

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



Family Christmas Photo, 2013 (L to R) - Drew, Danielle and Michael Lucas; Lindsay Nieto and Chris Williams (Lindsay's fiancé); Augie and Lynne Nieto; Scarlett and Nicole Marchant; Dani Nieto, Tony Marchant and Austin Nieto

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Augie's Quest *Winning The War On ALS!*

MAY 2014

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Augie's Quest Winning The War On ALS!

By: Justin Cates and Norm Cates

When you have a wife who has been a tower of strength and shown more courage than you dreamed existed; that's the finest I know. So, I close in saying that I may have had a tough break, but I have an awful lot to live for.

Lou Gehrig, July 4, 1939
From His Retirement Speech

• • •

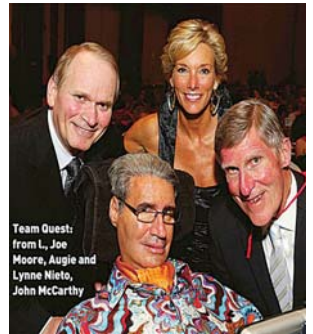
In March of 2005, Augie Nieto, a legend of the health and fitness club industry was diagnosed with Amyotrophic Lateral Sclerosis (ALS), also known

as Lou Gehrig's Disease. After a very difficult time accepting the diagnosis, Augie realized that he, like Lou Gehrig, had an awful lot to live for. He came back stronger than ever with a new passion and goal in life, defeating ALS. At his side has been a true warrior and comrade in arms, with more courage than anyone could dream existed, his incredible wife, Lynne. Together, they set out on this journey. Now, nine years later, what a journey it has been, and you could say the destination is on the horizon!

Augie, with the love of family and friends, the help of thousands of business colleagues and the support of millions affected by this movement in one way or another, is tipping the scales back in the

favor of anyone who has been diagnosed with ALS. This is something victims of the disease, dating all the way back to the 1800s, have never had before. For them, the playing field is once again becoming level. That is world-changing, and it is an incredible thing to think about.

ALS became known as Lou Gehrig's disease because of his high-profile diagnosis in 1939 and subsequent death two short years later. Sadly, he became the poster subject of those afflicted with a malady that had no cure and was essentially a death sentence. Now, because of the incredible initiative known as Augie's Quest, a cure will be found. When that cure does exist, it will be known as (See Augie's Quest Page 8)



Team Quest (L to R): Joe Moore, Augie and Lynne Nieto and John McCarthy (photo reprinted courtesy of CBI Magazine)

Visual Fitness Planner's 4th Annual IHRSA Seminar Loaded With Gold Nuggets!

By: Norm Cates

Part II

The health and fitness club industry has evolved dramatically over the past ten years with the advent of low-price clubs across the country. The organization that has gotten the most fame (and yes, criticism) for this evolution in American health clubs has been Planet Fitness. But, truth be told, there are many other organizations that have gone that route.

While some club owners have resented and adopted the attitude that the low-price model is the worst thing to ever happen in the health club industry, others, such as VFP Panelist, Maria Parella-Turco, have turned the low-price model in her clubs into a veritable gold mine as she's now serving club members who pay \$260 per month on EFT for their Personal Training and Small Group Training services.

This Part II continues with the provision of multiple nuggets of wisdom, which if employed in your club(s), will

provide what I describe as a "whole new income line item" that, if managed properly, will produce huge profits for clubs that discover and employ Personal Training and Small Group Personal Training services and effectively collect for those services using EFT systems.

Read on to change and hugely improve your health and fitness club(s) profit picture from now on.

• • •



Daron Allen (DA) - I'd just like to follow up and comment on that briefly. In all reality, one of the foundational principles of Visual Fitness Planner is to educate consumers on how to get results over (See Visual Fitness Planner Page 14)

Inside The Insider

- The Leaking Silo Syndrome: What Is It and How Do We Avoid It? - By: Ron Alterio
- U.S. Supreme Court Unanimously Rules in Favor of Octane Fitness On Attorneys Fees
- Poof, Now You Are A Manager! - By: Karen Woodard-Chavez
- Octane Fitness Named One of the 100 Best Companies to Work For
- Everything Is Important? - By: Chris Werte
- Leading Experts, Successful Club Owners Offer Key Insights at Tennis Owners and Managers Conference
- More Outdoor Programs For Spring - By: Laurie Cingle
- Leisure Sports Introduces AirFit, North America's Largest Altitude Training Room
- Vision Quest Clubs to Be Rebranded to LA Fitness
- And of Course, *Norm's Notes*

Norm's Notes

•**Hello Everybody!** This is your **CLUB INSIDER Publisher** and **Tribal Leader** **Since 1993** *checking in!* This edition is loaded! Check out my comments below on what's inside **CLUB INSIDER** pages this month! And, speaking of pages, my son, **JUSTIN CATES** (just-in-case you *EVER* forget his name, just remember: **JUSTIN CATES!**), has finished scanning **3,700 CLUB INSIDER** pages from the 1990s and early 2000s. His target date for the launch of the largest online library in the club industry, the **CLUB INSIDER Archives Library**, is July 1st, 2014! When that happens all **CLUB INSIDER Paid Subscribers** (just \$89) will receive printed editions, plus you will have access on our website, www.clubinsideronline.com, to all 21 years of **CLUB INSIDER's** past editions. This means you can use **CLUB INSIDER** as a reference tool, simply by inputting a keyword, it will allow you to quickly access **CLUB INSIDER** articles that are on your topic of interest. PLUS, you'll be able to use the **CLUB INSIDER Archive Library** as a *Training Aid* for new staff or for staff who are changing roles in your clubs. So folks, **STAY TUNED!**

•**Is America a great country, or what?**

•**Augie's Quest** is our **Cover Story** this month, and we're very proud to present one of the most amazing stories in the history of mankind, much less in the history of

our wonderful club industry. We bring this incredible heart rendering story to you as part of our ongoing and continuing series of updates on the success and great progress that **AUGIE** and **LYNNE NIETO** are experiencing as they advance the state of care for anyone suffering from ALS. Augie Nieto led the world with development of electronic cardio equipment at Life Fitness. Now, step by step, for an amazing nine years, Augie and Lynne have worked extremely hard to lead the way in finding the **CURE** for **ALS**, a cure that someday will be known as **AUGIE'S CURE!**

But, Augie's Quest also has some unsung heroes, in addition to Augie and Lynne, who should be acknowledged. Let's start with **SHANNON SHRYNE**, **GRETCHEN SIMONEAUX** and **KELLY CAMPBELL**, all formerly with the **Muscular Dystrophy Association (MDA)** and all now on board with **ALSTDI** (the **ALS Therapy Development Institute** in Cambridge, Massachusetts). Other unsung heroes include **PAT LAUS**, Owner of the amazing **Atlantic Club** in **Manasquan, New Jersey**, who's worked hard on **Clubs for the Cure**, *now known as Clubs for the Quest*. Since 2009, Clubs for the Quest has assisted club owners in developing ALS fundraising events for their members. Another **Hero** is **Big JOHN MCCARTHY**, the now retired **IHRSA Founding Executive Director** who has been the **Chairman of the The Augie's**

Quest BASH Committee held every year at **IHRSA's Annual Convention**. Another **Hero** is **JOE MOORE**, **President and CEO of IHRSA**, as **IHRSA** has been a huge supporter of Augie's Quest with its annual **BASH**. And, last but not least, let me mention an up-and-coming **Hero** in the Augie's Quest saga, and his name is **MIKE GRONDAHL**, **Founder** and former **Co-owner of Planet Fitness** (See **Mike's Ad on our Outside Back Page**). **Mike** donated **\$250,000 to Augie's Quest through the BASH**, and by doing so, he has joined other major Augie's Quest contributors, **Founders of Curves**, **GARY and DIANE HEAVIN**; **PAT LAUS**; and **ERIC AFFELDT** who have also given hundreds of thousands of dollars to Augie's Quest, as noted by John McCarthy in our **Cover Story**. So folks, be sure to check out our **Cover Story**, and get on board the **Augie's Quest train** that is rapidly approaching the goal of finding **AUGIE'S CURE** for **ALS!**

•This month, in addition to our **Cover Story on Augie's Quest**, we bring **Part II** of our **April Cover Story: Visual Fitness Planner's 4th Annual IHRSA Seminar Loaded With Gold Nuggets!** And, in addition to what is essentially two cover stories in length, we've published several excellent articles on management. One is on **Page #22**, and it's entitled: **The Leaking Silo Syndrome**



Norm Cates

- **What Is It and How Do We Avoid It?** by **RON ALTERIO**, **VFP's National Director of Sales**, who writes about growing your club income through the increased **Personal Training** and **Small Group Personal Training** collected by **EFT**. And, **KAREN WOODARD-CHAVEZ** provided an excellent article on **Club General Management** that you'll see on **Page #24**.

•I was very happy to learn that the folks at **Club Industry** have chosen to honor **IHRSA Founding Executive Director, JOHN MCCARTHY**, with its **Lifetime Achievement Award** at the **2014 Club** (See *Norm's Notes Page 6*)

About Club Insider

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21 Years and Counting!

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...Norm's Notes

continued from page 4

Industry Show in Chicago. The presentation will be on **Thursday morning, October 23rd**, right before the keynote address (The keynote speaker has yet to be named by Club Industry). Please join me, and let's all make plans to be there in big numbers in support of John when he receives this extremely well deserved honor! And, as I look into my crystal ball with this prediction, **Stay Tuned** for when Big John will someday receive **IHRSA's newest honor, the Lifetime Achievement Award, which for the first time ever, was**

awarded to my pal, RICK CARO, in Las Vegas at IHRSA 2013! Be sure to grab your calendar right now and **Save The Dates: October 22 - 24th for the Club Industry Show in Chicago.** Also, more **Club Industry Show news** as the lovely **PAMELA KUF AHL** wrote to me about their upcoming show saying: "We will be announcing our keynote speaker soon, and we are finalizing our sessions, so those should be online by early June. We will again host the CEO Summit (an invitation-only event just for owners and CEOs of the Top 100 health clubs). And, due to the success of the CEO Summit, we were getting requests from people not within

the Top 100 club market to do a similar daylong event for them. So, this year, we are introducing the Fitness Leadership Forum, which is for executives at the GM and above level at clubs of all sizes as well as in all segments of the industry (commercial, nonprofit, medical, university, recreation, corporate, etc.). Both of these events will be held Thursday, October 23rd and will involve panel sessions, a luncheon speaker and networking/discussion time." Thanks for the update, Pam, and folks, **Save The Dates of October 22 - 24th!**

•And now, I must sheepishly provide what I'm going to call a "Cyber Apology" to you all, my loyal readers of **CLUB INSIDER**, about a situation with **Club Industry** that I must clarify and apologize for. I'm making this apology even though it's personally embarrassing for me. I am doing this because I believe that, when I make a mistake that might have impacted you, I must own up to it and apologize. Plus, I'm a big boy... so I can deal with being embarrassed once in a while. Most importantly, ALL of you know me as a writer/publisher/club business guy that always "Tells-it-like-it-is."

For clarity, here's the background on this situation, and thus, the cause of my sincere Cyber Apology. I believe that my writing was not clear enough in one of my **CLUB INSIDER Norm's Notes** in the **December, 2013** edition when I wrote, and I quote: "Our friends at **Club Industry Magazine** have announced that the publication is going all-digital in 2014! Check out their announcement on **Page #3.**" However, I've since learned that my comment to you all was *flawed right from the get-go* because, after their **December, 2013** edition, the magazine ceased to exist in its previous form entirely.

Instead, **Club Industry Magazine** has simply become **www.clubindustry.com**. The folks at **Penton Media** and the former publishers of **Club Industry Magazine** have lots of great new ideas and thrusts planned. As I told, **MARTY McCALEN** of **Club Industry**, now that I actually understand what they're doing, I think that it's a good idea for them, and I wish them well! Folks, I must admit that I had somehow erroneously "assumed" that what was going to happen was **Club Industry Magazine** would continue to be published every month as **Club Industry Online Editions** starting in **January, 2014**. But, I was mistaken. Well, we all know how to spell **ASSumed!** Thus, the reason I call this my **Cyber Apology**.

However, by now, y'all know that I always "Tell it like it is" even when it's embarrassing for me personally. So, the fact here is that I had this false impression that somehow continued for five months until a couple of days ago when I was trying to find the most recent editions of **Club Industry Magazine Online** on their **www.clubindustry.com** website. Now, that was a real strange experience because it was not there on their website

at all. So that, my friends, turned out to be a big waste of time, and at the same time, it exposed my virtually total lack of cyber knowledge! What I found out yesterday, May 7th, however, is that **Club Industry Magazine no longer exists after 29 years of publication**. What exists in its place are its regular website content and three cyber newsletters: **Club Industry's Newsbeat, Resource Beat and Trend Watch**. But, enough on my apology! I hope to see y'all at the **Club Industry Show in Chicago, October 22 - 24th!**

•Thanks again to my good friend, **JOHN DOYLE** of **Long Beach, California**, **Founder** and former **Owner** of **The Belmont Athletic Club** and a fellow **IHRSA Co-Founding Board Member** way back when I had hair on the top of my head, for attending the **IHRSA Session in San Diego on Leadership** and sending a copy of the **Appendix** of the presenter, **DAVE LOGAN's book, Tribal Leadership**. I'd planned to produce a report on it this month, but we've just run out of time and space, and I want to do a good job on it, so I'm going to postpone it until next month. **Stay Tuned!**

•Last month, I mentioned the **5th Annual Women's Leadership Council Summit** that I'd attended in **San Diego at IHRSA 2014**. The event was produced by **Midtown Athletic Club's DEBORAH SIENA**, and it featured **AMY MORIN**. The topic was **13 Things Mentally Strong People Do Not Do**. It was very nice to see **AMY featured on the cover of CBI's May 2014 Edition!** Check Amy's Cover Story out if you haven't yet by going to **www.ihrsa.org/cbi**.

•May is **National Skin Cancer Month**. Some people wonder why I wear my black hat everywhere I go. The #1 reason is that I'm a 40-year skin cancer survivor, and having my hat on helps me continue to win that battle. So, in honor of **National Skin Cancer Month**, here's something from the **New England Journal of Medicine** that I think will mean a lot to some of you and perhaps to some of your members. When you go to this link, you will see a photo of a man who looks like the left side of his face has been made up to look very rough and damaged, while the right side is very smooth and nice looking. It was actually a photo of a man, age 68, who has been a truck driver for 28 years, and the sun shining on the left side of his truck has disfigured the left side of his face significantly. Check out at **http://bit.ly/1oeKId0**. The author, **JANET RYAN**, writes: "Most people don't realize that they are inadvertently exposing themselves and their kids while they drive. New dermatological studies say skin cancer in the United States is much more common on the left side of the body due to UV rays coming through side windows in cars. The average American spends 101 minutes a day in the car, generally unprotected from damaging rays."

(See Norm's Notes Page 7)

JLR Associates Announces the placement of

Karl Buchanan Regional Director Coops Fitness

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...Norm's Notes

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One of the best defenses against this is window film. New technology has made clear window film possible, and *for about \$250, you can have window film installed in your car.* Please let us know if you'd like to speak with a dermatologist or a window film expert to discuss skin protection. We're happy to help. Call me, Janet Ryan at (314) 822 - 8860 or (314) 614 - 7408 or email me at janet@ryan-pr.com."

• **IHRSA's Institute: Executive Education for Club Professionals** is scheduled for **August 5 - 8, 2014**, and it will be held at the **Kenan-Flagler Business School of the University of North Carolina, Chapel Hill**. The Institute will offer three full days of graduate-level education led by a faculty of industry experts and university professors. It will provide a balanced curriculum that covers every aspect of club management. Visit www.ihrsa.org/institute for more information and to register.

• This from **IHRSA's President and CEO, JOE MOORE**: "Do you want a simple way to make a huge impact in your community on many levels? Just adapt **ACAC Fitness & Wellness Center's** recent campaign to your club, and you will be able to present

a large check to the charity of your choice, introduce exercise to those who aren't currently active, and no doubt improve your brand in the community. **ACAC sold 25-day memberships for \$25, with all of the money going to charity. Its three locations raised more than \$65,000 for three charities:** one that provides programs and support for cancer patients; one with programs for school-aged kids that has proven to keep them off drugs; and an organization that supplies books to low-income families."

ACAC Founder and Owner, PHIL WENDEL, is right up there at the top in America (along with **LLOYD and ROBERTA GAINSBORO** of **Dedham Health and Athletic Complex**) of people that I know of who are successfully producing significant new membership business revenue every month from **Doctor's Referrals**, and you can read **Phil's and Lloyd and Roberta's Cover Stories** in our **CLUB INSIDER Archive Library** by going to www.clubinsideronline.com/archives. You can preview the stories for free, but to log in, you must be a **Paid Subscriber**. These are two cover stories that I might add here will put money in your pocket every year if you will look them up and study them, if you have not already done so. These folks, Phil Wendel and Lloyd and Roberta Gainsboro, are mastering something hardly anyone in

our club industry has mastered, and that's how to get doctors involved, on board and promoting your club(s). And that only scratches the surface of what is available in **The CLUB INSIDER Archive Library**.

Now approaching 21 years strong, **The CLUB INSIDER Archive Library** reminds me of a book called: **Acres of Diamonds**. The story goes that, once upon a time, there was a man who wanted to be a successful diamond miner. Having failed over and over in his attempts to find diamonds in the places he'd been looking, he accidentally discovered that he actually had diamonds on his own property, and he was able to successfully look for and find them, making him a rich man. Well, I can tell you folks... **CLUB INSIDER's World Class Archive Library is your "Acres of Diamonds!"** No matter what your topic of interest in our great industry might be, if you're a **paid CLUB INSIDER Subscriber** (Don't be a penny pincher when it comes to your Acres of Diamonds! **Subscribe TODAY!**), you can go to our website, www.clubinsideronline.com/archives, and there you'll find past **CLUB INSIDER** editions currently dating back to the year 2000. You can use keywords to search for your subject of interest, and I'll be surprised if any of you ever draw a blank when you're searching our entire library. And folks, **Stay Tuned, because my son, and partner, JUSTIN CATES, is going**

to have the entire 21 years of CLUB INSIDER editions on there and accessible to you July 1, 2014, meaning that, by then, there will be 246 monthly editions of **CLUB INSIDER Archived Editions** for you to search for topics of interest, or heck, just go back to **December, 1993** and start from the beginning. Or, start with the **CLUB INSIDER** editions that chronicled the **History of the Health Club Industry** (a 3-month edition series in the months of **June, August and September 2003**). There are many, many more special editions, and I can assure you of this... these past issues are an amazing read, even if I do say so myself! **Go for it! Subscribe today at www.clubinsideronline.com/subscribe!**

• Here's an interesting list from an article that I picked up from the **Atlanta Journal Constitution** on **May 4th** by **REX HUPPKE** entitled: **10 Things To Avoid To Be A Good Boss**:

1. Don't smoke or pick your teeth in public (I might add, don't pick your nose, or your friends nose!);
2. Don't rely on Jargon;
3. Don't be dodgy;
4. Don't do the *once-a-month walk about*;
5. Don't call too many meetings;
6. Don't be a jerk;
7. Don't think you are too big to apologize;
8. Don't think too highly of yourself;
9. Don't Xerox your butt (The author writes, "I just wanted to make sure you were paying attention");
10. Don't rely solely on this list.

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

(Norm Cates, Jr. is a 40-year veteran of the health, racquet and sportsclub industry. Cates is the **Founder and Publisher** of **CLUB INSIDER**, now in its **21st year of publication**. Cates may be reached by phone at **770-635-7578** or email at Norm@clubinsideronline.com)

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...Augie's Quest

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Augie's Cure, but within it, it will be a cure made possible by everyone who has helped Augie's Quest in some way. Together, we will have changed the world forever, showing how one industry came together to put a stop to a horrific disease and succeeded in doing so. There is no better cause than that.

Over the years, since Augie's diagnosis, in **CLUB INSIDER**, we have tried to do our part to help Augie's Quest. This has come in the form of donating advertising to the cause, as well as providing progress reports and writing several feature stories. In this month's edition, we are proud to bring you an in-depth interview with Augie and Lynne Nieto, who will take you through their story, from the diagnosis to the progress being made today. We also spoke to John McCarthy, Chairman of the Bash for Augie's Quest; Mike Grondahl, Founder and former Co-Owner of Planet Fitness, who gave an incredible \$250,000 donation at this year's Bash; Pat Laus, who with Kevin McHugh, is responsible for the incredible Clubs for the Quest effort; and Joe Moore, President and CEO of IHRSA.

If you have not yet heard, at the 2014 Bash for Augie's Quest, Augie walked back and forward across the stage! It was an incredible sight to behold, and the electricity it created in that ballroom in San Diego cannot be adequately described. In July, Augie plans to walk his daughter down the aisle as she gets married. How beautiful is that? Let's help Augie, and anyone else with ALS, walk this final mile to find the Cure for ALS! Read on to experience an incredible story of inspiration, and yes, learn how you can help Augie's Quest, if you have not already done so. Augie's Quest is winning the war on ALS!

An Interview With Augie and Lynne Nieto

CLUB INSIDER (C.I.) - Please take us back to the diagnosis of ALS in Augie. How did this come about? What should our readers be aware of if they fear they, or a friend or family member, may be developing ALS?

Lynne Nieto (LN) - In late 2004, Augie began noticing that the amount of weight he could lift during his workouts was decreasing, and when he applied shaving

cream with his right arm, he had difficulty reaching the left side of his face. On a trip to Vietnam in early 2005, he was waterskiing with his buddies in the Mekong Delta, and the water ski rope kept pulling out of his hand. When he returned from the trip, he booked an executive physical at the Mayo Clinic in Scottsdale. After two days of tests, we were asked to come back after the Easter weekend for additional testing. We knew something was really wrong, and we were hoping for a diagnosis of Multiple Sclerosis (MS)! We returned to Scottsdale with Augie's brother, Dave, and that Tuesday, they called us in to give us the news. ALS often takes a while to diagnose, or it can be misdiagnosed if the physician is not familiar with the disease. If someone knows about ALS, its symptoms and is concerned that they may have it, seek out a doctor that specializes in ALS.

C.I. - As anyone can imagine, accepting the diagnosis of ALS must have been very difficult. How did you begin to turn those emotions into action?

LN - For obvious reasons, Augie went into a deep depression, and after six subsequent confirming diagnoses over the following two months, attempted to take his life by swallowing a handful of pills. When he woke up in the hospital three days later surrounded by a loving family, he was glad that he had failed in his attempt. I believe that it was the realization that he was glad he was alive that fueled his 'Quest' to raise funds for research to find treatments and a cure for this horrific disease to spare other families like ours the despair that our family was feeling.

C.I. - Please take us through the founding of Augie's Quest. How did it first come to be? What was its mission? If different, what is its mission now?

LN - A good friend of Augie's came to him and urged that he not set up his own foundation to raise funds for ALS research but to partner with an existing organization and leverage their infrastructure. He did his research, negotiated a great deal, and at that point, partnered with the Muscular Dystrophy Association (MDA). Nine years later, he has raised over \$40 million for ALS research. The Augie's Quest 'mission' is to find treatments and cures for ALS. For the past eight years, all of the funds raised have funded the world's largest not-for-profit ALS research institute, ALS Therapy Development Institute, in Cambridge, Massachusetts. Augie became Chairman of ALSTDI, brought in new Board members and began running the Institute LIKE A BUSINESS!

Here are a few facts about ALSTDI:

- World's largest ALS drug development effort;
- 30 full-time professional scientists;
- 2 Drugs - Phase 2A clinical trial:

TDI-132 (Gilenya) enrolling
(See Augie's Quest Page 10)

John McCarthy Comments On Augie's Quest

Norm Cates (NC) - John, it's ironic that Augie was diagnosed with the dreaded disease ALS not long before you retired from IHRSA, as he was diagnosed in March 2005 and you retired from IHRSA after a magnificent 25-year run as our Executive Director on July 1st, 2006. This provided you with the time to be able to help Augie and Lynne with Augie's Quest early on. To me, this amazing timing was *divinely guided*. Tell us about the Augie's Quest Board of Directors that you Chair.



John McCarthy

John McCarthy (JM) - Norm, unlike my colleagues on the Augie's Quest committee, I do not have a full-time job, whereas all of them are totally and fully occupied... So, being retired, I have more time to give to this. I have always felt indebted to Augie. When he was at Life Fitness, he was the one who led the parade to the IHRSA Trade Shows, and he was the one who led us to become involved internationally, first in Europe and then in Asia and Latin America. Plus, like so many others, I marvel daily at Augie's courage... I have never known anyone with so much courage and so much determination.

NC - John, in chronological order, what do you think are the most important developments since Augie's Quest was launched?

JM - Norm, I think that there have been many turning points:

First, having Lynne as his partner is probably the most important one... I don't think that we would be at 'square one' without Lynne. She is Augie's rock, and the rock for the entire Augie's Quest program.

Second, in addition to Lynne and the other wonderful people who care for Augie every day, Augie's two prime partners in Augie's Quest, namely, Gretchen Simoneaux and Kelly Campbell, are invaluable. They are the harness that keeps us all moving forward... None of this could happen without Gretchen and Kelly or without Augie's daily caregivers.

Third, somewhere along the line, after a particularly bad time, Augie had an experience that led him to give heart and soul to the cure of ALS. This was something akin to a conversion experience or a wake up experience that Augie has talked about. That experience changed everything.

Fourth, Augie never stops saying, 'Thank You' to all of us whom he has enlisted to help with Augie's Quest... The fact that he, despite all, is so grateful to everyone is a huge motivator for everyone.

Finally, and most recently, Augie's involvement with Project Walk at Mike Alpert's Claremont Club has given huge impetus to the program, and about that, we're all still learning.

NC - John, through the opportunity of helping Augie and Lynne fight the fight until the job is done to find the CURE for ALS, I believe that our health, racquet and sportsclub industry is *poised worldwide*, to become known and respected as THE industry that banded together to find the cure for one of the most awful and dreaded diseases known to man. With that thought in mind, John, what would you say to the club owners out there who've been thinking about it, but have not yet joined in on this tough fight with us by donating what they can afford, and much more importantly, who've not yet organized their membership base to produce special events to help raise funds to find the cure to Lou Gehrig's Disease?

JM - The fact is, Norm, there are no 'outsiders' to Augie's Quest... Augie is as grateful to the young guy or gal who gives \$10 bucks to the Quest as he is to people like Mike Grondahl, Gary Heavin, Pat Laus, and Eric Affeldt who have given hundreds of thousands of dollars.

NC - John, let's close this with any other comments you'd like to make to our readers?

JM - Norm, you have been a huge supporter of Augie's since you were the first President of IHRSA back in 1981... You put together the first IHRSA Trade Show with Augie, and you've been one of Augie's good pals ever since. Everyone associated with Augie's Quest recognizes and appreciates the support you've given Augie for the last ten years.

NC - Well John, that's very kind of you to say. But, honestly, you, Rick Caro and Chuck Leve did all the heavy lifting way back when we were cranking I(H)RSA up long ago. But, as to Augie, yes, I was one of his early customers buying 66 Lifecycles for my two Atlanta Clubs. About my hopes and dreams for my friends, Augie and Lynne, I can only say that Justin and I have tried very hard to help with Augie's Quest any and every chance we've had. We've done that through the publication of complimentary ads for them and lots of lots of commentary in Norm's Notes and other articles and press releases. We also did a terrific cover story about Patricia Laus and the Clubs for Cure five years ago (November 2009). Pat has done an amazing job for Augie's Quest! We've followed these developments over the years as closely as we could, and we've tried to chronicle the Augie's Quest effort as much as possible.

I will say this to close this out... **Augie and Lynne ARE GOING TO WIN THIS FIGHT! I feel it in my bones! Someday, this major victory is going to be theirs, and it is going to be known as Augie's CURE!!!** And, when that happens, Big John and your Team, which includes Justin Cates and I, we'll all be dancing in the streets with Augie and Lynne! **God bless Augie and Lynne Nieto, and God bless you and the great team you've assembled for Augie's Quest!** And, as I always say: **STAY TUNED, FOLKS!**



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...Augie's Quest

continued from page 8

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C.I. - Besides you two incredible people, who are the other key people involved with the organization? What are their roles?

LN - Augie started Augie's Quest with Shannon Shryne, formerly of the MDA. I call her, 'Augie's Girlfriend!' because they proved to be quite the dynamic duo. The Augie's Quest team is quite impressive, and Shannon's successor, Gretchen Simoneaux, has proved herself in amazing ways. MDA was amazing in helping get Augie's Quest up and running and providing support, and we will be forever thankful that we partnered with them when we did!

As of **April 1, 2014**, Augie's Quest is no longer part of MDA and has partnered directly with ALSTDI. We were lucky enough to bring with us the heart of the Augie's Quest team, Shannon Shryne, Gretchen Simoneaux and Kelly Campbell. We feel that, by partnering directly with TDI, we will be able to be more nimble and flexible and can take advantage of some opportunities that we were unable to while under the current management of MDA. We are really excited about the future of Augie's Quest and TDI!

C.I. - When and how did MDA, as well as

ALS TDI, become involved with Augie's Quest? What were their roles?

Augie Nieto (AN) - I met Sean Scott, former President of TDI soon after I was given my diagnosis of ALS. I was deeply impressed by Sean's commitment and drive and asked my friends at the MDA to join me in looking deeper at the organization. Shannon Shryne and Sharon Hesterlee were the point people at MDA on the idea, and Sean and his wife, Nancy, were point at TDI. We did a lot of due diligence and eventually made the decision to create the historic partnership, bridging TDI and MDA via Augie's Quest. MDA would help us raise awareness and build the brand, and TDI would put the funds raised to work urgently and rigorously. Sean lost his own battle with ALS in 2009, just before his 40th birthday. But, up until the very last moment, he drove the partnership between MDA, TDI and Augie's Quest and made sure that everyone was holding up their piece of the bargain. Today, I am thrilled to have Steve Perrin at the helm of TDI, who led the transition team bringing Augie's Quest from MDA to TDI, where it will grow bigger and faster thanks to the tremendous foundation for our program we have laid out over these past few years.

C.I. - Please tell us about the transition of Augie's Quest management from MDA to ALS TDI. What were the objectives? How is that going so far?

AN - This has been a really exciting process, and we see great hope for the future of Augie's Quest! All of the parties involved have been supportive and professional. I really need to thank Rod Howell of the MDA board as well as the subcommittee appointed to support the transition, Christopher Rosa, Victor Wright and David Hutton. The transition is still ongoing, but we have made tremendous progress with most of our key programs now being operated in conjunction with the team at TDI. We had one of our biggest BASH's yet, and all of the programs we are operating are firing on all cylinders. How's it going? It is going strong!

C.I. - Augie, at the Bash for Augie's Quest during IHRSA 2014 in San Diego, you did the unthinkable and walked back and forward across the stage, becoming a true life Superman. I have to ask... What did that feel like?

AN - Augie's Quest is all about leveraging 30+ years of relationships! I approached the CEO of Life Fitness, Chris Clawson, about 20 months ago. I was just trached (meaning that I was reliant on a machine to provide air for me to live), I was filled with newfound energy. I asked if I could work with Gary Jones. Gary was the Co-founder of Nautilus with his father, Arthur Jones, and the Founder of Hammer Strength. We purchased Hammer Strength when I was at Life Fitness in 1998. I was so worried that Gary would leave Life Fitness after the earn-out that I gave him a lifetime contract.

(See *Augie's Quest* Page 12)

Mike Grondahl Comments On Augie's Quest

Norm Cates (NC) - Mike, I find it remarkable that, even though you sold your Planet Fitness company for an awful lot of money not long ago, you continue to be involved in the club industry. And, I find it particularly remarkable that you've stepped up to the plate and made a tremendous donation to Augie's Quest of \$250,000 and that you've taken on the challenge of attempting to help rally other club owner/operators to also give what they can afford to this important cause. My question is: WHY did you do that, Mike?



Mike Grondahl

Mike Grondahl (MG) - In the world of donations, the term *tremendous* is relative to the amount you can give. I just feel like I wanted to do something that was impactful. It could have been \$250 for me to give 15 years ago. Ten years ago, it could have been \$2,500. So, the number is not as important as the gesture, I believe, because we owe a lot to the industry and to the forefathers of the industry. There's no doubt that Augie is one of the forefathers of the industry, as I see it. I don't want to use the word *obligated*, but to me, it just seemed like the *right thing to do*.

NC - Mike, you're saying that it's really about the *spirit of giving* whatever you can and clearly that will vary from person to person.

MG - The amount is absolutely 100% irrelevant, in my opinion. I just know that, if you give, you get. You have to give in the spirit of not expecting a thing from it, though. To be honest, I feel that sums up everything in my life. When I heard that Augie was going to walk out on that stage, it hit me that this really can be beaten. Obviously, Augie was a gifted man to start with. To see the progress he's made, when historically, this has been a death sentence for most people, I just feel more people have got to get behind it. It doesn't matter if it is \$2.50 or \$250,000. I'm blessed to be happy, healthy, with a healthy family, and I am able to give. I don't have any experience with ALS whatsoever, so in a way, it takes a guy like Augie to bring the cure. Augie is somewhat the Lou Gehrig of the fitness industry. Unfortunately, I think it takes high profile people to impact someone like me who has zero experience with it to open my eyes to the disease. I'd never known anybody who had it until I read your articles about Augie in *CLUB INSIDER*. I'd learned about it, and we were giving to the cause at Planet Fitness before I sold it. I heard that Planet Fitness had made a donation as well. The mother of a little girl in my daughter's dance class got ALS, and obviously, that really impacted their family. Between that, and being aware of ALS with Augie, those two things kind of sparked me. I have all this money sitting here, and you know, I should be doing something better with it.

NC - What would you like to say to our readers out there who are the club owners, operators and decision makers about WHY they should do what you did and step up to the plate and give to Augie's Quest?

MG - It doesn't matter if your EFT is \$20,000 or \$200,000 a month, or hopefully more; everybody can give. One thing they can take to the bank is that, if you give, it will come back to you ten times over.

NC - What do you think about the amazing fact that Augie, even though all the experts say the expected life expectancy of those diagnosed with ALS is just 3 to 5 years, has now lived with ALS for nine years, and of all things, he walked out on the stage at The Augie's Quest Bash in San Diego? What does that say about Augie?

MG - Great men do great things!

NC - Mike, that's a **great** response! Thanks for your comments today.

Joe Moore Comments On Augie's Quest

As soon as IHRSA received news of Augie Nieto's ALS diagnosis in 2005, we received massive support from the health club industry to help Augie's Quest for a cure. IHRSA's Board, staff and membership have helped make The Bash for Augie's Quest an unprecedented success.


The annual Bash represents a way for the health club industry to celebrate and contribute to a great cause. The fiercest competitors come together and unite for the Bash, which is a great tribute to everyone involved. With accomplishment comes pride, and Augie and the industry should be proud of what has been accomplished.

San Diego was the 9th year that IHRSA hosted the Bash, which is a highlight of the annual IHRSA Convention. The improvement we saw in Augie was wonderful, as he walked on stage just as he had predicted! IHRSA and Augie's Quest are planning the 10th annual Bash, which will take place in March 2015 in Los Angeles, California during IHRSA's 34th Convention and Trade Show.



Joe Moore





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...Augie's Quest

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So, when I wanted to attempt the impossible, I knew that there was only one person who could make the impossible possible... Gary came out to our home in October of 2012. We built the first leg press that was attached to a wheelchair with the help of Hamish Michael. At that time, I was only able to do one rubber strap. By the 2013 Bash, I did 30 reps with 120 pounds on the stage at the Bash! Gary did the research to find a facility that would help me walk our youngest daughter, Lindsay, down the aisle July 5th of this year. Gary found Project Walk (www.ProjectWalk.com). It was a facility that helped spinal cord injury individuals. Gary strongly believed that I could gain strength in my legs, and that there was no reason that, with the right training, I could **not** make a full recovery! Gary has flown out often to manage my progress. As a matter of fact, he is out here right now!

You asked me how did it feel?
It felt like the entire fitness industry was giving me the strength to take every step!

C.I. - What is the up-to-date fundraising total for Augie's Quest?

AN - If you strictly define the total for Augie's Quest, it's \$41+ million. If you take into account what we have raised at ALS TDI since I have been Chairman of our Institute in Cambridge, we have raised \$64+ million. So, the total between Augie's Quest and TDI is \$105+ million!

C.I. - What are the future plans for Augie's Quest, and for you, Augie?

AN - I'm a brand guy! We have spent nine years building the Augie's Quest brand. We started with the tag line... *Cure ALS*. Then, we moved to... *It's Time to Cure ALS*. I'm here to announce, for the first time... **Winning The War On ALS!** I have never felt more hopeful, for not only my future, but for those afflicted with this horrific disease! Without the support of IHRSA, the personal leadership of Joe Moore and the entire leadership of IHRSA, we would not be able to say...

Winning The War On ALS!

• • •

Thank you to Augie and Lynne



Working Out: Pops (Augie) and Grandson, Michael

Nieto for their time continuing to share their incredible story. Thank you also to John McCarthy, Mike Grondahl, Joe Moore and Pat Laus for their comments. Finally, thank you to Rob Goldstein and Kristin McConnell for their assistance.

In closing, if you have not already, please consider a donation to Augie's Quest in what will be known as the historic effort that **DEFEATED ALS**. Go to www.augiesquest.com to learn more and make a donation.

(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health and sports club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home which doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 29 years, since his own day one. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)

(Norm Cates, Jr. is a 40-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 21st year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)



Pat Laus Comments On Clubs For The Quest

Justin Cates (JC) - For those who did not read our November, 2009 Cover Story on Clubs for the Cure (now Clubs for the Quest), please tell us how this fundraising effort began.

Pat Laus (PL) - The original catalyst was with Clubs for the Cure, which I created to fundraise for and contribute to the Avon Breast Cancer Project. We were two years into that project when I went to the first Augie's Quest committee meeting in New York. I was taking in all the information, and during the meeting, Augie leaned over to me. He said, 'I can't figure out how to get a grassroots program going for this.' I didn't say anything at the time because I wanted to think about it. Afterwards, I called Kevin McHugh and explained that I believed the same template we used for Clubs for the Cure, which is really based on relationship-building, could be used for Augie's Quest. We were running the business and we were finishing up Avon, so I asked Kevin if he thought we could do this. He said 'Yes.'



Pat Laus

I went to the next meeting Augie had, and I was a little nervous as I gave my presentation. During my presentation, someone said, 'I don't know. It sounds like a lot of work. Why don't you just find ten people to give you \$50,000?' I replied (laughing), 'I don't know ten people who could give me \$50,000.' Augie said, 'Go ahead and go with it.' At that point, I came back, and I had the original Clubs for the Cure team we used to raise \$1 million for Avon. There were about ten people on staff who were the drivers of the program. Subsequently, we used the same people to begin to broadcast it to the industry. We picked up the phone and called the people we know, which is what it is all about, Justin. It's all about the power of relationships.

We came up with a program, and then, it was pedal to the metal. We called the clubs we already had relationships with, who also knew Augie and wanted to be there for him. We simplified it for them and sent them our program and coached them through it. That's how it all began.

JC - How much has Clubs for the Quest raised to date, and how many companies have participated in the organization?

PL - Since then, we have continued and grown. I coined a term; we have been 'shameless and unstoppable.' This is not about us. It is about a cause and us getting momentum going for it. Up until a few years back, we had raised \$3 million, which is remarkable. We got significant recognition from Augie, MDA and so forth. But, we knew we could go even further than that. So, we handed the program over to Gretchen and Kelly at Augie's Quest.

Now, Clubs for the Quest is fast approaching almost \$6 million that it has raised for Augie. We were at a little over \$5.5 million at IHRSA, but we have since enrolled REX Roundtables. They have already raised almost \$100,000. Once again, it's the power of relationships. They have about ten roundtables, so we are going to be taking 'prisoners' over the next couple of years (laughing). There's no reason for them not to do it. They've just demonstrated with one roundtable that you can do it. Think about how fortunate you are. To club owners, all you have to do is ask your fitness director to do this for one hour, and you will raise at least \$1,000.

Since we have melded with Augie's Quest, this is not exact, but I believe we have worked with over 800 clubs now. It continues to grow, but there is one thing we are up against a little bit now. A lot of the newer people in our industry really do not know who Augie is. It has been nine years since he was diagnosed. I think about that when I go to IHRSA. I am from the Norm Cates/Rick Caro/John McCarthy era. But, a lot of the newer people don't know Augie and what his achievements are. There is communication that must be made to them, and someone from the Bash Committee has to get to those clubs that have not participated. That is what's happening now. It will continue to grow.

JC - Are there any additional comments you would like to make?

PL - It has been a remarkable journey for any of us who have had the privilege of being part of this and the journey in Augie's life. Anything we can do makes a difference to him. He is very humble and very appreciative for everything everyone does for this. The Bash Committee expanded with John McCarthy, and all those added over the past five years are true troubadours. We are Augie's Army.

That man (Augie) has shown more progress with this disease than anyone since its origin in the 1800s. One of the biggest challenges when fundraising for ALS is that there are no 'Alumni.' When you are a survivor of breast cancer, people continue to support that charity (the survivor, their friends, family, etc.). When family and friends have seen their loved one go through ALS, afterwards, they don't want anything to do with it because of how horrific this disease treated their family member, friend or whomever. Rarely can you get them to join the ranks.

Our success has come because, when we have the opportunity to speak to other club owners, someone always knows someone (directly or indirectly) who has ALS. It always comes back to the power of relationships and connectivity. Unless you have experienced Augie over the years, you can't truly understand what he has accomplished in this industry. Then, he gets dealt this card, which no one should get dealt. He then rises above it and creates a purpose for himself beyond anyone's wildest expectations. How could you not want to go to the wall for him and anyone with ALS?



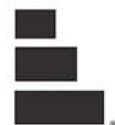


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continued from page 3

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Bill McBride (BM) - Good design is invisible. You've heard that before, right? If it's just the right temperature, nobody notices. If it is too cold or too hot, you notice. This tool that everybody's talking about is good design. In its integrated approach for the whole journey, from the time you enter the sales process as a prospect for the club, through your assessment, through your training journey, through your results, through your progression. So, by having these tools of capturing, communicating and taking them through the journey, you're designing a professional process that has now come geared toward the members getting results. So, think about that as the full thing, as the integrated design of how you deliver your business.

My second comment is on culture. As we have discussed, how you articulate culture in language is a big deal. At the Gold's Gym group that I work with out of Southern California, every staff member talks about the five components of fitness. They have baked that into their culture that fitness and training and nutrition are part of this whole process; it's not something separate. So, that's part of their design. Think about these not as being pieces and techniques, but you're designing a full experience that delivers an outcome. Brent taught me a lot about this because, at his club, Telos, they design this from A to Z for a certain outcome. And, it worked very effectively. I do want to put Brent on the spot to talk about what he did at his club.

Brent Darden (BD) - Thanks for putting me on the spot, Bill. I only have one club, compared to everybody else up here, so I'm not sure what I'm doing here! We have had some success in Personal Training, and it's because of those seven points I mentioned before. Putting those in place, and again, from day one with the consumer, even before they come to our club, they know this is part of the design. I love those words.



Daron Allen

It's about getting results, and that includes Personal Training, as well. To Bill's point, I think one of the reasons for our success is we try to match the seven points that I shared a little bit earlier about the success. And, it starts with positioning yourself and making Personal Training and the ability to help anybody get results, part of your value proposition. So, it's not just about the facilities you have, and how big your club is and all the services you offer. But, it is *truly about trying to help people improve themselves*, and the fact that Personal Training, whether it's half-hour sessions or hour sessions, and immersing yourself in that process... *is good for everyone*. We absolutely coach other people when they ask us about Personal Training. Every single person that comes in the door should go through the assessment and orientation, including work with a Personal Trainer. Anybody that says, 'Well, I'm not interested in Personal Training,' our response will be, 'That's fine. We're not trying to push you to Personal Training. But, we would like to help you understand where you are today, where you want to go and how best to get there. We feel like we can help you with that. If you're not interested in Personal Training, that's perfectly fine. But, this is complimentary. That's our entry to get them into training.'

• • •

DA - One of the other things I think would be really good for us to share would be some of the biggest challenges that you have in your organization as it relates to really driving Personal Training revenues and maybe some specifics on how you solve that particular challenge.

David Patchell-Evans (DPE) - This is the best tool I could have to make my trainers believe in what they actually do. I'll say that again. **It's the best tool that I could have to make my trainers believe in what they actually do.** So, your average



Bill McBride

trainer is how old? 22? 32, maybe? Or, 42 and built like a brick? Or, it's a woman who is 45 and in a figure contest? They don't really come from the same genetic pool as the rest of us, right? So, they need to believe that the average person can make a difference. I think it goes right back to using this tool to see where you're going to be, and it makes you believe that you should show up for the first workout. The Personal Trainer is the one who is getting sold. The Personal Trainer is getting sold more than the client. As I've watched them, and worked with them, and they see they are dealing with somebody that's totally unlike them. I've got an ex-hockey player talking to a mother of three children. Do you think this guy has a *clue* of what it's like to *deliver babies*? No! But, he's forced to go through the whole visualization of what it's like for her to lose her saddle bags, or to reduce the size of her triceps or what it was like to have a C-section... he has to think about all this stuff because he sees her body changing. He, or she, becomes part of the process. When the Personal Trainer believes... the client believes. *So, the reason I got involved with Visual Fitness Planner was not to sell the client. It was to sell my trainers.* I think that's the key part. Most of our Boomers are being served by the Millennials, right? The people mostly in their 30s. I use it as a connection tool. That's the key thing in how we keep our Personal Trainers is that the Personal Trainer sees success. They can see success by year, their client sees it and the Personal Trainer stays with us for a year. And, when they stay with us for a year, they've made enough money that they want to keep staying. That first year, both for clients and Personal Trainers, is the most important one.

BM - *Belief.* What Patch just said, the belief of the trainer, but then the trainer's ability to help the other person believe. How many people have prepared themselves for an unobtainable goal and been disappointed?



David Patchell-Evans

I've been trying to look like Mr. Darden for about seven years. It ain't happening! But, what I can do is I can get back to being my best self. So, what Visual Fitness Planner does, and what Patch is talking with belief, is if I was in the best shape of my life, and I was a 10, and I'm now a 4... I might not be able to get back to a 10 because I might not want to be that heavy duty in the hours needed. I might not ever be that young again. But, I can surely see myself getting back to an 8, or maybe a 9. I'm comparing myself to my best self. This tool helps create that belief for the client, as well as the trainer in getting themselves back to their best self. *It becomes a believable, achievable goal.* Not 'I want to look like this person in a magazine.' So, this concept of belief in the trainer translates into the client belief, which enhances the success of the client. So, I think the power of belief is a big component in this.

BD - One of the challenges with Personal Training at our club is we're fortunate to be in the right place in Dallas. We've got an affluent clientele and a high-end health club. So, our Personal Training is expensive compared to most. Our lowest price is \$85 an hour, and it goes up to \$250 an hour. So, one of our challenges is *we're just too expensive*. Even members who want to belong to one of the nicest clubs in town see those prices, and they want to make sure the value is there. So, two things that we implemented I think that you might take on is:

1. When we hire Personal Trainers who are new to our organization, we call them *Apprentices*. Stealing this a little bit via *J.P.'s Rip Off and Duplicate*, we've taken this from the Pilates world. When you're a Pilates instructor, and you are new, they typically call you an *Apprentice* and the price point is lower. That's because you're going through training. We do so much in-house training for our trainers when they get started that it takes about three months. During that period we call them *Apprentices*, and they have a lower price point. That gives our Marketing Team, our Sales Team and others a chance to say, 'Hey look! Here's a lower price point (See *Visual Fitness Planner* Page 16)



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IN APPRECIATION

In an effort to show our appreciation to this year's IHRSA panel, we made a contribution to each of the panel members' charity of choice! It's an honor to stand with these incredible leaders and it's even more exciting to get to help support organizations that are making the world a better place!



WATCH

Take a few minutes and see what some of the leading club owners in the world had to say this year at IHRSA!



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...Visual Fitness Planner

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for the Personal Training through our Apprentice Program.

2. Another concept that many of us who have been around the industry for a long time have implemented was off-peak membership, where you'd sell your membership at a lower price during off-peak club hours during 1PM to 4PM in the afternoon when nobody else was in the club. We've taken that same concept and applied it to Personal Training, which is also very slow during that same time. So, we allow our trainers to actually pick some off-peak training times for them. Hours that for whatever reasons we historically struggle with filling, and we allow them to sell those at a lower price than they regularly do to fill those spots. So, our immediate response is the price point is \$85 an hour. But, if you're able to come on these days, and at these times, it can be reduced by 20 or 30%.

So, there are a couple of ideas that are related to that. Quickly, I'll just give one more because it ties back to Patch's example about Personal Trainers specifically knowing what they are going to make in a year and how they fit into your organization from a financial responsibility component. That is, we have each of the individual trainers do his own individual budget. So, rather than the General Manager and the Fitness Director saying we're going to grow the Personal Training revenue next year by 3% or 5% or whatever that percentage is, we flip that around and we budget from the bottom up. So, Sally turns in her budget individually. Tom turns in his budget individually. Matt turns in his budget. Obviously, we give them all the financial information because we know what they've been generating... sometimes for seven years. So, we can tell them what they made in January of 2008, 2009, 2010, etc. They can plan and forecast their own success. Then, if they want to make more money, we can show them how to make more money on a regular basis.

J.P. Green (JPG) - One of the biggest challenges that we face is finding good trainers and getting through that first 90-day timeframe where they get some traction and start to fill up their client base. We found some good success in utilizing the Smart Fitness Program to help us get people from colleges who may not be able to afford a NASM Certification to get them a base level of knowledge, that Apprentice level of knowledge and to come in and start filling their client base. Then, we make sure that we align our compensation plans towards the behaviors that we're looking for to get a trainer to be successful. Again, we didn't do it right. I talked to a lot of people to find out what we felt would be the best for a compensation plan, and we've made some adjustments to that. Now, our



Brent Darden

trainers are not incentivized based on sales. They are incentivized based sessions. Obviously, the end product of that is that they have to make the sale in front of the person, or one of our sales people has to do it. Creating tools, creating alignments with colleges and universities... There are a lot of programs nationwide and in the Boise area with different vocational schools that are now doing Personal Training certifications to create alignments with those groups to help create a pipeline and then having a platform for Smart Fitness first for someone who's passionate about what he is doing but may not necessarily have that certification for you... it's a customized process to onboard those trainers and allow them to get started for you.

Maria Parrella-Turco (MPT) - With a show of hands, how many of you have had challenges hiring trainers? How many of you have had a trainer open up a competing studio? It's difficult for all of us to hire talent, right? We have to develop talent. I think that's critical that we're now into developing talent. These systems like Smart Fitness and EFT Personal Training that VFP can implement for you give trainers the confidence that they have a career path. I think that's what trainers are looking for. When we put an ad out seeking a Personal Trainer, I'll get a minimal response. When we put an ad out for a Fitness Manager, which is a salaried position, I will get a tremendous amount of responses. I think trainers feel that we're going to hire them and give them \$8 an hour, and they have to find their own clients. They really want a career. So, I think as an industry, it's incumbent on us to develop a career path for the trainers. That really comes down to these systems and processes that we have and when we are interviewing to build confidence. We need to give our trainers confidence that we do have a career path and an Apprentice Program. We call it a *Business Plan*. I also believe there are three functions for



Maria Parrella-Turco

a trainer: (1) Activation of the program at the point of sale; (2) Program Design; and (3) Program Delivery. So, developing and doing all of those things really well is challenging, and to hire a trainer who does all those things really well is challenging. So, we separated those things. The sales (activation) aspect is provided by what we call a Fitness Consultant, and the program and delivery aspects are executed by our trainers. I was telling Ron Alterio, our VFP Consultant, about years ago when the Terminix guy came to our home. They sent out a guy, a Specialist, who provided an hour-long presentation. *It was an education.* I certainly learned a lot more than I wanted to learn. So, from that experience, it dawned on me that I needed to separate those three functions. I did that, and it's worked out very well for us.

• • •

DA - Very good. I'm going to take this opportunity to talk about that Apprentice concept, Maria. I would like everyone in the audience to know that, if you did have a brand new Personal Trainer (just as an example to give you some nuts and bolts about what VFP actually does... because we build custom sales engines for every single customer of VFP), we could take an Apprentice or a Personal Trainer from almost anywhere, and if we dropped them into any club anywhere (for example, into Bill's club versus if we dropped them into one of Patch's clubs, or any of these club organizations), that trainer, within one time through the VFP technology will immediately recognize and know what the goal of THAT organization is. That's because VFP is totally customized as a sales process and totally customized as a sales engine for each club organization. That Apprentice or trainer would know whether the goal is to sell packages of training or sell training on an EFT basis, whether the goal is a little bit more of a softer approach or whether the goal is an



J.P. Green

in your face process (which none of these operators have as a sales process). *In over 400 versions of the platform, VFP can take any trainer from any organization and take him through a specific club platform and he would be able to morph into a productive employee faster.*

So, if you jot some notes down in terms of take-away benefits from the VFP system, one of the things that we've heard time and time and time again is that VFP helps increase the speed to revenue production of every single trainer in their organization. I'll repeat that. There are two key benefits of the VFP systems. First, **our Personal Training technology systems increase the speed to revenue production for every single trainer.** And, the second thing that our system does is that **it actually increases his revenue production over time.** One of those things that the panel is talking about that's a little hard to measure is building that career and building that longevity for the trainer. These are two key concepts. If they can become successful faster through an automated sales system, they're going to be with you longer. And, every time you can keep one trainer a little bit longer, then that challenge of finding the next trainer becomes a little bit easier. Does anybody have an additional comment before I transition to a different question?

DPE - I would just use the approach, that when you're working with Personal Trainers, *you should have no fear.* Sometimes I feel like we don't want to lose them, or we're afraid we can't get them. I would have the opposite approach for both using VFP, or even if you don't use it is 'Come to work with us! We'll help you have a great career. You'll make lots of money. If you want to go out on your own, you'll have all the skills you need to do it. If you have one club, and you become great in that club, I'll help you get a job at a chain.' If you talk to the trainers the way you'd want to be talked to, and create an opportunity in their mind for them, that's something that you actually believe in, then your trainers will bring more people to you. The trainers will refer people to you because you're treating them the way they want to be treated. This VFP tool is (See *Visual Fitness Planner* Page 18)



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Gym Revenue Growth Report

Sabotage, a marketing and research firm based in the UK, sought to find out a how clubs in the United States were increasing their revenue per member. The findings are illustrated with the following case study:

Jason Markowicz

Fitness Premier/Max Fitness
Managing Partner.

Only 2% of Jason's customers were taking up traditional personal training packages and he was struggling to get more people involved.

Introduction

Jason Markowicz approached VFP's Ron Alterio with a problem. For a few years he hadn't been facing much competition but suddenly other gyms started to appear and he had to raise his game. He had to face a double edged sword, not only seeing the market shrink but also facing the risk of having current customers jump ship.

His gym's personal training revenues were low and very much in need of a considerable increase. He was ready to put in some hard work and together with Ron they started to understand how Jason's five gyms' personal training program could be improved. Until that point only 2% of Jason's customers were taking up traditional personal training packages and he was struggling to get more people involved.

He was not able to track his Personal Trainers' performance and his current business model was labor intensive. He knew he had to do something about it.

Jason's Issues

The challenges that Jason was facing were clear. Together with the traditional need to train Personal Trainers in selling techniques, to keep them fresh and

motivated in their approach, he had also to restructure the whole department to maintain efficiency over five different gym locations.

Consistency of service was a problem too. He was not able to track his Personal Trainers performance and his current business model was labor intensive. He knew he had to do something about it. He needed support and was open to finding a solution.

Good Personal Trainers are not necessarily good sales people too.

VFP approach

Our first step was to understand how to sell a personal training program, and how to make gym members feel that working with a personal trainer would genuinely bring a clear benefit to them without a huge financial commitment upfront. We quickly realized that most good Personal Trainers are not necessarily good sales people too and that was the real find. Not only did we propose stopping Personal Trainers having to sell their services, we created an additional dedicated professional to look after the sales aspect of personal training. That person was going to be trained properly and become the spokesperson for Jason's personal training program in a seamless, consistent way, offering the same experience to all customers.

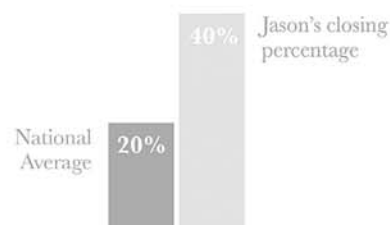
We created an additional dedicated professional to look after the sales aspect of personal training.

The experience had to be 'humanized' and totally customized to Jason and his customers' needs. A support software was created and an effective EFT Playbook put into place.

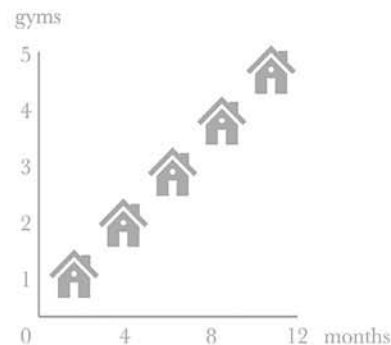
We then helped Jason create a new product where the gym member didn't have to put all of the money upfront, where the solution can be financed slowly over time. We literally acted as business coaches and supported Jason until results were achieved.



Personal training draft doubled in just 6 months.



The new member closing percentage was consistently at least 40%, double the national average.



Implementation across 5 gym locations in less than 12 months.

"I have been working with Ron Alterio for the past 2-3 years on our EFT PT model and we have seen tremendous growth in our PT department. This model has really added stability to our PT department and have really benefited the trainers, sales staff and the club.

We work with Ron and the EFT PT model at 5 of our locations and we have seen great success in all of our locations. This model makes our revenue and KPI's very manageable and we can really identify areas to improve upon quickly and make swift adjustments. Ron has always been very active working with our group and our Fitness Managers.

He is always available for training and continued development with all of our locations"

Jason Markowicz
Fitness Premier/Max Fitness - Managing Partner

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designed to help you be successful. And, we will educate you to help you be successful. We have a lot of clubs, and we've taken over about half of them. Most of the time, when we get involved in clubs, that's something they haven't done. It's not about what works for the company but what works for the people. If you would just look at your systems and whether you're using Visual Fitness Planner, if I was one of them, what would I be thinking about me, the boss? Put yourself in their shoes. Then, I don't think you will have a hard time finding Personal Trainers because a lot of people are not doing that. They're not being the employer of choice. If you're the employer of choice, then people will want to come and work for you.

BM - That's a great point, Patch. If I asked the people in this room what's a great point of sale rate (I love the word activation rate), or what's a great delivery rate? Equinox manages delivery of sessions. They meet with their trainers daily and ask: 'How many sessions do you have per client? Where is this client in their continuum of progression? What's going on with this client? Why hasn't this client been in this week?' If you manage delivery, you're managing future activations, right? And, you're putting your heart and soul into what matters, the person getting results. So, part of what Patch just spent some time on, and part of the 3-step process of activation, design and delivery, what are the goals for your Personal Trainers so they understand you are the employer of choice? You are selective. You do have defined wins.

I think there are four goals that I look at. *One* is the *activation rate* at the point of sale. I used to call it the enrollment rate, but now I am 'RNDing' (Rip Off and Duplicate) the word *activation* from Maria. *Activation rate* at the point of sale... How many people join the club membership and activate a training package of some sort? *The second* would be activation rate during the acceptance process. Of the people that go through the orientation, how many of those are activated into a program? *The third* would be the delivery rate. How quickly are your trainers going through inventory of both succession and progression? *The fourth* would be PT success rate. Brent, to your point earlier, what does your Personal Trainer need and want to earn? So, are they successful in their income generation and their goals? If you measured those four things on a regular basis with clarity, and talked to the person as Patch described in a very straight forward manner, here's what a win looks like, here's how it's designed, here's how we're going to measure it and we hope that you have a long and successful career here changing lives!

...



Thanks to (L to R) Daron Allen, Bill McBride, David Patchell-Evans, J.P. Green, Maria Parrella-Turco and Brent Darden for a Great IHRSA Panel and Cover Story!

DA - Maria, I'm going to toss this next question to you first. In terms of generating more opportunities for your trainers, and now you're thinking about systems and things that you're doing to really drive more opportunities, more people in front of your Personal Trainers. Can you share a couple of processes/systems of things that you're doing that would be a great takeaway?

MPT - We set up some benchmarks for the beginning of the month. For membership, we have a goal for how many presentations that we need to provide in our training program. I think what happens in training is, once you get to a certain point, the natural attrition of falloff means you need to know what that is. For example, if you have 300 Personal Training clients, meeting expectations means your falloff is going to be 40... through natural attrition and people not reactivating their programs. So, we know that, for example, 40 people are going to deactivate. We look at that and say, 'Okay, we need to have 100 people go through a consultation this month at a 40% activation rate in order to replace the natural attrition that's occurring with the amount of Personal Training clients that we have.' Then, your organization as a club needs to figure out how you're going to service 100 people. Again, if you're in a low-cost, high-volume model like us, that becomes easy because you're activating 300 to 400 new members per month, or more. You can do that. You have 100 people. Hopefully, you have 300 of those individuals that you are servicing properly.

But, if you're in a club that is perhaps activating less than 100, then as Daron is asking, 'What do we do?' Really, everybody should be participating in training. And, everybody has two resolution dates each year. They have New

Years, and they have their Birthday. So, calling your members to get them to start thinking about their personal resolutions. You can call your members and say, 'Hey, Happy Birthday, Joe! We'd like to re-evaluate your program and see where you're at and help take you to where you want to be.' We work with trainers on how to service people when they're on the floor. We teach our early morning staff at 6AM how to send Birthday emails to low users who've not used the facility in 30 days. We run a low usage report that immediately identifies people who need help to get back on track. We also have something called *The Lifeline Program*. The #1 reason why people deactivate a membership at our facility is because of non-use. So, we failed them, and we want to help them get back on track. In the Lifeline Program, we're able to see 20 or 30% that come in to deactivate their membership, as it gives us another opportunity. It's really not a freeze. A freeze is really a long-term road to cancellation anyway. The Lifeline Program is really a recovery method. We immediately give them one to two Personal Training sessions per week, *on us*. 30% of the people reactivate training after that, believe it or not, because they see the value in it. So, we're constantly looking at the Mission. How are we going to service our members? How are we going to reach out to them? Who are the people we're going to reach out to for birthdays and low users? We focus on attaining that 100 consultation goal to replace, or hopefully, increase the NET number of PT clients. So, just like we look at membership, and the growth of memberships, which is a NET gain, the numbers that you activate vs. the numbers that you deactivate, produces your NET training number the same way.

JPG - We benchmark what we call *Changed*

Lives. Accountability. It's a new member unit. But, we pray that we change lives and change the framework for our sales staff and the rest of our team. So, making sure that all of the people who are changing their life and getting started with us, that they have an opportunity to be touched by a trainer. Number one, with membership retention, we all know that if a member gets an opportunity, even through an orientation to be touched by a trainer, your member retention is going to be much stronger. But, it also creates those opportunities for our fitness staff to create value in the program and to help do Personal Training. We take a look at what is our percentage of changed lives accountability for our new members. Then, we will reference that to how many new opportunities do I need to create on a daily basis? We're coming from a world where we were selling sessions in Personal Training packages, and we're moving to that 30-minute and EFT world. What we're monitoring is a little bit different now. We say, 'Okay, what's my revenue per day? My average package? How many packages do I have to sell?' And, we work it backwards to find out exactly how many opportunities we need to have on a daily basis.

If we weren't selling enough memberships, then we have to find out other ways to do that. Here are some of the things that we did, and we've been with Visual Fitness Planner for a long time. A great lead in using VFP is the question: Do you know what your health age is? One of the things that we teach our Team is that *conversations create presentations... presentations create sales*. So, if you focus on the conversation, you'll have a greater likelihood of creating sales. Trainers don't like to walk up and talk to people on the floor. If they have something to help create conversations such as: Do you know what your health age is? Do you know what you're going to look like when you accomplish your fitness goals? Simple questions such as that will increase your conversations and will increase your sales. Another thing to help the show-up (See *Visual Fitness Planner* Page 20)



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percentage, which is another *Rip Off and Duplicate* for us, is we've created a video that's a very high energy, dynamic video that shows exactly what that member is going to go through in his new member orientation. That's sent to them as part of their new member email. Because, how many times have you heard from your trainers that the new member came in for training, and he had no idea what was going to happen to him when he arrived. We're just now creating that video so I can't tell you what those results have been. But, our conversations with the folks we got that from indicates it works really well.

• • •

DA - At this point, we're going to close out this portion of this session, and we're going to open the session up for Q&As.

A closing comment from IHRSA Chairman, **Brent Darden**, was particularly poignant. He said:

BD - I just wanted to share a little bit of insight about VFP... behind the curtain if you will. So, forget that I'm IHRSA Chairman because I'm probably not supposed to share my thoughts about a specific vendor. But, for the last five years of my consulting business there in Dallas, we've had the VFP Team come to our club in Dallas for their annual meeting, and that means the entire Team, from the developers to the Sales people to Daron and the full management of the company. I just want to share this... every year I try to help them revisit their Mission and Vision, and their strategic plan, their values and make sure they are still in alignment. Having seen them behind the scenes with the interactions that they have delivering a product that's helping people... it's incredible! Their debates are spirited about customer mapping. How can we help our customers more? What are the gaps in our technology and products that we can improve that will let them be successful? First of all, they do it every year. They

pay to have everybody attend. They spend three or four days together, and they really dig in deep and really try to communicate with each other. Just like in our club. You know, you have the sales people, you have the trainers, you have the delivery people, you have people that are selling the product and those conversations can be spirited and they encourage that within their organization and that makes them better. I just wanted to mention this about VFP and Daron because they are investing in constant improvement, innovation and are trying to do what you guys are asking for. They are absolutely committed. Daron's not sponsoring me to say this. It's just a fact that I've seen for the last four years.

DA - Brent, I'm really moved. I appreciate that very, very much. Thank you.

Norm Cates (NC) - I want to say something, Rocketman!

DA - Norm wants to say something. Norm's the first Chairman (actually first President) of IHRSA.

NC - I'd like to tell you folks a story. I got to know this guy here (Daron) about 13 or 14 year ago. We had lunch one day, and I had a chance to find out about this new product called Visual Fitness Planner. At the time, if I recall correctly, Daron and his Team had about 60 clubs onboard with Visual Fitness Planner. They've got 1,200 now in 12 countries! The point I'm making is this. You could go all the way across this industry worldwide and not find a better guy or a harder worker than this guy I call 'Rocketman.' Do business with him if you are not. If you are, find him some more folks to speak to!

• • •

This author stood up in San Diego to say what I said about Daron "Rocketman" Allen and his VFP Team because I've watched first-hand how hard Daron Allen works, and I've witnessed the benefits his VFP clients are reaping from their adoption of the VFP Company teachings. I can only say **CONGRATULATIONS** to Daron and Company, and **CONGRATULATIONS** to every club owner who does business with them and learns and employs well what the VFP Team teaches.

(Norm Cates, Jr. is a 40-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 21st year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of its highest honors. Cates may be reached by phone at **770-635-7578** or email at **Norm@clubinsideronline.com**)

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The Leaking Silo Syndrome: *What Is It and How Do We Avoid It?*

By: Ron Alterio

In my last article, published in the **January, 2014 Edition** of **CLUB INSIDER**, I outlined the three critical steps to building a successful EFT Personal Training (PT) draft. Now, the million-dollar question becomes... once you get it going, how do you keep it growing? The key is to understand and NEVER forget that an EFT PT draft is a two-prong business model. Each prong is equally important: *new client acquisition* and *existing client retention*. In short, you want the number of new PT clients added each month to be as high as possible. Additionally, you want the number of existing PT clients who drop off each month to be as low as possible. If you get the ratio correct, your draft grows. However, if you get it wrong, you will end up with *The Leaking Silo Syndrome* or (LSS). Simply put, LSS is when the growth of your draft becomes stagnant or

declines. This halt or decrease in growth typically occurs when the volume *going into* the silo (or draft), in the form of new business, is equal to or less than the volume *leaking* out of the silo (or draft) in the form of attrition. LSS is the most common reason why clubs do not realize their draft potential. The good news is that you can dramatically lower your chances of getting or eliminating LSS simply by tracking, measuring and responding to three key performance indicators (KPIs).

Closing or Conversion Percentage - This KPI measures the efficiency and skill set of your staff when an opportunity is placed in front of them. You get your closing percentage by taking the number of sales made and simply dividing it by the number of opportunities. Unfortunately, very few clubs can produce a very clean or accurate closing percentage. The biggest reason for this is the loose tracking of opportunities.

Any time there is a sale, an opportunity for that sale must be attached to it. This includes b-backs, walk-ins or walk-ups, and referrals. Many times, your younger staff will put the sale up on the board, but will then, in fact, forget or not even be aware that an opportunity needs to be attached to that sale. Here is a simple example. Club A has performed 50 Fitness Assessments, and there are 20 sales up on the board. At first glance, you would deduce that your team is having a strong month (40%). However, after taking a closer look, 5 of those 20 sales came from pickups off the floor or referrals from existing clients. In this case, you would need to separate those additional sales, as they came from outside of the normal selling channel (Fitness Assessment). Using the above example, the true closing percentage is actually 30%.

Bottom Line: If your *TRUE* closing percentage is not high enough to offset



Ron Alterio, VFP National Director of Sales

current PT losses, you get LSS.

Average Monthly Payment (AMP) - AMP is another critical number to track as (See Ron Alterio Page 23)

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...Ron Alterio

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it helps measure how well you are selling value and results vs. price. Your AMP is also a great predictor of the total amount of revenue you can expect to add to your draft each month. Typically, if you are selling more one-time-a-week solutions, your PT draft will take longer to grow and your loss rate or attrition will be much higher. The reason is, although it may be easier to sell, it's definitely tougher for your clients to get results and stay motivated over time with only one session per week. To help combat this problem, your sales system and pricing structure should be set up to convey value in *frequency over time*. In other words, your process, including how you actually present the offerings, should be specifically designed to sell more two or three times per week solutions. If not, your weaker or less experienced staff will typically sell what's easier and less expensive.

Bottom Line: If you have a lower average monthly payment, you are more likely to get LSS.

Loss Rate - This is probably the most overlooked number, and unfortunately, it's a big one. Simply defined, your loss is any EFT payment that should have

been collected for any reason in any given month but otherwise was not. This includes freezes, cancellations, NSF's, etc. You would then want to compare the total amount that was uncollected to what should have been collected. If you want your draft to grow as fast as possible, the goal should be to keep your loss rates under 10%, and ideally, around 6 - 7%. For example, if your projected draft in any given month is \$20,000, yet by month's end, you only collected \$18,000, your loss rate was \$2,000 or (2k/20k = 10%) of your projected draft. We'll talk more about ways to lower your loss rates in future articles, but for now, at least start tracking it!

Bottom Line: If your loss rate exceeds 10%, your chances of getting LSS are very high.

There you have it. You spent all the work and energy getting this EFT draft machine up and running by booking the appointments, getting rid of a trainer-centric sales model and focusing on building the right sale process for the product. Don't assume it will remain that way. LSS is lurking around the bend.

It's just dying to make its way into your business and cause havoc. To fight back, all you have to do is: *know your true closing %, focus on achieving a higher monthly*

Vision Quest Clubs to Be Rebranded to LA Fitness

IRVINE, CA/SEATTLE, WA - Fitness International, LLC, owner and operator of LA Fitness, has announced that the Vision Quest clubs they acquired in the greater Seattle area are being rebranded to the LA Fitness name. All active memberships that Fitness International purchased from Vision Quest will continue to be honored under the terms of their current agreements.

In addition, it was announced that the members in four of the recently acquired Vision Quest clubs were relocated to larger LA Fitness clubs, where they will receive additional amenities, including a pool and basketball court, at no additional cost.

Finally, the rebranding will enable many members to use more clubs

than before:

- Active members of the four clubs being relocated who have Single Club access will be given access to all LA Fitness clubs in the state of Washington (excluding Signature clubs).
- Active members of any Vision Quest club who have Multi Club access also will be given access to all LA Fitness clubs in the state of Washington (excluding Signature).
- Active LA Fitness members who have Multi Club access will also be given access to the remaining former Vision Quest clubs.

Additional information regarding these clubs is available on www.lafitness.com.

payment average and keep your loss rates low.

(Ron Alterio is the National Sales Director for the Visual Fitness Planner. His area of expertise is building and driving successful EFT draft Personal Training business

models throughout the United States and Latin America using the full suite of The Visual Fitness Planner products. Additionally, his Sales IQ consulting services can be obtained by calling him at 717-645-3899 or emailing him at ron@vfp.us)

Poof, Now You Are A Manager!

By: Karen Woodard-Chavez

Welcome to your new position as a manager. Kudos to you, very exciting! Sometimes, when we get a promotion, we are excited to embrace the full role of responsibility of the role, and sometimes, we have mixed feelings because we are unclear about the responsibility of the role, have not been trained or worry about how the relationships we have with our peers will change. All of those feelings are valid.

Here is an interesting statistic according to CEB Succession Management: *Only 60% of new supervisors are successful. They are either fired or step down voluntarily because they do not understand what it takes to lead.* Wow, is that a “Debbie Downer” moment or what?

This article will help you with some simple tools to be successful in your role as a new manager and avoid being the “D.D.” statistic.

1. Recognize that your responsibilities have changed and the relationships with co-workers will change. It does not mean that you are on a power trip, but it does mean that you are held accountable for your employees’ performance. Your job is to create a platform for their success, not do their job for them. Instead, create a platform so they can best do their job.

2. Trust that you will be fair and

consistent. It’s not about doing favors; that undermines trust. It’s not about preferential treatment that has not been earned. Earned preferential treatment is justifiable. Preferential treatment for someone you like erodes trust.

3. Open, clear and frequent communication. Making sure that everyone has the same information to be able to move forward. Spell out the expectations for your staff in the beginning so you and they have the best chance for success from the start. Do it in a professional way.

4. Create a Culture of Accountability. Reward success, and correct mistakes. When we do well, we will be recognized. When we do not do well, there is a consequence. Remember, whenever someone on your team does not do their best, it prevents someone else from being able to do their best. Courage to confront and willingness to correct will help you and your team with success. In order to create accountability, consider the following five points when it comes to delegating a task or hiring someone for a job:

Clarity from the beginning: Outline the position/job/project - The what, when, why and how it relates to your organization’s bigger picture, cost if not fulfilled and emphasis on *both* parties

being responsible for success.

Define the outcomes: Focus on the end result, not the process - The employee may have a better process than you. Do not squelch them on their creativity. Listen to how they would do it (differently)... ask first.

Choose the right people/person - They must align with core values, have the skill set and the desire.

Define the time expectation: Total hours and completion date - Be clear about how long it will take and when you expect it to be done. Is it negotiable or non-negotiable?

Define the follow-up process - Check in on a regular basis. This is not micromanaging. Do not make the mistake of checking in only when the project is to be completed and then find that it has not been completed. Success needs to be managed.

Catch successes or mistakes early by measuring results and correct what needs to be corrected early in the process so corrections are smaller. Trust the employee to do his best.

5. Recognize that it is okay to be the boss. Too many supervisors are failing their staff by undermanaging them. Some people are so afraid of stepping on toes or micromanaging their “peers” that they make the mistake of not giving them information that is obvious to you but not to them. This results in no forward managing or growth occurring. The team becomes very dysfunctional, and you become ineffective as a manager. Do not be afraid to embrace your full role as the manager.

We have discussed some simple elements that will be a platform for your success. Now, let’s discuss some pitfalls:

Pitfall #1 - Not being clear on the company’s strategic direction and bigger picture. It is critical that you understand where the company is headed and what it takes to get there so you can rally your staff to move in that direction. Share the strategic initiatives with them. If you or your staff are unclear, you will not be able to produce the kinds of results you need.

Pitfall #2 - Blaming your supervisor - This occurs when you are uncomfortable with a decision that has been made at a level higher up than you. You may disagree or do not support the decision, so you let your staff know that by saying



Karen Woodard-Chavez

that, “your boss is making you do it.” **BIG MISTAKE.** This is not okay. You are part of a management team. If you do not understand the decision, then get clarity. If you still do not agree with it, that is okay. But, do not let your staff know that you do not agree with it. As management, you need to support the direction of the company or move on. You should NEVER create a “we vs. they” culture in any organization.

Pitfall #3 - Lack of specificity in communication - This causes your staff to have to mind-read or guess as to what is being requested of them. Details are left out, or are at best, vague. Your staff, for many reasons, may fail to ask to follow-up questions to get specifics and have to figure it out on their own. So, when you give information, you need to get information back. Find out what they perceive the message to be by asking them just that.

Pitfall #4 - Lack of directness - This is where people go behind the backs of co-workers, peers, bosses and subordinates with water cooler gossip. Another example is the leader who tries to fix a problem that should be addressed to one person but calls a team meeting offering a blanket directive. This type of indirect communication completely erodes trust and morale. If you have someone who needs to be spoken to directly, speak to only that person. It is important that you understand how to give and receive feedback as a manager so that it is helpful and effective. Once you learn this, it is then incumbent upon you to teach your staff how to give and receive feedback.

Pitfall #5 - Lack of appropriate tone in communication and the big “But” - Ever had someone in a professional setting raise their voice at you in a condescending or threatening manner? How about responding (See Karen Woodard-Chavez Page 25)

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...Karen Woodard-Chavez

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to you in a sarcastic tone? These are just two of the ways inappropriate tones ruins relationships and trust in company culture. The big "BUT" - This may be the most common and subconscious of management pitfalls. It's the conversation when someone agrees with you, or provides you with positive feedback in one breath, only to be followed by "BUT." After the "BUT" comes the "other shoe dropping" and staff end up feeling misled, disappointed and resentful. Learn to listen, value people's ideas and respectfully disagree without getting your big "BUT" involved.

Becoming a good manager is something that is earned, and therefore, takes time. There is no doubt that, in your management career, you will experience some pitfalls, and you will have some terrific success. If you abide by the belief that it is your role to create a platform for your staff's success in your company, you will experience a greater amount of success in a shorter amount of time and have a much longer career.

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

Make It Fun!

Everything Is Important?

By: Chris Werte

Recently, I was out on a run and passed by one of the many construction sites that are popping up in the neighborhood. On the safety fence around the lot was a sign for one of the construction companies working on the project. The slogan / tagline was, "Where everything

is important."

This stuck in my head while I was running. I could not shake it. As my mind tends to work overtime when I run, I kept turning this phrase over and over in my head and asking, "How can everything be important?" If it is, how do you know what to focus on and what to prioritize? Needless to say, it was not my best run for

the week.

That run distraction got me to thinking about social media. If we took this construction company's advice and worked under the assumption that, "Everything is Important," then we would definitely have our hands full trying to connect with club members. Over the past ten years, social media has exploded. Of course, there is Facebook and Twitter, the granddads of social media. And, there is LinkedIn, YouTube, Instagram, Pinterest and Vine. Add in Google +, Foursquare, Yelp and MySpace (with Justin Timberlake buying a leading interest, who knows, it may come back), and you have a pretty sizable list. Wikipedia lists over 200 + social media sites catering to all different audiences. YES, 200! Even if you cut out the more targeted sites, can you image running a club's social media "where everything is important?"

This all reminded me of Warren Buffet. One of my favorite things he is credited with having said is, "The difference between successful people and very successful people is that very successful people say no to almost everything." That is good advice in general and excellent advice when it comes to social media. If you tried to create a profile on just the listed sites above, would you consider yourself having a successful social media program? What is success in the world of social media?

When running a successful social media program, there are a few keys to consider:

- What programs do your members use most often?
- Does the channel deliver the type of interaction you need for your club?

The key to social media is not just sharing. Before you share, listen. Listen to your members and learn what information they want from you and how they communicate and share information. Then, use the social media programs that best match your members.

There is no "one-size-fits-all" answer in social media. Yes, most clubs start with Facebook (it is a safe assumption that the majority of your members are using it). But after that, then what? Do your members want quick, short updates (Twitter) or want you to share pictures from the club (Instagram or Pinterest)?



Chris Werte

Maybe videos are important (YouTube or Vine). Or, they like to use the club as a social gathering and meet up with friends or make new friends (Foursquare).

What you should not consider when launching your club social media pages:

- What are the hot new social media programs out there?
- What social media programs are my competitors using?

In the wild world of social media, it is easy to get caught up in all that is new and hot. That would be a mistake. As Buffet says, learn to say "no" to most social media. Even if your competitor tweets ten times a day, that does not mean you have to, and especially so, if your members are not Twitter users. Also, spreading yourself too thin in social media is a bad thing.

A Key Lesson: If you are not going to actively manage your social media pages, it is better to not have them at all.

Social Media is all about sharing and having a conversation. Everything is not important. What is important is what platforms result in the best conversation with your members and managing them well.

(Chris Werte is an accomplished and veteran marketing executive and project management strategist for Retention Management and brings more than 20 years of experience in the development and implementation of marketing and communication programs.)

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U.S. Supreme Court Unanimously Rules in Favor of Octane Fitness On Attorneys Fees In Patent Infringement Lawsuit

BROOKLYN PARK, MN - The United States Supreme Court ruled in favor of Octane Fitness on its petition regarding collecting attorneys' fees, making it easier for patent lawsuit winners to secure legal fees from the losing parties and helping to curb unreasonable patent claims that are currently plaguing the courts and legitimate U.S. businesses.

Icon Health & Fitness, Inc. sued Octane Fitness LLC for infringing on two of its patents on its elliptical machines, one on electronic heart rate monitoring and one on linkage of the moving pedals. The heart rate claim was so unreasonable that Icon was forced to drop it from the case early in the litigation, and Octane Fitness won on the linkage issue and requested reimbursement for \$1.8 million in attorneys' fees. The U.S. District Court for the District of Minnesota and the U.S. Court of Appeals for the Federal Circuit both agreed that Icon's claims were sufficiently weak, that a jury trial was not necessary and that summary judgment in Octane's favor was appropriate. Yet, both found the case was not "exceptional"

enough to warrant fees, the standard under 35 USC 285.

In response, Octane filed a petition for certiorari with the U.S. Supreme Court, arguing that this statutory interpretation had become a "rigid and virtually insurmountable test," and that trial judges should be able to award fees when a patent holder unreasonably pursues a case having an objectively low likelihood of success to serve as a deterrent to litigation abuse via groundless lawsuits.

After oral arguments on the petition on February 26th, the U.S. Supreme Court overturned the Appeals Court and sent the case back to the lower court for reconsideration, in view of the new standard that provides district courts with considerably more discretion to award fees where weak patent claims are asserted. In the unanimous ruling, Justice Sonia Sotomayor wrote, "A case presenting either subjective bad faith or exceptionally meritless claims may sufficiently set itself apart from mine-run cases to warrant a fee award."

This decision reduces the standard

of proof for legal fee reimbursement from clear and convincing evidence to a preponderance of the evidence, and thereby, provides district court judges with more latitude in awarding fees on lawsuits that they think should not have been brought.

We are thrilled to be in the position of helping relieve the burden of meritless lawsuits on businesses across all industries with this historic decision, said Dennis Lee, President and CEO of Octane Fitness. We take intellectual property very seriously and have spent six years defending against this unjustified allegation."

Many technology companies, including Apple and Google, face numerous unwarranted patent lawsuits, and 15 amicus briefs were filed in support of Octane's petition, including one by the United States Solicitor General's Office. Apple and Google also pressed the High Court to consider how fees are awarded, and Congress is considering legislation on attorneys' fees.

The case is Octane Fitness v. Icon Health & Fitness, 12-1184.

Octane Fitness Named One of the 100 Best Companies to Work For

BROOKLYN PARK, MN - For the third consecutive year, *Minnesota Business* magazine named Octane Fitness as one of the 100 Best Companies to Work For in its third annual list. Honoring small, mid-sized and large businesses in Minnesota that set the standard for employee wellbeing, the awards celebrate each company's leadership, benefits, work environment, innovative training programs and most satisfied employees.

An independent research firm utilized various techniques, including an anonymous online questionnaire filled out by company employees, to identify companies that excel in work environment, employee benefits and overall employee happiness. The 2014 "100 Best" will be recognized during a June 5th ceremony at the St. Paul RiverCentre and will be listed in the June issue of *Minnesota Business* magazine.

Today, the company has 58 employees in Brooklyn Park, with international offices in the United Kingdom, Hong Kong and Rotterdam, The Netherlands.

Leading Experts, Successful Club Owners Offer Key Insights at Tennis Owners and Managers Conference

CHARLESTON, SC - The inaugural Tennis Owners and Managers Conference, presented by the Tennis Industry Association in Charleston, SC, in early April, brought together leading experts in club and facility management and programming to provide practical information and key "takeaways" to help tennis facility owners and managers become more competitive and profitable.

A capacity crowd of more than 100 attended the conference, which was held at the Charleston Marriott. They heard from speakers and panelists that included top executives at national tennis and health companies, successful tennis club owners, experts in legal and financial matters, a promotion expert, a retail consultant,

club membership and compensation experts, tennis programming and coaching professionals, sports research experts and more.

"The Tennis Owners and Managers Conference offered a full schedule of important topics that tennis clubs and facilities are dealing with today," said TIA Executive Director, Jolyn de Boer. "We were thrilled to not only have such high-level presenters, but to also get the degree of audience participation throughout the day-and-a-half conference. The feedback we've received has been overwhelmingly positive, and we're looking to expand this conference for 2015 as we consider dates and location."

The keynote speaker at the conference was Cliff Drysdale, an ESPN commentator, former pro tennis player and 2013 inductee into the International Tennis Hall of Fame. Drysdale also owns a tennis management company, Cliff Drysdale Tennis, which now manages 26 locations. He hit on a theme that other speakers and attendees also addressed when it comes to managing a tennis facility, "The main challenge is getting the right people, the right professionals, the right leaders," Drysdale said. "It takes a very special talent. You have to deal with the politics of the club, you have to be able to teach, and more than anything, you have to be a promoter."

In addition, TIA "Software as a Service" business partners were on hand to speak with attendees about some of the latest technology available to help club and facility management. Conference participants also attended an evening session at the Family Circle Cup women's professional tournament.

"The TIA's Tennis Owners and Managers Conference was the most beneficial convention that I've ever attended," said Heather Silvia Killingsworth of Silvia Tennis Academy in

Alpharetta, GA. "It was first-class all the way around."

"The conference was wonderful," said Kim Wedge, General Manager of the Green Bay (WI) Tennis Center. "I made some great contacts and new friends in the tennis industry. I hope the TIA continues with this conference."

"I thoroughly enjoyed the topics, presenters, networking and venue," said Jeff Gocke, Chief Operating Officer of TennisCT in Fairfield, CT.

"The subjects addressed were very informative and will certainly help those who attended," said Gilles Garceau, Vice President of Sani Sport of Canada. "With the quality of the presenters, I have no doubt the TIA will be able to repeat the success of this year's conference."

"We were very pleased to have Doug Cash of Cash Flow Tennis consulting on the planning of this year's T.O.M. Conference," de Boer said. "There is clearly a need for this type of information and networking among tennis facility owners and managers, to help them better compete in this business environment."

For more information about the Tennis Industry Association, visit www.tennisindustry.org.

Leisure Sports Introduces AirFit, North America's Largest Altitude Training Room

PLEASANTON, CA - The latest fitness club from Leisure Sports, Inc., The Quad, in Pleasanton, California, now offers the largest altitude training room in North America. AirFit is the 1,000 square-foot training room that can accommodate up to 27 individuals per session. Designed for athletes and fitness enthusiasts, AirFit offers individuals the ability to take their training to the next level with 50-minute high intensity fitness classes that simulate exercising at up to 22,000 feet to mimic a high altitude environment. AirFit combines the science of high altitude training with heart rate training, resulting in increased strength, power, endurance and weight loss.

The AirFit fitness classes mix functional strength training and cardio. Kicking off with a 5-minute warm up, the next 45 minutes are spent lifting, rowing, jumping, crunching and spinning, depending on the class. Throughout the training session, coaches monitor individuals' heart rates to ensure optimal achievement. AirFit offers different training options for those with diverse fitness desires including O2 Cycle, O2 Row, Mile High Circuit, Summit Yoga, Altitude Team Training and One-on-One Altitude Training.

"Athletes and fitness enthusiasts are taking an active interest in their routines and are looking for training solutions that will help them reach the next level," said Ralph Rajs, Senior Vice President of Leisure Sports, Inc. "Now, anyone at any fitness level can benefit from high altitude training, which is already being used by several elite athletes, including LeBron James and Michael Phelps. With AirFit, individuals are able to improve their performance in a variety of areas including



strength, power, endurance and muscle conditioning, with as many as two to three workouts per week."

Delivering world-class service, contemporary facilities and innovative sports and fitness programs, Leisure Sports, Inc., designs, develops, owns and manages distinctive high-end fitness resorts and hotels. The Quad is the newest brand for Leisure Sports, Inc. Understanding the need for an AirFit training room in the Bay Area, Leisure Sports, Inc., teamed up with Hypoxico Altitude Training Systems to design the 1,000 square-foot training room. This is the second training room developed between the companies; the first was at ClubSport Oregon, another Leisure Sports fitness club based in Tigard, Oregon.

In addition to the AirFit training room, The Quad will also feature Absolute Barre, Crossfit NST, Undisputed Boxing and a fully equipped fitness center.

For more information about AirFit or The Quad, please visit www.thequadfit.com. To learn more about Leisure Sports, Inc., please visit www.leisuresportsinc.com.

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Programming For The “Fun Of It!”

More Outdoor Programs For Spring

By: Laurie Cingle, M.Ed.

In last month's edition of CLUB INSIDER, I suggested several outdoor programs to offer to your members this Spring. Here are two more ideas that will keep members connected to your club as nice weather draws them outside.*

Boot Camp Intensive Week (a twist on traditional Boot Camps) - Boot Camp Intensive is set up like a visit to a destination exercise spa except participants sleep at home and go to work during the day. The program begins Monday at 6:00AM, concluding Saturday at noon. Much of the exercise is conducted outdoors to provide a fresh perspective. Prior to the program start, participants complete a

fitness assessment and consultation. Goals for the week and twelve weeks in the future are set. Participants receive an individual nutrition consultation, breakfast, lunch, snacks and dinner each day and exercise prescriptions for the week and post-program. Fees are based on membership dues and costs of personal training, meals and administration. Follow up fitness assessments are offered at six and twelve weeks. Here's a sample agenda:

Monday through Friday mornings, 6:00AM - 8:30AM: Cardio exercise (outdoors), strength training, stretching and shower followed by breakfast with the group. Participants are given a sack lunch, including a mid-morning and afternoon snack.
Weekday Evenings, 6:30PM - 8:30PM:

•Monday, Tuesday, Thursday - Yoga or Tai Chi (outdoors), followed by group dinner and lecture on nutrition and exercise.

•Wednesday evening - Meet out at a restaurant for dining with a nutritionist.

•Friday evening - Massage.

Saturday, 7:30AM - 12:00PM: Breakfast and lecture, strength training, stretching, cardio and Tai Chi (outdoors). After showering, participants attend a graduation lunch.

5 Weeks to 5K Success - Designed for people who have a goal of completing a 5K. Participants are divided into three groups: (1) Beginners, (2) Novice to Intermediate - those with previous experience wishing to improve pace from 10.5 to 9-minute mile, and (3) Intermediate to Advanced.

Over the five weeks, members of each group are provided with a written weekly training schedule. Specific aspects of that schedule are focused on during the week. Bi-weekly group sessions begin with all groups together for a brief lecture on specific aspects of exercise followed by a light warm up and stretching. Groups separate to complete their assigned run/walk. Sessions end with all groups together for deep stretching.



Laurie Cingle

The program also includes:

- Fitness assessment and goal setting;
- Sub-maximal test to determine training heart rate zones;
- Personal training session.

**Before offering any outdoor program, contact your insurance company. Additional insurance may need to be purchased. Always have attendees sign a waiver prior to participating.*

(Laurie Cingle can be reached by email at laurie@lauriecingle.com.)

Advertising Directory

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

The excellent companies below bring CLUB INSIDER to you every month, so please take a minute to see what they can do for you. To learn more about them, or about joining The CLUB INSIDER Advertising Team, go to www.clubinsideronline.com today!

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Mike Grondahl's ALS Fundraising - Pg 32	www.augiesquest.org

Thanks and Appreciation

At CLUB INSIDER, we are excited to be celebrating our 21st Anniversary of this home-based health and fitness club trade newspaper! The thought that this newspaper was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing run possible.

A very sincere **Thanks and Appreciation** go to Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1 for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report for the tremendous assistance they provided during our first 8 years of publication. **Thanks and Appreciation** to all of the folks at Walton Press in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! **Thanks and Appreciation** to all of our READERS. Sincere **Thanks and Appreciation** to our CLUB INSIDER Advertisers, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, National Gym Supply, with over 18 years advertising with us and one, Affiliated Acceptance Corporation, with over 19 years as they have advertised in every single edition of CLUB INSIDER since the first month that we sold advertising in June, 1994! We also want to say sincere **Thanks and Appreciation** to all of our CLUB INSIDER Contributing Authors, past and present, who've contributed *hundreds and hundreds* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to IHRSA for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 20 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

3 million Xbox One consoles sold.
1 million Xbox Fitness users discovering MOSSA.
1 thousand happy health clubs running 4,000 MOSSA programs.



Rich Boggs, CEO of MOSSA
(fka Body Training Systems)

Cathy Spencer-Browning, VP
Programing & Training of MOSSA
(fka Body Training Systems)

Terry Browning, President of MOSSA
(fka Body Training Systems)

For over 25 years BTS (Body Training Systems) has been delivering innovative and popular products and group fitness programs for health clubs around the world. Xbox One has recognized our commitment to engaging club members and creating an exciting atmosphere that gets people moving and, more importantly, gets results. Xbox One wants the same things for its new Xbox Fitness. We have welcomed Xbox One's desire to get people healthy and fit, whether it's in the comfort of their own home or in our customers' gyms.

BTS, through Xbox Fitness, is proud to launch MOSSA. Call it a hipper, cooler, more relevant name than Body Training Systems, but MOSSA still comes with your longtime friends, our dedicated team, and our never-ending commitment to giving you the best group fitness programs on the planet!

For more information visit www.MOSSA.net or call
800.729.7837 from US & Canada. Everywhere else 770.989.4700



Secrets Everyone Should Know About ALS!

- Every 90 minutes, someone is diagnosed with ALS in the United States;
- The incidence rate is nearly identical to Multiple Sclerosis (MS);
- However, unlike MS, there are no effective treatments for ALS;
- Funding for ALS therapy development is urgently needed to move promising research forward.

Augie Nieto, the bravest man in the fitness industry, after eight years of not being able to move his arms, legs or breath on his own, is winning! His legs and arms are moving!

For anyone who has made \$1 in the fitness industry, we owe Augie Nieto, the trailblazer. Without men like him, we would not have an industry such as ours in which to thrive.

Augie brought the Life Fitness Company to the world!

All cardio grew from there.



I know a little bit about today's industry, where 80% of usage comes from treadmills, bikes, ellipticals and arc trainers. Where I used to work just hit 5 million members and 700 units. Everyone in the fitness industry, from independents to chains and manufacturers, needs to show financial support.

YOU HAVE TO GIVE TO GET AND WHAT BETTER CAUSE!



THE GOAL

I asked Augie, "What is the most ever raised for ALS?"

He said, "\$6,000,000."

Then what should our goal be Augie? Knowing the answer any champion would give, he goes with, "\$6,000,001."

By March 14, 2015, we will raise \$6,000,001!



www.augiesquest.org