristen Deazeley** - IRS - kristen.k.deazeley@irs.gov
- **Mark Williamson** - Co-Founder and Principal, ClubIntel - markw@club-intel.com
- **Melissa Knowles** - VP of Gym HQ, A ClubReady Company - mknowles@gymhq.club
- **Michael Gelfgot** - Anytime Fitness - mike.gelfgot@gmail.com
- **Michele Wong** - COO, Active Wellness - michele.wong@activewellness.com
- **Mike Alpert** - COO, Smart Health Clubs - mike@smarthealthclubs.com
- **Nancy Trent** - Founder, Nancy Trent & Company - nancy@trentandcompany.com
- **Paul R. Bedard, Esquire** - Crunch Fitness Connecticut - paul@crunchct.com
- **Paul Bosley** - Owner, Business Finance Depot - (800) 788 - 3884
- **Sumit Seth** - Co-Founder, Naamly - www.naamly.com
- **Thomas Plummer** - National Fitness Business Alliance - (800) 726 - 3506

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