

# Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



Mike Feitelberg, President; Kim Kilbon, Director of Human Resources; Deb Languasco, VP of Sales & Marketing; Courtney Kutler, Executive VP; Laurie Adams, Club Manager; Dan Farnham, DPT, Director of EDGE Physical Therapy; and Andy Deeds, Company Founder

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## Mike Feitelberg and Team *The Future Begins At The Edge*

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**MAY 2015**

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\*As of December 31, 2014

# Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

## Mike Feitelberg and Team *The Future Begins At The Edge*

By: Justin Cates

Get the right people on the bus, the wrong people off the bus, and then, figure out where those left should sit and where to drive the bus. In its most simplistic form, this is a key takeaway from Jim Collins' *Good To Great*.

This month, CLUB INSIDER is pleased to feature Mike Feitelberg, Co-Owner and President of The Edge, a 6-club chain located in Vermont.

Carrying the previous analogy further, Mike Feitelberg and his team have an incredible bus. They have filled the seats with amazing people. And now, they are driving it towards the future of our industry.

The Edge is what the future of our industry can look like. Having established an immense array of offerings, The Edge can literally serve its customers from cradle to grave. The goodwill it has established in the communities it serves, including the

medical field, cycles this momentum. And, with the passion and leadership of Mike, The Edge is poised to be an industry leader as the topic of healthcare comes to a head in the United States.

Don't take my word for it, though. I welcome you to hear it from Mike Feitelberg, Co-Owner and President of The Edge. The interview that follows is one not to be missed!

### An Interview With Mike Feitelberg, Co-Owner and President of The Edge

**CLUB INSIDER (C.I.)** - Please tell us about yourself: Where were you born and where did you grow up? Where did you go to school and what did you study? Any family and/or children you would like to mention?

**Mike Feitelberg (MF)** - I was born in New York but I've been in Vermont since I was two, so at this point, I feel that qualifies me as a Vermonter (laughs). I went to college  
(See *The Edge* Page 12)



(L to R) Dan Farnham, Deb Languasco, Kim Kilbon, Laurie Adams, Courtney Kutler and Mike Feitelberg

## Molly Kemmer Selected as Chairperson of the IHRSA Board of Directors

**PHOENIX, AZ** - EXOS is proud to announce that Molly Kemmer, who currently serves as a Regional Director for EXOS | MediFit, has been selected as the Chairperson of the Board of Directors for the International Health, Racquet, and Sportsclub Association (IHRSA), the trade association that serves the global health and fitness club industry with a mission to grow, protect and promote the health and fitness industry, and to provide its members with benefits that will help them be more successful.

Kemmer, who is in her fourth year

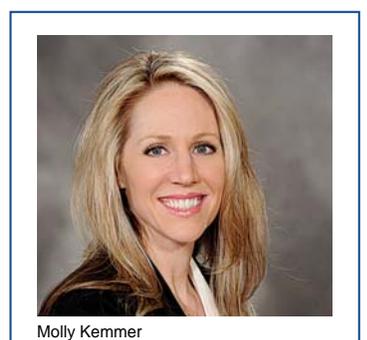
of Board service with IHRSA, is the third female in 34 years to serve as Chairperson. With the support and collaboration of the IHRSA Board, Kemmer plans to use her role to anticipate and shape the future of the industry.

"When contemplating the Chairperson role, I thought about what this opportunity meant to me personally, and what it would mean for my organization," said Molly. "This position will allow me to honor my passion in service, facilitate conversations on a higher level and develop needed initiatives to bolster the long-term

impact and relevance of our industry in impacting global health."

"We're all fortunate to have Molly's leadership in her new role as IHRSA Chairperson," said Mark Verstegen, Founder and President of EXOS. "We're proud of Molly, and we're excited to support her vision for IHRSA and its members."

Molly will begin her duties as Chairperson on July 1, 2015 with service for the 2015/2016 term.



Molly Kemmer

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# Norm's Notes

•**Hello Everybody!** This is your **CLUB INSIDER Publisher and Tribal Leader for 257 monthly editions since 1993 checking in!**

•**Is America a great country, or what? Hmm... Hmm... Hmm!!!** As *bad* as it's been lately in *our great country*, in my book, it's still the best place on earth to be! I love America with all of my heart... far more than words can ever express. But, let me try by using these words on you: **lucky** and **fortunate**. I think we should all think of and realize just how doggone **lucky** and **fortunate** we are to be among this miniscule 4% of the world's population as Americans. Just think about that one for a second! YES, America's 317 million citizens represent just 4% of the world's population. So, since 98% of our readers are Americans, I feel safe in saying these words: **God bless America!**

•Our cover story this month on **The Edge** features an excellent interview with **The Edge Co-Owner and President, MIKE FEITELBERG**. Mike, and his Edge Team, recently experienced the very sad loss of their **Tennis Director, RAUL FONSECA**, who lost his battle against cancer. Mike had this to say about Raul, *"The EDGE of South Burlington, Vermont is saddened to convey the passing of a true tennis professional, Raul Fonseca. Raul had a true passion for the game and was an amazing teacher, mentor, coworker and friend."* **Condolences to all, and may**

**Raul Rest In Peace.**

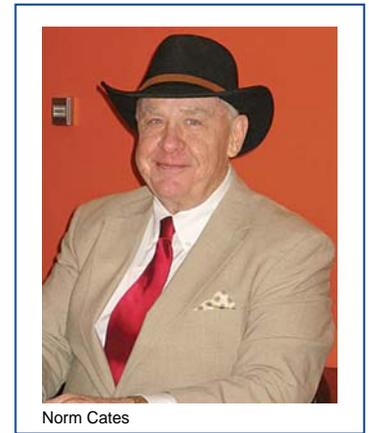
•Well, I see where **HARVEY SPEVAK**, a **Top Gun** at **Equinox**, has announced that they're going to build a chain of hotels. **Hmm...** I wonder if he's going to build one in **Albuquerque?**

•After seeing **World Gym International, LLC. (WGI) Managing Partner, GUY CAMMILLERI**, at **IHRSA in Los Angeles** in March, I recently enjoyed catching up with him by phone. WGI is a family-operated business with **MS. JOYCE J. CAMMILLERI**, Guy's mother, serving as **Chairperson**, and **Guy's brothers, LEO and MARCUS**, also on the **WGI Team** as members of the **Board of Directors**. **World Gym International will celebrate its 40th Anniversary next year!** I asked Guy who the primary targets of their new marketing thrusts were, and he replied: **"(1) Existing gym owners/operators out there who need and are seeking help; (2) People totally new to the industry who've never been in the gym business and are seeking to establish new, brand new businesses; and (3) Current World Gym owners who are expanding their operations with more WGI locations."**

One of the WGI guys I've had the pleasure of meeting and enjoying conversation with each year at our **Booth at IHRSA** is **MICHAEL SANCIPRIAN**, who co-owns over **35 World Gyms in Taiwan** with his partner, **JOHN**

**CARACCIO**. Also, Guy and I talked about the recent passing of a really fine guy, **KEITH ALBRIGHT**, a fellow who made a lot of friends at World Gym after leaving one of their competitors to join WGI a few years ago. Guy and I also discussed their recent media blast that went on during the **IHRSA Convention** and featured the **World Gym "Let's Rock" commercial on 22 big screens in and around LA Live**. And, through a *"happy accident,"* their ads were also simulcast on the huge **Best Buy** screen in **Times Square in New York City** with the ads on both U.S. coasts **simultaneously appearing every 10 minutes from 6PM to 2AM!** WGI has over **210 locations in 18 countries**, with the leading countries for franchise locations being **Taiwan (35+), Canada (25+), Russia (15+), Australia (10+), and of course, the United States (100+)**. As we spoke, Guy was preparing to leave on a trip to attend **World Gym Grand Opening Parties in East Lake, Chula Vista, California** (See **Press Release on Page #17**) and in **Tijuana, Mexico** this week. It's terrific to see the progress Guy and his Team are making with World Gym International, and we wish **JOYCE, GUY, LEO and MARCUS** well. Be sure to check out the **World Gym Ad** on our **Outside Back Page! And, Stay Tuned!**

•This from **MARIO BRAVOMALO, Visual Fitness Planner Founder**. This is great news for VFP, and I'm real happy to share that **VFP is now in all 421 - 24**



Norm Cates

**Hour Fitness Center locations! The new 24 Hour Fitness owners and operators, MARK SMITH and FRANK NAPOLITANO, have stepped up to VFP big time!** Mario tells me that they have launched an amazing **new VFP Reporting System** that not only helps their customers produce and provide members with *great guidance*, the system also serves as a **"Secret Shopper" system** that provides absentee owners with the capability of monitoring what each club is doing and helps them monitor the club's progress much more efficiently. This brings the **total VFP installation to 1,500**, and I must take my black cowboy hat off to **DARON "Rocketman" ALLEN**, as he's been huge in his effort with Mario to  
*(See Norm's Notes Page 7)*

## About Club Insider

**Established in 1993**  
*22 Years and Counting!*

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## “Insider Speaks”

### Warning!!! ClassPass... The New Serial Killer of the Fitness Industry

By: Jarod Cogswell

**Publisher’s Note:** Jarod Cogswell is a club owner and a new **CLUB INSIDER Contributing Author**, and this is his first article produced for **CLUB INSIDER**. An industry veteran, after experience with it, Jarod has loudly sounded the alarm about ClassPass, and he describes it as, “The New Serial Killer of the Fitness Industry.” We believe his message is a very important one for many of you in our industry, so we’ve placed his article on this **“Insider Speaks” Page #6 feature**. Jarod’s argument was written after the real-life experience he had when he signed up his own club on ClassPass. Read this Warning and then take the steps you think are appropriate after giving Jarod’s comments some thought. Thanks to Jarod for joining our **CLUB INSIDER Contributing Author Team** and for providing this perspective about ClassPass.

• • •

You’ve been in the club quite a few times now; when are you going to join?” I asked with a half-joking friendly tone...

She answered, “Oh, I’m not interested in membership; I’m with ClassPass. It’s cheaper, and I can workout here or wherever I want.”

My heart instantly sank, fear flowed through my veins, but finally, after two months of using ClassPass for my gym, my brain turned on. The Wolf in Sheepskin Clothing was revealed... ClassPass is not my friend; they are yet another fierce competitor!

It took me over twenty years, but recently, I finally achieved my dream of operating my own fitness facility. I drained my savings, accumulated debt, increased my stress levels, and now, spend less and less time with my family in hopes that, ultimately, my venture will once again afford myself, family and team members a comfortable rewarding lifestyle. Just like when I was an 18-year old kid, I have the fortune to open and close the club, but this time, it’s mine. I get the opportunity to greet members and guests at the service desk, coach classes on our amazing turf field, lead my own team and create the most important aspect of any fitness business, a motivating and inspiring culture. Heck, I even get to clean the toilets!

The downside to ownership? High rent, bank loan payments, payroll, marketing expense, low-priced competition and the list goes on. Admittedly, “*living the dream*” thus far has just been downright frightening!

Then, I received a call from a company called ClassPass. The cheery young voice on the other line said that they would love to “partner” with my facility. They would market my club to “*their members*” at no cost and actually pay me for every class visit. Since we were brand new to the market, I thought “What a great way to inject energy into our classes. This is going to be awesome for our instructors and members!”

#### I WAS WRONG. BIG TIME!

Like I said; culture is the most important aspect to any fitness business. Well, ClassPass members are nice people, and the majority are experienced fitness enthusiasts, although ClassPass will tell you that they are recruiting the people we are unable to tap into. One of the many problems of opening our doors to them is that the individual doesn’t fit in. They aren’t loyal. They aren’t committed to our tribe. They are not connected. They don’t join. They’re friendly, savvy fitness outsiders who are unknowingly killing brick and mortar membership and class-based businesses.

We know as industry professionals that we must build raving fans through creating amazing fitness experiences. And, the statistics state that we must motivate our members and clients to utilize our businesses a minimum of eight times per month. That type of consistency helps build culture and relationships. Once the relationship is built, it keeps them buying, coming back, meeting their goals and ultimately achieving our purpose as fitness professionals, changing lives.

#### They Are Undercutting Our Pricing Structures

In fact, before we quit ClassPass, we were only paid 40% of our regular guest rate. We do all of the work, take on all of the liabilities, lose the potential for our true membership and/or guest visit value and ClassPass pays us pennies. Then, they even offer special discounts to *their members* as low as \$49.

According to an article in the *The New York Times* entitled, *ClassPass and*

CLASSPASS



*the Joy and Guilt of the Digital Middleman Economy* (See **Article on Page #29**), ClassPass now operates in 28 different cities, employs more than 100 people and offers classes from 2,500 different studios. In January, it raised \$40 million in venture capital, bringing its total funding to \$54 million. Recently, they even bought out their competitor, Fitmob, to completely corner the market.

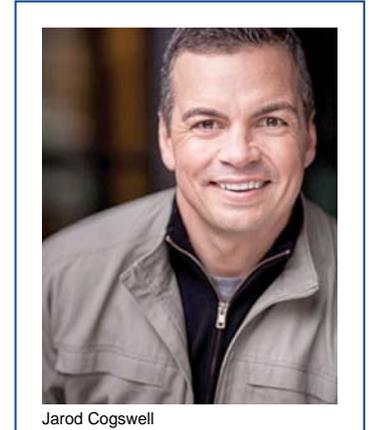
All of that for just \$99 per month? Think about it. Most of us can’t compete with that, including large multipurpose clubs with numerous properties. There is more value in a ClassPass membership than our own. We have limits on specialized classes and services. *They don’t*. We have plenty of financial pressure. *They don’t*. We have plenty of overhead and once again, *they do NOT*.

I admit that they are powerful. Those that continue to participate in their program are feeding the beast that ultimately kills their original business plans.

As owner of FitnessQuest 10, industry expert and business coach to hundreds of gym owners, Todd Durkin, has noted in multiple business talks, “The last thing our industry needs is price bludgeoning. The majority of studios, gyms and clubs already operate on slim margins as is, so we do NOT want to get into price wars, lowering margins, and less consistent cash flow. Sound business is built on creating loyal, raving fans that consistently receive an extraordinary experience. I would highly recommend we compete on customer service and experience and not on price. Otherwise, the majority of studio owners and solo-pro-neurs are going to be in big trouble.”

#### “We Need The Revenue.”

Heck, we all do, but our business models are going to fail unless we find another avenue to build membership and clientele. Besides, on their website, they state, “We’re adding new studios and classes each and every week.” That means that we are also competing for the guest visits that we are currently counting on. This means... more competition!



Jarod Cogswell

#### “Okay, Then What’s The Solution?”

It’s simple. EVERYBODY quit ClassPass now (it’s a 90-day notice) and begin networking with your fellow local gym owners. You are passionate, hungry fitness professionals. Band together. Win together. Be strategic. Find a way to make something similar to work that puts more money into your business, not their deep pockets. Keep it local. Build a network. Don’t rely on some company a mile or thousands of miles from you. They don’t even really know you, and they don’t really care.

I love our industry. I am as passionate about the business of fitness as the 18-year old kid I was working the service desk and folding towels. All of us owners and leaders that actually play this game have worked too hard for what we have. ClassPass doesn’t deserve our business. This is too easy for them. Please help defend our industry against this silent assassin. Protect your house, your family, your employees, your dream and spread the word.

We must disrupt the laser momentum that this beast has created. We are the industry experts, not them. Let’s leverage our passion, our expertise and re-claim our markets. ClassPass is in a different business than we are. They utilize our facilities for their own gain, and in the process, they dilute our products and services. We do NOT need ClassPass.

Defend your property, your culture, join the revolution and terminate all contact with ClassPass... NOW.

(Jarod Cogswell is the Founder of Enterprise Athlete fitness consulting and Owner of FIT Academy, Inc. He is a professional speaker, author of “*WORK like an Athlete*” and Platinum Level Business Coach for Todd Durkin Mastermind. He can be reached at [jcogswell@enterpriseathlete.com](mailto:jcogswell@enterpriseathlete.com).)

## ...Norm's Notes

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bring VFP to the top edge of club industry technology everywhere.

Mario commented about Rocketman's efforts over the past 15 years, "**Now having 1,500 clubs with VFP in operation is a big testimony to Daron, as he's been on the road and working extremely hard for 15 years now!**" To close this Note, I must say that this news makes me really happy because about 13 or 14 years ago **I had lunch with Daron here in Atlanta, and at the time, VFP had only about 150 clubs signed up.** We made a deal for VFP to advertise in **CLUB INSIDER** every month, and their ads have appeared every month for all these years. So, when I see these great results for our special advertiser, VFP, at least partially because of their advertising with us and that they are continuing to do so well, it makes me want to **stand up and cheer!** Speaking of *standing up and cheering*, Mario told me that he broke his hand playing football with his son and a group of guys one day, and he's now wearing a cast. And, Mario is going to serve as a **Football Coach of his son's 9th grade team!** **Good on you, Mario and get well soon! Finally, CONGRATULATIONS Mario, Rocketman and the VFP Team!**

• **TERRY BROWNING, President of MOSSA, formerly known as Body Training Systems,** informed us that **MOSSA has launched a new program,** and here's what he had to say about that launch: "At MOSSA, we are launching our first small group program called **ViPR Workout.** ViPR Workout integrates strength and cardio training to build muscle, burn calories and improve agility. It incorporates Loaded Movement Training in a 3-dimensional workout experience. Dynamic music drives an energetic 30-minute workout with athletic movements and phases of high intensity interval training. The new ViPR Workout is very versatile, and it allows operators to deliver it in their small group rooms, training areas, open courts or in a group fitness room. This program ensures operators have a high-quality, consistent small group experience to generate additional revenue. It is supported with MOSSA's systems for marketing, training and management." Congratulations and best wishes to **RICH BOGGS, Terry** and their **MOSSA Team** on this launch. And, check out their new **ViPR Workout Ad** on **Page #31**

• **The brand new Sessions Tennis Hall of Fame,** right here in my hometown of **Marietta, Georgia,** had its **Grand Opening and Gala on Saturday Night, May 2nd.** It's located in **Cobb County, Georgia** where **ALTA, the Atlanta Lawn Tennis Association** has boomed for years in this hot bed for tennis market. Our area is so hot on tennis that my son

**JUSTIN's** former high school, **Walton High School,** is the first school in Georgia state history to **win both the boys and girls State Championship** in the largest division. The new **3,200 square-foot Hall of Fame and Museum** is named after **LEE SESSIONS, SR,** who commented to **Marietta Daily Journal reporter, HILARY BUTSCHEK,** "Life is a lot like tennis. You can't live without serving." Lee Sessions, Sr. has been, and continues to serve, the great sport of tennis via his work on the **Georgia Tennis Foundation.** Congratulations to the Lee Sessions, Sr. and his family, long-time tennis supporters.

• **Club Industry** has announced that entrepreneur **SHANE SNOW, Chief Creative Officer** of media and marketing company **Contently,** will be the **keynote speaker at The 2015 Club Industry Show in Chicago on October 8th at McCormick Place.** Snow often speaks about accelerating success in business, as well as spurring and managing change. The show runs **October 7, 8th and 9th with the Trade Show on the 8th from 11AM to 5PM and the 9th from 10AM to 2PM.** Snow will share how people and companies accomplish extraordinary things quickly. Snow, entrepreneur and award-winning journalist, set out to find out and chronicled his discoveries in the book, **Smartcuts: How Hackers, Innovators, and Icons Accelerate Success.** Folks, now's the best time to make your hotel and airline reservations for the upcoming **Club Industry Show** to be held in **Chicago, October 7-9th, 2015** at **McCormick Place.** Go to **www.clubindustryshow.com** for more information and to sign up.

• **AUGIE'S QUEST** has now raised over **\$45 million** for research to find the cure for **LOU GEHRIG'S Disease, a/k/a ALS!** I went to **www.augiesquest.com** and discovered that the website had an updated section for **Clubs for the Quest,** the terrific coalition of clubs across America that **PAT LAUS, Owner of the amazing Atlantic Club,** and **Big JOHN McCARTHY, highly esteemed and former IHRSA Executive Director** put together years ago. Here's a comment about Clubs for the Quest, and I urge you to get on board with your club if you have not already:

"Clubs for the Quest is a national fundraising campaign in partnership with health and fitness clubs across the country to end ALS (Lou Gehrig's disease). All charitable donations raised support the active discovery and development of treatments and eventually a permanent cure for ALS. Clubs for the Quest clubs support an end to ALS via Augie's Quest through fundraising activities at their clubs and appeals to their membership. Millions of members have taken part in Clubs for the Quest events, raising over \$4.6 million through the end of 2014! The Augie's Quest team will work with you the entire time to make this easy and efficient.

Working with the Group Exercise Director or General Manager, the Augie's Quest team helps determine what type of appeal or event is the best fit for a club and its membership. Some ideas include a special group fitness event, percent of membership fees, silent auctions, etc. The Augie's Quest team has extensive knowledge about what has worked in many of the clubs and will guide you through the process of holding a successful campaign that is fun for members, staff and the community."

• Speaking of folks helping folks in our industry, don't let me forget **KAREN WOODDARD-CHAVEZ** of **Premium**

**Performance Training.** Karen's put together a terrific seminar to be held this Summer in **Boulder, Colorado** called the **2nd Annual Results, Retention and Revenue Summit in Boulder, Colorado June 10 - 12th.** The Summit will entail 2 1/2 days and is intended to bring **Club Managers and Sales Directors** together to advance the state of art of their best practices. Networking, best practices discussions and team-building activities will highlight the event. Sponsors are **Matrix** and the **National Independent Health Club Association (NIHCA).** To sign up, contact Karen at **karen@karenwoodard.com.**

(See Norm's Notes Page 8)



Announcing the placement of

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General Manager at  
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### ...Norm's Notes

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•Once again, speaking of helping folks in our industry, DONNA KRECH, Founder and Owner of Thin&Healthy Total Solutions, has written an excellent article this month that leads off with a famous quote from the one and only, the late ZIG ZIGLAR, who said: "You will get everything you want out of life if you just help enough other people get what they want." I encourage you to read it on Page #19, opposite her full-page Thin & Healthy Ad.

•My CONGRATULATIONS to MS. MOLLY KEMMER are a bit early, but she'll step into the IHRSA Chairperson's seat come July 1st! CONGRATULATIONS MOLLY! We wish Molly the very best in her upcoming year as the IHRSA Board's Chairperson. Molly is fortunate to have the world-class team of JOE MOORE, CEO and President, and his great staff that I like to call Team IHRSA to work with. Check out the Press Release from Molly's company on Page #3.

•Weight Loss Queen, JEAN NIDETCH, Founder of Weight Watchers, passed

away in Florida at age 91. May Jean Rest In Peace.

•Last month in my IHRSA Los Angeles summary writings, I forgot to mention that DAVID HARDY of Orangetheory Fitness, and former IHRSA Board Member, is a Class Act. And, I'll leave it at that. I'll close this Note with Thank You David!

•JUSTIN and I are still looking for the owner of the pair of sunglasses that someone accidentally left on our table at the IHRSA Trade Show. If you are the owner of these sunglasses, just email Justin and tell him the brand name and gender of the glasses, and he'll send them to you. Justin's email is Justin@clubinsideronline.com.

•NIKKI ROE has been named Vice President to Client Relations for ABC Financial. Congratulations and best of luck in your new role, Nikki! And, Thanks to GINGER COLLINS of GGFA for sending this news!

•SIMON MEREDITH, 35-year General Manager of the world class EAST BANK CLUB in Chicago, has announced that he is "officially retiring" from East Bank Club. Here's what Simon wrote in his announcement email: "Just in case you're wondering what I'm going to be doing... the quick answer right now is, 'I'm not sure...' but Rick Caro has generously offered to give me advice in July." Simon can be reached at simonmeredith1@me.com

•Who owns the oldest gym or fitness center in United States of America? I'm still waiting to hear from anyone out there that believes they may have the oldest and longest running gym/fitness center in the U.S. This effort was suggested by TRACEY BOURDON of Susan K. Bailey Advertising, based in Canada (See the SKB Ad on Page #17). She sent info about two of the oldest gyms she knows of, Wareing's Gym in Virginia Beach, Virginia, which opened in 1962. The Wareing Brothers took over the gym operation from their father in 1978. Tracey also included information about DOUG EIDD, who opened Doug's Gym in Dallas, Texas in 1962. Doug's website reads, "Doug's Gym is the oldest single owner and operated gym in the U.S. A true, classic and unique garage style gym offering an experience that can't be duplicated." He may be right. But, if you can beat that with your gym's opening date, fire away by calling me at (770) 635 - 7578 or sending me an email at Norm@clubinsideronline.com. We will be producing this story soon!

•Don't forget to sign up for and attend the IHRSA Institute this Summer! Check out the IHRSA Institute Ad on Page #23.

•Our wonderful industry, and the fabulous people in it, has more new

happenings than you can shake a stick at, and while we take a good swing at covering health and fitness club industry news every month, it's flat out impossible for us to cover it all. So, to help you know all that's going on in the industry, I highly recommend both ClubIndustry.com and iClubs.com as great sources of industry news beyond what you find in the printed editions of CLUB INSIDER and in our online-only CLUB INSIDER Weekly email blasts (www.clubinsiderweekly.com). We'll continue our focus at CLUB INSIDER on education first, and news next, but as my old friend, CHUCK LEVE recently wrote, "We're all in this together," so we want to help anybody and everybody we can... even our honorable and friendly competitors! Chuckie used the same quote I used in one of my Norm's Notes writings some 18 or 19 years ago!

•Speaking of CHUCK LEVE, and his son, JOSH, Chuck tells me that their Association of Fitness Studios (AFS) has entered into a collaboration relationship with MATA, the Martial Arts Teachers Association. Check out their Press Release on Page #28.

•Last month, in commenting about our friend DEREK BARTON's article entitled, "Insider Speaks" - Cool People Like Cool Things, I said to Derek at IHRSA Los Angeles that, "Our industry should be more important to America." I've thought a lot about that and the following comment. I'm going to revise it here and make it a target for CLUB INSIDER to try to help our industry achieve. My new phrase that I hope we can all buy into is: "Our industry needs to earn America's appreciation and respect." Therefore, in these Norm's Notes, I've written a little bit to you about earning America's appreciation and respect, and I hope it is helpful to you in your club endeavors in your community. Here is that Note:

•I'm going to warn you now, before you start this important Norm's Note... The following Norm's Note is not short, but there are some real nuggets in it for you creative club entrepreneurs out there. Check my experiences out and use any idea you can figure out how to use in your market:

**America needs to appreciate our industry more.** I've believed that for a long time, and it just happened to come to mind while I was chatting with Derek in L.A. But, I'd never commented on or written to anybody about that thought until last month. Having taken the time since then to think about this idea, a few things have come to mind that I want to say to our entire industry.

**It's up to you professional health and fitness club owners and operators to cause your fellow Americans to appreciate and respect our industry.** It's as simple as that. So, you may be thinking to yourself, (See Norm's Notes Page 10)

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## ...Norm's Notes

continued from page 8

**"Okay, genius, how can we do that?"** Thanks for thinking of that question, if you were. Thanks, because I've been meaning to write this very special and actually, very long Norm's Note to you all about the concept and idea of proper appreciation of our industry by America's consumers. If you will save this **Norm's Note** and review it once a week, you will be making a move that will change your life. I say that it will change your life because following these principals in your club business will provide you with more members who are happy, more income for your club, and when the year's all said and done, more profit for you. So, here goes my list of things you can do to cause your fellow Americans to appreciate your club and our industry more (**Of course, they'll appreciate YOU and your club(s) more!**):

1. Always be *honest* and *ethical* in your business dealings. Be *honest* with your employees. Be *honest* with your prospective members. Be *honest* with your members. Be *honest* with your vendors and suppliers. When you say you are going to something, do it, without fail.

2. Find ways to *improve value* in your club product. What better way to *improve value* in your product than to study **CLUB INSIDER's** fantastic line-up of **Best Practices Articles** each month (See **Page #4** for our **Contributing Author List**) and our **Club Insider Cover Stories**, where virtually every month for 22 years now (257 monthly editions), we've brought you in-depth stories of the best club owners and operators in our industry who openly share how they did it. And, of course, **be sure to regularly read these Norm's Notes** that I put in many hours and a lot of work to write and provide for you every single month. You can rest assured that there's no telling what I'll come up with next that will help you *improve the value of your club product*, thus you will *increase the appreciation of your work by Americans everywhere*.

3. Find ways to *demonstrate how much you appreciate your members and their business*, their attendance when they show up, and yes, *actively seek their feedback* on things they would like for you to do in order to make the club better for them. While on the subject, here are a few ideas for you:

**•Monthly Member Appreciation Parties-** For years, in all of my clubs, I produced **Monthly Member Appreciation Parties** on the first **Thursday of every month**. These were simple little events where we would bring in some food, a cooler full of beer and a few bottles of wine. Members would stop by after their workouts to enjoy a little post workout snack, some beer, wine or a soft drink, as well and a little

conversation... all with *our compliments*. Plus, we always encouraged our members to bring a friend as a guest to these parties, and often, these people would join because we always gave them a guest pass (or two). Importantly, I can tell you for sure that the Monthly Member Appreciation Parties in our multiple clubs always brought us: **(A) Member Retention; (B) New Member Referrals; and (C) Appreciation In Return** from the members to us as club operators because we took the time and trouble to honor and appreciate them in our clubs.

**•Always have a Suggestion Box and blank Suggestion Cards and pens** placed on a table in a prominent spot in your club so your members can make suggestions and provide input directly to you when they drop the cards in the suggestion box with or without their identity on the cards. Be sure to read the new suggestion cards once a week, and when someone is willing to place their name on the card, **BE SURE** that you get back to them in person, if you can catch them in the club, or on the phone if you don't see them in the club soon. Do this as soon as possible after you read their comments and have contemplated and decided what your response to their suggestion will be.

Let me also mention a few **Special Events** that I produced that also helped *increase the appreciation and respect of my clubs* in the community:

**•One of those is one that is extremely timely right now given what's going on in Baltimore** and has been going on recently in *other American cities involving the police*. I would urge you all to consider an event honoring your local police department. I organized and produced **The Atlanta Police Appreciation Ball** at my 47,000 square-foot **Downtown Athletic Club (DAC)** in what's now the **CNN Center in Atlanta**. This event drew great attendance with **Mayor ANDREW YOUNG** and many **City Council Members** attending, along with **about 800 police officers and their wives or girlfriends**.

**•I also produced a Roast for Atlanta's most popular AJC Newspaper columnist, RON HUDSPETH, to benefit The Children's Hospital of Atlanta.** We had a great turnout for Ron's roast, and we raised and donated all the money raised after the production costs were met.

**•And, I hosted Mayor Andrew Young's**

**50th Birthday Party, and among the guests in attendance, was Jesse Jackson.** Andy was a prominent and regular member of our **Downtown Athletic Club**, and he worked out **Monday through Friday every week**. And, his honor, Mayor Young, is still going strong here in Atlanta now. He's in his 80s now, and I bet he's still exercising regularly.

**•One other thing we did at DAC was to host The Battle of the Atlanta Cheerleaders!** I'd arranged to make my **Lenox Athletic Club**, located in the tony and affluent **Buckhead** area of Atlanta, the **Atlanta Falcons Cheerleaders workout and practice Headquarters** location. To say this stimulated membership sales would be an understatement! **And, a lot of the Atlanta Hawks Cheerleaders worked out at my DAC. So, I decided it would be fun to host what we called "The Battle of the Atlanta Cheerleaders," and it was FUN!** We arranged to have The Atlanta Cheerleaders compete in **swimming, racquetball, basketball and foot races on our 1/8-mile indoor track**, and then, everybody enjoyed a **post-Battle party**.

**Importantly, all of my efforts above stimulated our membership sales, our referrals and our membership retention, and such efforts will help you in those areas, too. But, more importantly I think, is that these efforts made my clubs very popular in the communities they served, and for sure, much more appreciated. Such efforts will help your club(s), too!**

**So, there you are, folks!** If you follow up, and try some of the things that I did, I'd wager that those efforts will **more than pay for your CLUB INSIDER Subscription for all 22 years** we've been publishing if you'll take my ideas and run with them. **This is not rocket science**, but one thing is for sure... My free advice here comes to you from experience. I can also tell you that, if you don't have any promoter blood in you, you need to find someone in your organization who does. Or, **YOU need to hire such a person!** So, just consider this as a little transfusion of my promoter blood that I think I was born with and developed over many years! (For example, my first business ever was a turtle business I started at age 11 when I was in the 5th Grade in Virginia Beach, Virginia. There, I'd go out to the lake near our home with a net on a pole and a bucket, and I'd catch small little turtles. I'd then sell them to the souvenir shops. In turn, they'd then paint **Virginia Beach, Virginia** on the

back of the turtles, and they would sell them to people on vacation. It was a nice little business for a little kid!)

Let me close by saying this: **Folks, it's Spring and people are headed outdoors... so get up... get out... make something happen** because new business for your clubs won't just happen just because your doors are open! You've got to **MAKE IT HAPPEN, CAPTAINS!**

**•CLUB INSIDER Radio is coming soon and CLUB INSIDER On Demand Audio is available now!** Hey folks, did you know that you can now **LISTEN to CLUB INSIDER's Authored Articles being read clearly and articulately for you by my son and Assistant Publisher, JUSTIN CATES**, whenever you want? Yes, Justin has pulled another of his many talents out of his hat, and I'm starting to worry now that some broadcasting network might try to hire him away! Just kidding! Check out Justin's audio presentations by going to **www.clubinsiderradio.com**, and you will see our **On Demand Audio lineup. Just click on the article you want to hear, and it will play automatically! And, soon CLUB INSIDER Radio will be launched with 12 hours of daily programming!** That's another creation by Justin! Of course, to enjoy these special audio services, you must be a **Paid Subscriber of CLUB INSIDER**. If aren't one yet, for **just \$89 for one year, you will receive 12 printed editions, access to all past monthly editions online** (currently 257 edition with over 8,000 pages of archive content dating back to December, 1993), **CLUB INSIDER Radio, CLUB INSIDER eBooks and our new CLUB INSIDER Weekly Email Blats. The value of a Paid Subscription to CLUB INSIDER has soared**, and those of you who have **"Promotional Copy" printed on the cover of this edition**, along with your address might want to plan to subscribe to **CLUB INSIDER** because, *one day, your freebies are going to stop arriving. To subscribe go to, www.clubinsideronline.com/subscribe, and folks, please DO stay tuned!*

**•God bless all of our troops, airmen and sailors worldwide and keep them safe. Thank you, Congratulations and Welcome Home** to all of our troops who have served in **Iraq, 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 22nd 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 Edge

continued from page 3

at the University of Vermont (UVM) and studied Business and Health Science. I live in South Burlington with my wife Dana, and my son, Daniel who is a freshman at the local high school. He plays on the high school Lacrosse team as well as with our Edge-sponsored 802 team.

**C.I.** - When and how did you first get involved in the health and fitness club industry?

**MF** - I first got involved as the owner/manager of a small 10,000 square-foot facility in Williston, Vermont called BodyWorks Fitness Center. I started there and ended growing this club up to about 1,500 members. Then, I actually sold my business to The Edge in 2000, and that's how I got involved with The Edge.

**C.I.** - What were your initial responsibilities? Please tell us about the process of buying into The Edge, becoming a Co-Owner and President.

**MF** - My responsibilities have grown over time. I went from General Manager to Executive Vice President to President. As time has moved on, I've had opportunities to come in as an owner, which I readily did, and now, I am the on-site owner of the group.

**C.I.** - Please take us through the evolution of The Edge to become the 6-club group that it is today.

**MF** - The first club was originally built in 1966. As time has evolved, we have expanded throughout Chittenden County to now have a total of six buildings. This includes six health clubs, four Physical Therapy clinics and three licensed and accredited preschools.

**C.I.** - Please give us an overview of the typical facilities of The Edge today (square-footage, amenities, services, etc.).

**MF** - Our clubs average in size from 50,000 to 92,000 square feet, and we are a true multipurpose club. Our facilities offer a range of services including: an indoor pool, water slide, gymnasium, running track, indoor tennis courts (14 system-wide), outdoor tennis courts (10 system-wide), full fitness center, pro shop, women's fitness center, personal training, drop off day-care, Parisi Speed School, indoor fieldhouse (28,000 square feet) and more. We have covered the gamut and continue to add and try new things.

**C.I.** - What key advantages do you have with a 6-club operation?

**MF** - I think our key component is having the ability to be close to a lot of people in different areas. As many of us know in the industry, how long it takes to get to the club makes a big difference in people's decisions on whether to join and getting into a consistent habit. We see the facilities as a family of clubs. They are not particularly far away from each other, but it allows people to cross-utilize them; and that's an important segment because, while not one single club has everything, our members do have access to everything in the system. So, if their home club doesn't have something that they really enjoy, they have the opportunity as a member to experience it at another facility at no charge. Once you are a member of one, you are a member of all. The variety we can offer to members is a really unique, particularly in our area.

**C.I.** - Do you have market dominance in any particular local market? If so, how do you leverage that?

**MF** - As Vermont's largest provider of health and wellness, this allows us a very unique position in the market.

### An Array of Training Programs

**C.I.** - The Edge offers several different training programs. Can you describe each



Parisi Speed School at The Edge

of those?

**MF** - **•Parisi Speed School** - We have a wonderful relationship with Bill Parisi and the Parisi corporate network. We brought the Parisi Speed School in here about four years ago with great success. This program is an athletic-based training and education system utilized by children and adults for performance enhancement. Our Parisi franchise has received two awards, which include *Best "Systems Application"* and *Performance Coach of the Year*, Casey Lee. We've had a great relationship with them, and we highly recommend them. As many in the industry know, there are a lot of different things out there. Everyone promises great support after the sale, but the reality is that we've really seen it delivered with Parisi.

**•Training for Warriors** - One of the best things we got with our relationship with Parisi was our introduction to Martin Rooney. Created by Martin, the TFW program is a physical and mental training program that utilizes ongoing evaluation and feedback to adapt specific strength and conditioning protocols to best fit an individual's needs.

**•GRIT** - We've had a wonderful relationship with Les Mills. Our group exercise schedule is populated with eight different formats by them, and we have had great success with all of them. Designed by Les Mills, GRIT offers a perfect solution for Small Group Training.

**•Edge Personal Training** - While this sounds very typical, we have a fantastic staff of trainers, and that makes all the difference. The amount of things we can offer in terms of opportunities for our

personal trainers to use different parts of the facility to create an experience for the member that is unique, lasting and keeps him engaged is one of our real advantages in this community. We have just brought on Visual Fitness Planner (See **VFP Ad on Page #21**), and that will have launched by the time your readers see this. We are very excited about that. Again, we hope that will create more diversity in the marketplace as well. We have a number of segments within personal training, everything from your traditional beginner training all the way to working with elite athletes. Another nice thing about having a number of facilities and more great trainers on staff is that everyone has a specialty or passion that they can share with our members.

**•Medically-Based Fitness** - For several years now, we have been working with medically-based fitness at The Edge. One of our most successful programs is with the local hospital, the UVM Medical Center. What happens is that, as patients are discharged from the hospital, they have a program in which they will fund some training and membership time to patients who are at a critical point in their health and wellness. We do a full assessment and use all the information the hospital provides us in regards to their health, and we put them on a fitness plan that is tailored to their needs as they are recovering. Eventually, what we would really like, and what we are striving for, not just as The Edge but also as an industry, is to make a conscious effort to get more and more involved directly with the medical community. There are so many shared opportunities to get people on the right path and make some real lifestyle changes. We are working on the equation  
 (See **The Edge Page 14**)



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## ...The Edge

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after these people are sick, but I am really hoping we can change that so we can work with people before they are at a critical point in their health and we become more proactive rather than reactive.

**C.I.** - Can you tell us more about that?

**MF** - I see the next wave of memberships coming from our industry's ability to reach beyond who already knows about our clubs and who would typically use them. Our industry's clubs are the places most appropriate and best suited to assist and be part of the medical component. The synergy needs to be created between the club, the insurance company and the medical provider. We all need to work together. When that happens, exercise as a prescription can really happen. So, we now have to take what we know about how exercise and a healthy lifestyle can prevent disease and apply that so we have healthier members, healthier communities, drive down healthcare costs and all the wonderful benefits that come from those things. As an industry, this is something we have to push for and get ahead of the curve on. It is absolutely crucial.

We have to be prepared, our staff has to be trained to work closely with the medical community. This partnership can lead to very positive outcomes for patients. When someone goes to his doctor, and he is borderline, how many times is it typical to hear a doctor say, "You could really benefit from eating better and exercising?" What happens after that? When they come back six months or a year later, how does the physician really know what the person has been doing outside of what the scale says or the biometric testing says? To have a link directly from the physician's office, where they are working with our industry and our clubs and the data is gathered and shared, that's when we will see a real difference.

## Programming and More

**C.I.** - In addition to typical programming features found at almost all clubs, The Edge also offers several features not found as often. Can you tell us about those?

**MF** - **The Fieldhouse** - We have a 28,000 square-foot indoor fieldhouse, and it's home for many teams within the community. It is not as nice up here as it is down south. Our winters are long, spring is short, summer is short and that makes it tough. For example, I also coach youth lacrosse here, and the first time this year that we've been able to be on an outdoor field was late April because every field in every town is so wet that no one can get outside. Our state-of-the-art surface fieldhouse is very important to our overall model. In addition to running things that are typical of a fieldhouse, such as leagues, rentals, etc., we've been able to create that home field feeling for some towns.

**•802 Lacrosse** - We have over 300 players ranging in age from third graders up to juniors in high school. We train through the winter inside the fieldhouse. Once spring finally does break, we work on outdoor time, and once school is over, we are all over New England for summer tournaments. Literally how it all started was that a good friend I coach with, Chris Capano, and I were walking off the field at the end of another short, rainy Lacrosse season, and we thought it would be fun to get the guys together in the fall to have the opportunity to play more indoor Lacrosse. Between his son and my son, we thought we might get 40 kids together and play a couple of days a week. What we thought would be 40 quickly became 90. Then, we ran the same thing in the spring and it became 150 and then 200, and it has consistently grown. We now have eleven boys teams and six girls teams. It's been great growth, a lot of fun, great for the organization and the fieldhouse in terms of bringing people in who may not have



The Edge Fieldhouse

been there before. We are also seeing a lot of cross-utilization. Someone might come in as an 802 player and then get involved with Parisi, which is right next door. The parents are there for practice, so now, they are joining and becoming members. There has been cross-pollination, which we love, but we have created something really special with the 802 program.

**C.I.** - Please tell us about Physical Therapy at The Edge.

**MF** - We now have clinics at four locations, and they average in size from 1,500 to 4,500 square feet. We have 14 full-time therapists with a full, wide-range of specialties. These folks are all Edge employees. One of the daunting tasks of owning our own Physical Therapy operation was the whole idea of getting involved with insurance companies. But, once you are in it, it is a very good business model, though it does take some patience and grit in the beginning because everything you hear about insurance companies is true.

It has been a wonderful addition to our organization in that we are able to provide an even wider range of services for our members. So, folks who were used to coming to the club but may have been injured at work are very accustomed to and familiar with the surroundings here. It's in their routine, so they are comfortable coming here for therapy. Our therapists make a point to get outside of the clinic setting itself, so they might use a group exercise studio or be on the fitness floor so people are familiar with it. Conversely, if someone is injured here, or they are feeling hurt while at the club, it's nothing for them to come in the clinic to have someone take a quick look at them. We see a lot of cross relationships growing there.

Another piece of it is that a majority of our patients still come from physicians. That's an area where I feel we have our foot even further in the door of the medically-based fitness concept and being part of the medical community. We also then create opportunities when those folks who may not be familiar with us are discharged. They then have the opportunity to do step-down programs with our personal trainers, and as a patient, they automatically get a free 30-day membership at the club with the idea that we can continue with some good lifestyle choices, more supervised exercise programs and really get them up and going on their way.

**C.I.** - Kids & Fitness is also important at The Edge. What does this consist of?

**MF** - I'll say first and foremost that the reason Kids & Fitness is successful is because we have wonderful teachers and directors who are dedicated to these kids beyond anything I have ever seen. My own son went through Kids & Fitness, and some of my dearest friends have their kids enrolled now. There is nothing more important than your kids. We recognize that responsibility, and we take a lot of pride in the program. That being said, and in addition to that, one of the great things Kids & Fitness has is the use of the infrastructure of the clubs to incorporate into the curriculum of what the kids do. Not only do we align the academic curriculum with what the school districts would like to see them prepared for by the time they are entering Kindergarten, but our kids come to Kids & Fitness and are learning how to swim with certified swim instructors, are getting tennis lessons from certified tennis pros and they are on climbing walls, in full

(See *The Edge* Page 16)



An Edge 802 Lacrosse Squad at The Albany Shootout

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...The Edge

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gym spaces, in the fieldhouse, etc. They can use the infrastructure and the things the clubs have to offer until their heart is content. That advantage of being able to say they are getting swimming lessons, compared to 'swim time,' is important. It gives them a much broader spectrum and builds more confidence. You'll be hard pressed to find a pre-school that has an indoor Olympic pool, a tennis court, a climbing wall and other amenities. That gives us a real advantage in the marketplace, and that, coupled with the staff, is really hard to compete with.

**C.I.** - System-wide, how many members do you have, and what are your typical Dues Rates?

**MF** - We have 11,000 members, and the average dues are \$82 per month.

**C.I.** - How does The Edge interact with the community? What are the key tie-ins?

**MF** - Obviously, we have large locations throughout the county, so I wouldn't even know where to start or stop with this question. Not only are we embedded with the towns themselves, but we are deeply embedded with the school districts as well. There are a lot of different ways we are involved there. For example, whether it's Parisi Speed School and teams coming to train with us or the school districts that Kids & Fitness works with and gets support from. We have buses that bring kids to our afterschool programs. We have wellness opportunities for local cities and towns. The relationships are just enormous. As a big multipurpose club, we look at it from the prospective that we are not just here to do business, but we have a responsibility to the towns we are in. Some other examples include small private schools and homeschoolers that use our clubs as their gymnasium space, and that's where they do their PE credits. We are constantly involved

in different fundraisers and events through sponsorships and donations. And as I said, we take that responsibility seriously.

**C.I.** - Please introduce us to some of your key staff members. What are their positions and tenures?

**MF** - **•Deb Languasco**, Vice President of Sales & Marketing, 14 years;

**•Courtney Kutler**, Executive Vice President, 14 years;

**•Dan Farnham, DPT**, Director of EDGE Physical Therapy, 13 years;

**•Laurie Adams**, Manager of the EDGE-Williston, 9 years;

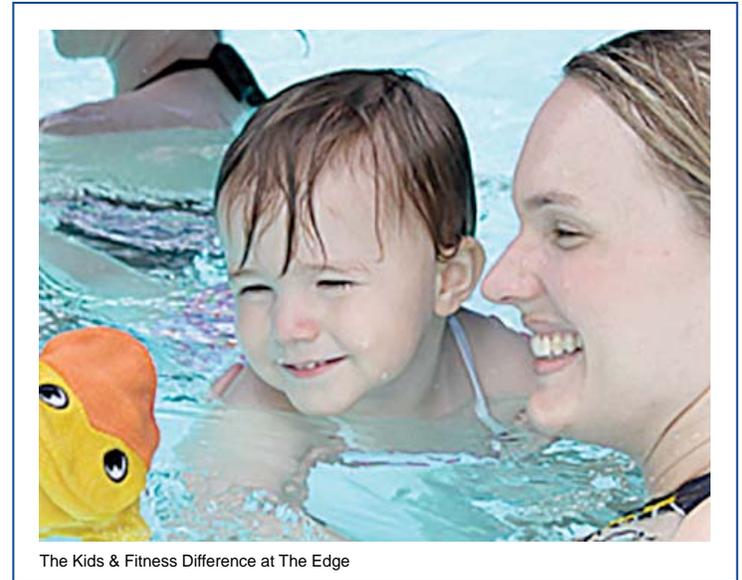
**•Kim Kilbon**, Director of Human Resources, 13 years;

**•Jackie Quattlander**, Vice President of Finance, 23 years.

**C.I.** - What are you most proud of at The Edge? What is the vision for The Edge over the next 3 - 5 years?

**MF** - I'll be honest with you. I am most proud of the staff and people who are here. We are very fortunate that we have amazing facilities to call home, and we have a lot of different things to draw from, which gives us unique advantages and the opportunity to do things and try things. Sometimes they work; sometimes they don't, but we try to have a culture of trying new things and expanding. At the end of the day, and it might be cliché, we have a very special group of people here who are very dedicated and very passionate about our members and these clubs. Despite all of the features that we are so gratified in having within our six locations, our people are our greatest asset and what I am most proud of.

Like I said before, and this goes back to medically-based fitness, I really envision The Edge continuing to offer a wide array of programming to serve the population literally from weeks old to in their 90s. We see it as a responsibility and something I am very passionate about. I am looking forward to, and I feel it is vitally important, and that is where our industry



The Kids & Fitness Difference at The Edge

needs to be when it comes to helping find solutions for some of the healthcare issues facing this country. I feel our clubs here in Vermont, and our industry as a whole, is uniquely situated to be a large participant of that solution. I see that as one of our greatest focuses over the next 3 - 5 years, becoming a member of that continuum of care with their physician, their insurance company, tracking data and honestly moving the needle in terms of where we are headed as a country. This is an opportunity, but honestly, it is our responsibility. We are suited for it, we have the capacity to take on large numbers of people like that and we have the expertise to build those relationships.

For The Edge, in the next 3 - 5 years, I see our organization (health clubs, physical therapy and pre-schools) really adding medically-based fitness as the fourth component. All of the things we do merge into one another, so I see that as the natural addition to what we are doing, and we will use what we have and are doing to

make the biggest impact.

• • •

My sincere thanks and appreciation to Mike Feitelberg for his time interviewing with us and providing photos and other information about The Edge.

*(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health and fitness 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 that doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 29 years, since his own day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)*



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**World Gym Eastlake Hosts Grand Opening Celebration Benefitting The Challenged Athletes Foundation**

LOS ANGELES, CA - World Gym International, the iconic global brand for bodybuilding and serious fitness, announced the grand opening of its Eastlake fitness center. The celebration took place on Saturday, May 9th, and hosted a 3-hour Spin-A-Thon benefiting the Challenged Athletes Foundation. In addition, World Gym also hosted a gently-used tennis shoe drive to benefit orphanages in Tijuana.

The Challenged Athletes Foundation is an organization that empowers thousands of athletes with physical challenges to lead active, healthy lifestyles. More than 2,000 participants and guests rode, supported and participated in the event. The goal was to raise \$25,000.

“World Gym International shares a vision with The Challenged Athletes Foundation for healthy, active lifestyles that are within everyone’s reach,” says Joyce J. Cammilleri, Chairperson of World Gym International. “We are proud to support such wonderful organizations and show our commitment to families and members in the communities we serve.”

World Gym Eastlake is World Gym’s eleventh Californian location. Complete with state-of-the-art equipment and world-class trainers, World Gym Eastlake offers free weight, state of the art circuit and cardio equipment and group exercise classes including Cross Training, Barre, Vinyasa Yoga, Spinning, Body Pump and TRX.

A second World Gym facility also owned by the same group has opened in Tijuana, Mexico. Members from both clubs will be able to enjoy a one-of-a-kind in-the-area reciprocal membership as a way to promote further cross border cooperation as part of the USA - Mexico “Better Together” campaign.

# Serve More People, Make More Money

**By: Donna Krech**

Zig Ziglar was not only an inspiration to multiple generations, but he also served as the mentor for many of our business and personal successes. His most famous quote was, **“You will get everything you want out of life if you just help enough other people get what they want.”** While many of us have been moved by the concept of this statement, I wonder how many of us have actually embraced it to the degree that we apply it in our business.

Let's look at it again:

**“You will get everything out of life if you just help enough other people get what they want.”**

**I personally believe this is truly the secret to success.**

Helping our community, prospects, customers and team members to get what they want and achieve their goals, is what allows us to not only achieve our goals, but to far surpass any huge dream we ever had! Let's look at an example:

One of my favorite places to shop is Macy's, and the biggest reason is because they literally find ways to save the consumer money. No matter what, when I get up to the checkout, they go the extra mile to see if there is a coupon or reward to make sure if there is a better deal to be had, they find it and give it to me. It truly feels like they are in it for me, which keeps me loyal to them. I'm not the only one feeling this way either. Since Macy's launched their star rewards loyalty program in 2005, net sales increased over the prior year from \$15.7 billion (2004) to \$22.3 billion (2005). Each year, sales have grown considerably, and the most recent number boasts a hefty \$27.9 billion.

On the other end of the spectrum, let's take note of a business that has failed due to their lack of serving the customer. At one time, Blockbuster was the most successful movie rental company in the marketplace. Blockbuster filed for bankruptcy in 2010. The ultimate demise of Blockbuster really came down to one main thing: **NOT serving the customer.**

The rising popularity of streaming movies opened the window for Netflix to outpace Blockbuster, which remained primarily a DVD rental company despite data indicating the customer wanted digital delivery. Deemed by some as a customer-hostile mode, Blockbuster came to be seen as a giant corporation that charged outrageous sums for late fees and cared little for what its customers wanted most. Even after Blockbuster attempted to compete directly with Netflix, consumers

still decided they didn't want to give Blockbuster their business. They were NOT in it for the customer, and in one quarter, saw a loss of half a million customers.

If you've been following along with me and believe your business is serving and making a difference, I'd love to hear your thoughts about how you're doing it (email me at [info@donnakrech.com](mailto:info@donnakrech.com)). Success brings success, and I love building successful relationships.

It's about motive. When our motive is to truly make a difference in the lives of the person we come into contact with, that motive is rewarded with financial gain as well as many other gains. The key to success is measuring results your motive produces. Most companies would say they care about helping the people around them. But, the companies that explode their highest expectations are the ones that measure the results that come from caring about helping the people around them. One of our 20/30 Fast Track distributors, for example, measures not only the weight lost by his members, but he measures the health benefits and the positive addiction to fitness.

Austin Thomas, multiple-club owner in North Carolina, makes it his motive to see each person who walks through his doors for 20/30 Fast Track become exposed and then positively addicted to a lifestyle of wellness. Every member he enrolls loses an average of 20 pounds in 30 days without any muscles loss. He then goes on to measure, by individual member, the health benefits. He sees acid reflux symptoms removed, blood pressure lowered, blood sugar completely stabilized and insulin dependency eliminated, insomnia rectified, anxiety banished, depression lifted and so much more! He can tell you which member has lost how much weight and seen which health benefits. He then can tell you how many members went on to get further nutritional coaching as well as how many went on to go into personal training, which has been a vast majority. I believe he sees these results because of his motive to serve his members.

So, the decision is yours. Are you in the fitness business to just enroll members, expand your membership base and personal training clients? Or, are you in the fitness business to truly make a difference, help your members get to where they want to go and to serve them with the best results possible? If so, simply take these few steps to see your business grow from your motive:

**1. Establish your motive in written form. A mission, purpose, vision statement... And,**

**be able to articulate this easily.**

**2. Get the word out!** Make sure your team can share the easily articulated statement themselves and make sure they are passionate about it. If they are not passionate about it, they will never share your motive.

**3. Put this purpose in all your marketing and sales presentations and make it the culture of your business.** In other words, when they walk into your business, they should *feel this culture.*

**4. Measure the results.** Measure how well your motive has been observed by prospects. This measurement comes in the number of leads you receive. Measure how well your motive is observed by members. This number comes in the result your members achieve and the continuation of services they purchase from you. And, finally, measure how long your member stays with you and how many new people they introduce to you. The business with the right motive that measures results will see that members do not leave and will also find that members refer *dozens* of friends. Yes, *dozens!*

Measuring success through motive with this program is simpler than anything we've ever implemented... without additional staff or overhead. Lives are changing right before our eyes, profits



Donna Krech

are soaring, and *it all started with the true motive of helping others get what they want.*

Help your member get results; the club will get results. Serve more people; and make more money. If that's not great news, I don't know what is. Multiple clubs are in Phase 2 of Beta Testing the 20/30 program, and the impact has been truly amazing. If you have interest in our research on how serving equals selling, or in being a beta tester, please contact Shelley at our office at **(419) 991-1223.**

*(Donna Krech is the Founder and Owner of Thin&Healthy Total Solutions a Lima, Ohio club and business focused carefully on weight loss.)*

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# Try Before You Buy...

## *It's Not Just For Memberships Anymore!*

**By: Ron Alterio**

Trial memberships were started years ago to help eliminate one of the biggest barriers to joining a health club: **RISK**. The idea was to simply use the trial membership as a marketing tool to drive prospects through your door. The prospects would then try out your club for a pre-determined period of time. The goal was to get them engaged in your offerings and programs and then close them on a membership before the trial period ended. Fast forward and this same lead generating tool can now be a *GREAT* way to get more of your members engaged in Small Group Training (SGT) as well.

Although we may find SGT cool, trendy, energetic and all the rage, our members simply haven't got a clue. They are creatures of habits and will be very apprehensive to try anything new. Just like purchasing a gym membership, one of the biggest barriers to SGT participation is risk. "*Will I make a fool of myself, can I keep up and am I in good enough shape?*" are all common questions your members are asking themselves. As such, one of the best ways to introduce SGT to your members and increase penetration is to offer free, but effective, trial classes. These can be offered to both existing members as well as to the new members coming in that were presented PT options during the orientation/assessment but did not buy.

However, make no mistake, there is a *VERY* big difference between an effective trial offer and simply offering a free class. An effective trial should be an extension of your sales process. There should be specific and strategic steps aimed at walking the member through the entire SGT buying process. In fact, an effective trial should consist of three distinct but complimentary sections to ensure maximum success:

**1. The Introduction (5-7 minutes)** - This is your chance to tell the story. Take the first few minutes of the trial class and help your members understand what SGT is and why they would want to consider doing it. Remember, your competition for SGT is not the guy across the street or down the road, it's the equipment and stuff you already have in your gym. Your story and product has to be convincing enough for them to make the switch. For example, if your SGT is centered around functional training, you may want to use the story: "*Life is good, small group training makes it better.*" This message conveys that SGT

is essential to help you be prepared to do the things you want to do in life and do them better. They need to understand they will be moving and training the body in ways that can't be done anywhere else in the gym. **Additional Tip:** Go around the room and quickly find everyone's "life" goal. You will definitely need it later.

**2. The Body (30 minutes)** - This is where most operators drop the ball. The key to remember here is this is *NOT* just a workout. The body is the part of the process where the sale happens. This is all about highlighting movement in a group, demonstrating the power and energy of working with a team and making the movement relevant to the people in the room. Whatever product or movement you are delivering, make sure you are teaching it back to each person so it's relevant to his or her goal. For example, you are teaching a box jump, and you have someone in the room who wants to get better at being a weekend warrior in his men's basketball league. While he is doing a box jump, ask him, "*Mr. Jones, what part of playing basketball does this remind you of?*" Once he answers, then follow up with, "*Do you now see how doing this type of movement vs. just running on treadmill can help bring your game to the next level?*" **Additional Tip:** Bring energy to the class with music, whistles and other fun props. Also, find ways to make the attendees feel part of a team like high-fives and shout outs. Do this as quickly as possible.

**3. The Close (10 minutes)** - You've made your case, you put in the work, now is the time to reap the rewards. The close should start with a short but fun cool down and summary of what just happened. After playing a quick game of tug-of-war or relay race, have them take a seat or a knee and remind your audience what SGT is and how it's different than the other stuff you have in the gym. However, the most important part of the cool down is to keep the team condition strong. No one likes to be "the one" who bails out on the team. No one wants to be "that person" who lets the team down. Ensure this happens by leading with a few pre-closing questions like: "*By a show of hands, who now sees the difference between SGT and traditional workouts?*" and "*By a show of hands, who here now sees the benefit of replacing their current routine with SGT?*" Very few if any of the members of your audience will keep their hands down. The next part of your close should be the offer. There has to be a call

to action, a reason to act now. There has to be something in it for them while they are hot and ready. The key here is to not over explain or complicate the offer. Simply tell them when this type of class meets and how often they can attend. Then, simply explain the price. **Additional Tip:** Make sure the call to action offer is handed out and a coupon is physically placed in the attendee's hands. Additionally, if possible, try to make sure their name is written on the coupon.

The final step to the close is **Asking!** You've put in the work, you have kept the group together and you explained the offer. Don't blow it by simply walking away. Now, more than ever, your audience specifically needs to be told what the next steps are. This is where you have to actually ask them to buy. The key however, is to do it in a way that keeps the team condition together. Remember, no one wants to be "that guy." For example, "*Now that you see the benefits of SGT and how you can't get these types of results anywhere else in the gym, by a show of hands who wants to take the next step and make the commitment to the rest of the team and get started?*" **Additional Tip:** Make sure that you have the logistics of signing people up already taken into consideration, such as access to a few computers and additional help from other staff or management to ensure no one is left waiting to sign up.

As you can see, an effective SGT trial class is a great way to let your members try before they buy. But, it's just as important to remember that a trial is much more than simply having a trainer and a group of people go through a



Ron Alterio

workout together. Simply teaching a class confuses the member, waters down the product and actually creates a sales barrier. On the other hand, an effective SGT trial period gives the member an opportunity to test drive your product and allows you to clearly explain this new offering and relate the product back to the audience. Just remember to make sure the audience knows how to get involved and you ask for the sale: Doing all of the above is the key to SGT participation.

*(Ron Alterio is the National Sales Director for Visual Fitness Planner. His area of expertise is building and driving the complete EFT draft PT business model using the full suite of 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.)*

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# Exercise: The Best Medicine for Doctors and Patients

By: Joe Moore

As published in *The Huffington Post* on April 28, 2015:

Almost any doctor will agree that exercise is a great preventive and helps keep people well. Most will even acknowledge that regular exercise helps manage many chronic diseases, from diabetes to asthma.

But, how often do doctors come right out and prescribe exercise, or even ask how much physical activity you get on a routine basis?

Not nearly as often as warranted, especially given the scores of studies on the physical, mental and emotional benefits that regular exercise brings.

Maybe part of the reason is that the majority of U.S. medical schools don't offer any courses on physical activity. And, when the courses are offered, they're rarely required, according to a recent study out of Oregon State University. In fact, fewer than half of physicians trained in the United States in 2013 received formal education or training on physical activity, the study found.

That's too bad, because research shows that a low level of physical activity exposes a patient to a greater risk of dying than does smoking, obesity, hypertension, or high cholesterol, according to *Exercise is Medicine*. What's more, physical inactivity costs the U.S. Health Care System \$330 per person each year or more than \$102 billion annually.

Just recently, in fact, a new study came out that found that exercise goes further than diet in weight management for aging adults. These findings are significant when you consider that roughly two out of three U.S. adults are overweight or obese. And, as far back as 2008, the medical care costs of obesity in the United States totaled about \$147 billion, according to the Centers for Disease Control and Prevention.

Unquestionably, exercise is both a health and money saver. Yet, as many as 36% of U.S. adults don't engage in any leisure-time physical activity at all, not to mention the 56% who don't meet the recommendations for sufficient physical activity set forth by the 2008 Physical Activity Guidelines for Americans.

Compounding the problem is the fact that doctors are not far behind the general public in their rates of inactivity. All told, 40% of U.S. primary care doctors and 36% of U.S. medical students do not meet the Physical Activity Guidelines. And, we know that doctors who are not physically active are less likely to provide exercise counseling to patients. They're also less credible role models for promoting healthy behaviors. So it should come as no surprise that barely a third, only 34%, of U.S. adults

say they received exercise counseling at their last medical visit.

So what can be done? A lot, according to the National Physical Activity Plan Congress, which met in Washington, D.C. in February to discuss the future of physical activity in America.

The National Physical Activity Plan, first launched in May 2010, is a comprehensive set of policies, programs and initiatives aimed at increasing physical activity in all sectors of American society. Its ultimate goal is a society where, "One day, all Americans will be physically active and will live, work and play in environments that facilitate regular physical activity."

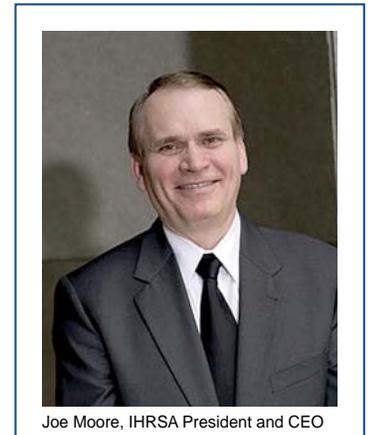
The Plan addresses eleven distinct sectors of society: business and industry; education; health care; mass media; parks, recreation, fitness and sports; public health; transportation, land use and community design; and volunteer and non-profit. But, it explicitly calls on health care providers to encourage adults, children and families to increase their daily physical activity.

Specifically, the Plan urges health care providers to make physical activity a patient "vital sign" that they assess and discuss with their patients regularly. It also calls on providers to establish physical inactivity as a treatable and preventable condition with profound health implications.

Importantly, the National Physical Activity Plan proposes steps for including physical activity education in the training of all health care providers and lays out concepts like adding physical activity education to accreditation criteria and licensing exams and including physical activity in continuing education professional development programs.

The beauty of the National Physical Activity Plan is that it sets forth a roadmap with specific solutions to how we, as a society, can overcome barriers to physical activity and create an American culture that both supports and enables daily exercise. An important outcome of February's Congress will be the release of an updated Plan, which is anticipated in late 2015.

One strategy emphasized in the Plan is to advocate for policies that promote physical activity. And, the Expanding Nutrition's Role in Curricula and Healthcare (ENRICH) Act (H.R. 1411) does just that. This bipartisan bill, sponsored by Rep. Tim Ryan (D-Ohio) and Rep. Pat Tiberi (R-Ohio), calls for offering nutrition and physical activity education throughout medical school, residency programs and in conjunction with other health education programs, which can also mean offering additional opportunities, like Continuing Medical Education (CME) and seminars.



Joe Moore, IHRSA President and CEO

From reducing back pain to protecting against depression, heart disease, Type 2 diabetes, several cancers and more, regular exercise is a critical component of healthy living. It's time we found ways to bring exercise into doctors' exam rooms and medical schools across the country. The ideas set forth in the National Physical Activity Plan and the ENRICH Act are critically important steps. But, for physical activity to really become an integral part of health care in America, we need our doctors --and all health care providers-- to get moving.

## The IHRSA Foundation Steps Up

**BOSTON, MA** - Most people agree that working out regularly in a fitness center provides tremendous, often life-changing, health benefits. And, yet, despite all the pounds lost and lives touched in health clubs, there's still a common misperception that gyms are for fitness divas or people who are already in shape.

While there are clubs that cater to a certain clientele, most have the same goal: to help people get and stay healthy. Owners, operators and fitness professionals inside the industry know this intimately. They possess a wealth of firsthand experience at helping members manage their weight and blood pressure and improve their stability, bone density, cardiovascular health and more.

But, anecdotes, no matter how powerful, aren't always enough to convince people that health clubs are essential to public health. You need hard data.

The IHRSA Foundation, which will be featured this month, on May 28, during the annual meeting of the American College of Sports Medicine (ACSM) in San Diego, is pursuing that hard data.

The Foundation is the Association's philanthropic arm, a 501(c)(3) charitable organization established in 2012 to help attain IHRSA's goal of making health clubs primary solutions to the global physical inactivity crisis.

The Foundation comprises Robert Brewster, the Chairperson of IHRSA's Board of Directors; Brent Darden, chairperson ex-officio; and senior IHRSA staff.

Its three-pronged mission is:

- To research, support and promote the operation of wellness programs for promoting health through exercise;
- To provide educational resources for the operation of wellness programs to promote health through exercise; and
- To encourage individuals, corporations, and charitable entities to become involved in and provide financial and other support for IHRSA Foundation activities.

"We want to increase the visibility of our industry's success stories and the amazing work clubs are doing to improve people's lives," says Joe Moore, President



and CEO of IHRSA. "And there's no better vehicle than the Foundation to do this."

Part of making the work of clubs more visible requires collecting those success stories and then turning them into quantifiable data. To do this, grant funding is required.

Amy Bantham, IHRSA's Vice President of Government Relations and Health Promotion, and one of the senior staff involved in the Foundation, explains that the Association has applied for three grants. If awarded, they'll fund research studies to quantify the direct impact fitness centers have on helping people, namely, those with chronic diseases, to manage their health.

"We'd like to be able to say, 'Exercise in a club improves health,' not just 'Exercise improves health,' and to be able to back it up with hard data," she explains.

(See *IHRSA Foundation Page 25*)

*The IHRSA Institute was an amazing experience! It gave me the opportunity to network and exchange ideas with other GMs from all over the world! The opportunity to interact with the speakers was invaluable.*

*~ George Dossas, General Manager, Commonwealth Sports Club, Boston, MA*

# The IHRSA Institute

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# Make This One Simple Change And Watch Your Gym Memberships Explode

**By: Joe Imbrogno**

For some health clubs, paid trial memberships seem like a no-brainer. Give people a low-cost taste of your product that goes beyond a complimentary workout in the hopes of their committing to a longer term membership when it ends. But, is your paid trial membership really helping to generate additional leads and full memberships at your gym, health club or athletic club? Maybe not! If your club meets any of the following criteria, it's quite possible that a paid trial membership is simply prolonging the buying process!

**The Criteria:**

- Your monthly dues are \$50+ per month;
- Your facility is "the only game in town" at your price point/value level;
- Your club provides differentiating amenities beyond your competition, such as tennis courts, a pool, a gymnasium, functional training, etc.

Put yourself in the shoes of your prospective member and imagine you are making the decision of whether or not to join. Given the above circumstances, it is nearly impossible to "comparison shop," meaning that your decision will either be a "yes" or a "no" vs. "should I join club A or club B." Does the gym offer the equipment, programs and amenities you desire? Is it clean? How is the energy level? Is it overcrowded?

Your facility stands on its own and either delivers or doesn't. You simply need to give people an opportunity to make this determination. A 30-day paid trial is very unlikely to be any more effective in landing new members than a generous "all access" guest pass program. So in this case, just offer the free trial!

**Chicago Athletic Clubs**, whose monthly membership rates start at \$75 on the low end, does not offer a paid trial but instead provides potential members with a 1-day all access pass to the club location of

their choice.

**Shula's Athletic Club** General Manager, Bill Higgs, in Miami Lakes for the past 33 years, agrees that paid trial memberships have their place. "For us, we've concluded that paid trial memberships are simply not very useful. We offer a very known, unique product in our local market, and the decision to join our club is unlikely to be impacted by a paid trial membership."

Rather than offer paid trial memberships, Shula's offers a 1-day, all-inclusive guest pass, giving potential members the ability to experience the facility, the energy and group fitness classes free of charge. Since their price point is on the higher end (\$59 - \$69 per month) and there are no other options competing in that space, members who join Shula's are there because they want to be. "Our product is strong, and there are no other providers in the area which match our value," noted Higgs.



Joe Imbrogno

*(Joe Imbrogno is the President of Exakt Marketing, and he can be reached by email at [joe@exaktmarketing.com](mailto:joe@exaktmarketing.com) or phone at (888) 949 - 5487, Ext. 701.)*

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## PTR Elects New President And Board of Directors

**HILTON HEAD ISLAND, S.C.** - Professional Tennis Registry (PTR) is pleased to announce the election of Roy Barth, of Kiawah Island, South Carolina, who will serve as President of the Board of Directors. Also elected to serve as Vice President is Karl Hale, of Toronto, Canada. Ajay Pant of College Park, Maryland, will serve as PTR Secretary; and Oivind Sorvald, of Oslo, Norway, will serve as Treasurer.

New President, Roy Barth, has an outstanding background as a tennis player, teacher, professional and administrator. He earned a BA in Economics from UCLA. As an All-American, he reached the doubles finals of the NCAA Championship. Barth was ranked in the United States as high as #8 in Men's Singles and #2 in Men's Doubles, as well as being ranked in the Top 50 in the world on the International Pro Tour. Barth was a founding member of the ATP Tour. In 1976, he was named Director of Tennis at Kiawah Island Golf Resort, where he manages two tennis centers with

24 courts. He also served as Chairman of the USTA Davis Cup Committee and is a member of the San Diego, South Carolina and Southern Tennis Halls of Fame. He received PTR Professional of the Year in 1990, and in 2007, was named a PTR International Master Professional and received the USTA Family of the Year Award.

Continuing to serve on the Board as Directors at Large are: Leo Alonso, of Buenos Aires, Argentina; Luciano Botti of Merano, Italy; Rodney Harmon, of Atlanta, Georgia; and Pat Van der Meer, of Hilton Head Island, South Carolina. Jorge Andrew, of Cayce, South Carolina, remains on the Board as Immediate Past President.

PTR is the largest global organization of tennis teaching professionals with more than 15,000 members in 125 countries. PTR is dedicated to educating, certifying and servicing tennis teachers and coaches around the world in order to grow the game.

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## ...IHRSA Foundation

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### Gathering the Facts

To do this, the foundation will study the health outcomes of disease-specific wellness programs that have been offered by IHRSA-member clubs. For example, one of the Foundation's three grant applications requests funding to implement a study of a cancer-recovery program, which was modeled on *Back to Life*, a cancer wellness program founded by Radka Dopitova Willson, of the World Bank Group Fitness Center, in Washington, D.C.

*Back to Life* is a 6-week mind/body program that helps cancer survivors create their own personalized fitness regimens that include exercise and nutrition, stress management, support groups and group activities.

In 2013, Willson, herself a cancer survivor, was presented with IHRSA's Julie Main Woman Leader Scholarship for her work on this program, which spelled the start of her collaboration with the IHRSA Foundation.

To date, the *Back to Life* program has been offered four times and has helped 75 cancer patients or survivors. The results, at least in terms of member feedback, are outstanding: 96% of the participants say

they'd like to take the program again, and 100% report that they've improved, or greatly improved, their understanding of how to make healthy lifestyle choices.

If the grant application is approved, IHRSA and its partner, the Rehabilitation Institute of Chicago, will reach out to eligible member clubs in the Chicago area to host the *Back to Life* program and provide health outcome data for the study.

Because IHRSA knows many clubs are eager to get involved with the Foundation, the Association plans to bring the program to other states as the initiative grows.

Willson suggests that the future of the industry demands that clubs participate: "The fitness industry is facing some unique challenges now. Our population is changing. Our interests are changing. Simply being a gym is no longer a viable business model. People have different ideas about fitness and wellness. Our clients' worldviews are no longer restricted to weights and cardio equipment. Looking at successful fitness centers, we see programs that include exercise, fitness and wellness programs from Eastern and Western cultures. For example, yoga programs are now routinely included in fitness programs, along with Pilates, Zumba and the martial arts."

### Putting the Data to Use

For years, the industry has been advocating for public policy and legislation that would remove barriers to, and incentivize, exercise, a key element of primary prevention and a low-cost intervention targeting many costly chronic diseases, including several types of cancer.

Being able to demonstrate the impact that clubs and exercise have on preventing and managing such diseases will strengthen the advocates' case for policies that promote clubs, initiatives such as tax credits for memberships, and incentives for workplace wellness programs.

Meanwhile, the Foundation's research will also be used to forge relationships with physicians. Again, the benefit is credibility.

IHRSA has published several resource publications over the past year to help its member clubs create referral relationships with doctors and other medical professionals. All stress that solid data is essential to persuading them to refer patients to a club wellness program or personal trainer.

The Foundation will also work directly with doctors to educate them about lifestyle medicine, how to incorporate it into their practice and how to discuss the importance of physical activity with patients. These topics will be the focus

of IHRSA's session at ACSM this month, which will be presented in collaboration with Dr. Eddie Phillips, Founder of the Institute of Lifestyle Medicine (ILM) in Boston.

A third audience IHRSA intends to reach is consumers, vis-à-vis its member clubs. Bantham notes, "The IHRSA Foundation is a tremendous benefit of IHRSA membership because it gives clubs something to present to their members or prospects, and say, 'Here's what we can do to help you.' Doing so will bring in new members and prompt current members to be more active in the club."

The Foundation is young, but it has big, long-term goals. Ideally, IHRSA would like to have a scientifically proven study involving every chronic disease. "It's both a great challenge and an opportunity," says Bantham, "but it has great potential to expand the reach and credibility of our industry."

Willson concurs: "IHRSA took the initiative to create the Foundation, which is going to support the growth and quality of wellness programs. It's up to each of us in the industry to marshal our resources and to do a little growing ourselves to address the need. The IHRSA Foundation provides an avenue for that. It's up to us to bring healthy changes to our population. There's no time to waste. Healthy changes have to start now!" Visit [www.ihrsa.org/foundation](http://www.ihrsa.org/foundation).

# The Fate and Fortune of the Health and Fitness Industry

By: Stephen Tharrett and Mark Williamson

## Part II

The health and fitness facility industry is an evolving entity, both domestically and internationally. While it is more of an accepted part of the American culture and lifestyle than it was 40 years ago or even a decade ago, the industry remains somewhat susceptible to the whims of evolving global demographics, trendy popular culture and macroeconomic conditions. The fate and fortune --or destiny if you like-- of the health and fitness facility industry, is now being influenced by these evolving cultural, demographic and economic forces. How the industry perceives and interprets these influences and correspondingly responds to them will determine our industry's destiny over the next few decades. The more attuned club operators are to these powerful forces of capitalistic evolution, the greater the chance as a collective community, and as individual operators, our ability to craft a fate of prosperity.

This white paper is the second in a trilogy series that delves into what we believe are seven of the most powerful forces impacting our industry in 2015, but they are also positioned to influence its destiny for decades to come. **Part II** explores the impact of the state of health, narcissistic capitalism and karaoke innovation and environmental consciousness.

### The State of Health: A Shifting Paradigm

In the past decade, the world has seen an exponential increase in obesity and the many detrimental health conditions that are attendant to obesity. According to the World Health Organization (WHO), more than 35% of the world's adult population is obese and 65% of the world's population lives in nations where being overweight and obese is more likely to kill more people than being underweight. Finally, the WHO says that, in 2012, 40 million children under the age of 5 were overweight or obese. According to healthcare professionals, it is believed that, for the first time in the history of mankind, children will die at a younger age than their parents. This means that adults from Generation Y and the pre-adults from Generation Z are more likely to succumb to the ravages of age and an inactive lifestyle than Baby Boomers.

The increasing role of technology in the world has created a generation of adults who move less, eat more, don't trust the medical establishment like their forbearers, and as a result, experience significantly higher rates of obesity or related physical and psychological disorders associated with obesity and a

sedentary lifestyle, such as diabetes, heart disease, hypertension and cancer. The fact that the healthcare system, especially in the U.S., is broken only exacerbates the situation. Built on a model of expensive treatment, rather than inexpensive prevention, the healthcare system is overtaxed, and in many cases, not within the financial reach of the average person. These factors present both a challenge and an opportunity for the health and fitness club industry. The potential business implications of a changing state of health in the health and fitness industry may include:

- Fitness providers must establish greater credibility with the healthcare industry in an effort to be perceived as an essential provider of preventative health services.

- Fitness providers may have to separate themselves from the traditional providers of healthcare and establish themselves as an alternative resource and partner in helping citizens adopting new attitudes regarding health, obesity and wellbeing, then providing the coaching needed to adopt new activity and eating behaviors.

- Fitness programming will need to evolve into specialized niches for various special populations, such as arthritic, obese, diabetic and COPD, among others.

- Fitness professionals will need to expand their educational horizons and become better educated in subject matter related to healthcare and preventative wellbeing. Basic fitness certifications will become an outdated notion of the past, as the credentials of fitness professionals will align more with those of other healthcare professionals, such as physical therapists and nurses.

- Alternative and complementary medicine will slowly emerge as an entirely new and profitable programming segment for many health and fitness clubs.

### Environmental Consciousness: Reconnecting With Nature

The 21st century has evolved into a time of environmental consciousness. Individuals and businesses have become more aware and concerned of the need to protect the world's natural resources. Global warming, unpredictable weather disturbances and dwindling energy sources have created a sense of urgency in the global mindset to think and act in a manner that protects, rather than scavenges, the environment. Automakers are building and selling hybrid vehicles and electric vehicles (what would Ford say about this recycling of power technology) with lower



Stephen Tharrett



Mark Williamson

emissions and greater energy efficiency. Developers are creating more "green" buildings, buildings that are constructed with sustainable and renewable products and that are more energy efficient. Suddenly, it is "cool" to think and even act "green." Corporations now speak a mantra of environmental consciousness in the hopes of appealing to the ever-growing consumer audience that wants all things "green." The Millennial generation, the largest demographic population on the planet is considerably greener-focused than any other generation, and as the largest population on the planet, it is pushing the world toward a greener future. The potential business implications for going "green" in the health and fitness club industry may include:

- Clubs will need to consider the use of environmentally friendly products for cleaning their facilities, as consumers demand less use of environmentally unfriendly, cleaning products.

- Clubs will need to incorporate sustainable products in their new construction and renovation. Renewable woods, bamboo, cork, recycled glass, solar power, recycled rubber and reclaimed rainwater will become essential elements in the design and construction of health and fitness clubs. At Ecofit in Brazil, the club harnesses both reclaimed rainwater and solar energy to power its club.

- Clubs will need to be seen as supporters of the "green" push in their communities. At Ecofit in Sao Paulo, Brazil, the club provides recycling containers, in which members can deposit paper, glass, metal and even technology equipment that will later be recycled.

- Clubs will need to provide programming that helps their members connect with the environment in a manner that allows them to feel they are one with nature, and just

as importantly, doing something to help the environment. Adventure programming will involve more than challenging yourself physically but will challenge your circle of friends to nurture their natural playground.

- Clubs will need to move away from equipment that is energy inefficient and move toward equipment that places fewer demands on the environment.

### Narcissistic Capitalism and Karaoke Innovation

Narcissistic capitalism refers to a highly selfish and self-serving form of capitalism that is all about "ME," or in the case of global economics, a small clan of investment bankers, private-equity houses and private investors. In narcissistic capitalism, making money is both the end and the means. It is also a situation in which ethics take a back seat to integrity. The global economic meltdown of 2008-10, and which continues to hang around like a bad cold in Europe, was and is in large part, due to this narcissistic approach to generating wealth in an ethically-challenged manner. It would appear that the lessons of the recession have not had much of an influence on this highly-evolved form of autocratic and self-serving style of capitalism.

An excellent example of the aforementioned narcissistic phenomena is the acquisitions of several health and fitness club firms during the middle of the last decade. During the first five to six years of the 21st century, PE firms purchased club companies for large multiples (in some cases equivalent to 12 or more times EBITDA) and funded the purchases with high levels of debt (i.e., interest-coverage ratios that were less than 1.5). These highly leveraged deals resulted in some businesses declaring bankruptcy, others selling for a loss, many dramatically restructuring their debt and organizational structures, and in

(See *Fate and Fortune* Page 27)

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## ...Fate and Fortune

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some cases, the purchaser holding on to the investment longer than desired because they could not sell the business for at least the purchase price.

In their book, *Karaoke Capitalism*, the authors, Jonas Ridderstrale and Kjell A. Nordstrom, speak about a business environment in which innovation has given way to replication. Rather than create new and innovative business models and products, business leaders are recycling and putting a new skin on old ideas (think Grand Theft Auto V). The authors claim that this karaoke mindset is slowly creating a highly, if not totally commoditized world, one in which businesses have become more like physical commodities than unique business models that focus on the needs of consumers. In the past 5 to 10 years, the health and fitness facility industry has seen an influx of highly leveraged venture capital enter the industry. This influx of highly leveraged capital has resulted in the creation of numerous large and successful club models that essentially all look alike (e.g., LA Fitness, 24 Hour Fitness, Fitness First, Virgin Active, Planet Fitness, etc.). The demand for high returns and rapid growth from investors has helped the industry become more commoditized, rather than more unique. Among the

potential business implications for the club industry of this growing commoditization are the following:

- Well-capitalized and well-leveraged club companies will bring about further consolidation of the industry, both domestically and globally. Like Walmart in the retail sector, one of these well-capitalized club companies could further drive the pricing wars in the years to come. In England, Virgin Active was able to purchase two other club operators as a result of Virgin Active's capitalization and the overleveraged position of the companies that they purchased.
- Overleveraged companies will either be sold at well below initial shareholder value or declare bankruptcy in order to alleviate much of their debt. An example is the recent sale of 24 Hour Fitness. While selling for a

higher absolute dollar amount, it generated an EBITDA multiple considerably less than what it was purchased for six years earlier.

- Entrepreneurs will seek out new niche markets by creating unique business models that hold little value to the large commodity players (i.e., the introduction of boutique fitness studios). Entrepreneurs will perish if they are unable to create unique business models that target markets less appealing to the commodity players (i.e., high population density and high affluence).

- Fitness professionals will need to become fluent in the culture and language of business. Fitness professionals will need to become as well versed in business as they are in fitness.

• The industry will need to find a balance between growing the bottom line and creating an environment that provides clients with a transformational and results-oriented experience.

### Reflections:

In his book, *A L'ombes Des Jeunes Fillers En Fleurs*, Marcel Proust was quoted as saying, "What we call our future is the shadow our past projects in front of us." In this white paper, the second in our trilogy, we have explored the shadows cast by our present environment, self-centered capitalists and our world's propensity to let our bodies do less with more. In the third and final segment of our trilogy on the fate and fortune of the health and fitness industry, we will explore what we believe to be the two remaining shadows of our past that cast insight into the health and fitness industry's future: Globalization and Technology.

The content for this white paper and Parts I and III of the trilogy were derived from a chapter in a new book to be published later in 2015 by Healthy Learning and authored by Stephen Tharrett and Jim Peterson.

(Stephen Tharrett and Mark Williamson are the Co-Founders of ClubIntel and can be reached at [www.club-intel.com](http://www.club-intel.com))



## Fitness and Guest Reviews:

### How to Engage Members to Write Positive Reviews and Feedback

By: Maria Parrella-Turco

Customer reviews are a hugely important factor in the health and fitness club industry. With Internet sources and word-of-mouth being top referral sources and another means of advertising, the potential for exposure is exponential. Research has shown that 61% of customers read online reviews before making a purchase decision, and 63% of customers are more likely to make a purchase from a site that has user reviews (\*1).

Customer reviews are influential. From a plethora of websites including Yelp, Yahoo Local, Angie's List, Google, Facebook, Twitter, just to name a few, people are sharing their experiences on everything and what they are saying has an impact on other's decisions. It's worth considering all of the review sites to set up your own club profile, especially if there are industry-driven review sites. According to a Zendesk survey, 90% of participants claimed that positive online reviews influenced their buying decision, and 86% said their decision was influenced by negative reviews (\*2).

With such high percentages of potential people shopping online first for what business to support or products to buy, it's important that business owners and operators engage their members to write reviews and feedback in online forums. So, how do gym owners and operators engage their members to write reviews and feedback?

#### Here are some tips:

**1. Ask Your Customers.** If you don't ask, it won't happen. In this techno-driven world, members understand how important raving reviews are to your business, and as long as you are providing products and services worthy of a positive review, members won't be bothered by your asking for a review. If you do receive a compliment, ask the member if he would mind posting it on a particular review site.

**2. Make It Easy.** Unless someone has something negative to say about your business, the average member is not going to go out and look for a way to compliment your business. Post direct links to review profiles in your email signatures, newsletters, website and on your social media channels. Posting a sign at your front desk can act as a friendly reminder to your members that, if they have a memorable experience, they should share it online on three or four particular websites.

**3. Reward For Reviews.** It's important

to remember that we don't want to BUY their review but show appreciation to them for writing a review. Offering a small incentive for writing a review and not writing a **GOOD** review is an effective way to encourage reviews and have several "unbiased" opinions of your business. And, should someone write something less than spectacular, task the challenge to your customer service team to make the concern right. Showing how you address concerns and questions in a public forum can change the perception that a potential member has of your club.

Before you ask your members to review your business on any particular website, be sure to review that website's policies on rewarding or providing incentives for reviews. Some websites prohibit incentives, as they believe they can hinder the validity and accuracy of reviews. For instance, TripAdvisor.com states, "If travelers have been promised a reward in return for a review, they are more likely to write a review that doesn't reflect their true experience (\*3)."

**4. Be Genuine.** Don't make up your own reviews. Many review sites can tell if a review is genuine based on the IP address or whether the user's account is frequently used or commonly reviews other businesses. Like the first tip recommends, asking people to go and post their raving reviews will help get the process started.

It's better to have one review on a site than no reviews at all.

**5. Be Social.** Social media is a driving force behind the increased sharing of customer service experiences. According to Zendesk, 45% share bad customer service experiences and 30% share good customer service experiences via social media (\*1). If you think about how many people can see that comment or status update on Facebook, it could drive your business. Loyalty rewards solutions, like FitRewards, offer incentives for members who post reviews on Facebook through the FitRewards panel. Members simply log in to their account and click on a link to "Socialize with Facebook," where they can select from a list of predetermined messages to share on their Facebook wall. By doing so, members can earn points into their "loyalty bank" once every 30 days, which can then be redeemed for club services or name brand products within the program.

If you are able to engage with your members using these five tips, the positive reviews will come naturally. Positive reviews and feedback online will have the exponential value for rapid growth through more referrals from your current members, increased traffic of potential new members, driving people to your revenue sources, and more, as you also build a reputation for being an outstanding brand



Maria Parrella-Turco

in your community. Reviews online can also influence a company's Search Engine Optimization (SEO). Websites like Google will look through online reviews and pop them up in search engine results.

\*1 - "10 ways to encourage customer reviews online" by David Moth - <https://consultancy.com/blog/61677-10-ways-to-encourage-customer-reviews-online>

\*2 - Zendesk - <https://www.zendesk.com/resources/customer-service-and-lifetime-customer-value>

\*3 - TripAdvisor.com - <http://www.tripadvisor.com/TripAdvisorInsights/n692/tripadvisors-incentives-policy-why-rewarding-traveler-reviews-against-rules>

## AFS and Martial Arts Teachers Association Announce Collaboration Agreement

**CHICAGO, IL and CLEARWATER, FL** - The Association of Fitness Studios (AFS) and the Martial Arts Teachers Association (MATA), announced a collaboration relationship designed to enhance the value of membership in both organizations.

Similar to AFS' offerings for fitness studios, MATA specializes in helping to enhance the profitability of smaller martial arts schools on a tight budget. Among MATA's primary benefits is helping such schools find new students and keep them longer with proven martial arts school systems.

"This was a no-brainer for us," said MATA fFounder and CEO, John Graden. "The people behind AFS are like the Steve Jobs of fitness. They have created some of the most successful programs and organizations in the health club industry. We've been traveling parallel paths and the combination will be a winner for everyone involved."

MATA features a network of thousands of independent martial arts

school owners who, like AFS members in fitness, are learning new skills, making better business decisions, applying new tools and improving their financial results.

"John Graden is THE expert in the martial arts school field," said AFS Co-Founder and President Josh Leve. "We are honored to partner with him and his organization. By working together, we can leverage the expertise of both associations, our collective memberships and the industry experts working with us."

That collaboration will have a near-immediate impact as Graden has agreed to be a featured presenter at

AFS' business education program at the Evolution Sports Expo, June 27-28 in Santa Clara, CA, an event annually attended by over 13,000 fitness and martial arts trainers, competitors, and facility owners.

"While we both agree the basic business principles are identical regardless of disciplines being taught, there are nuances and differentiations from activity to activity," said Leve. "When it comes to business practices in martial arts schools, there's no higher authority than John Graden. We're fortunate to have him and our attendees will profit tremendously."

# Make It Fun!

# ClassPass: The Joy and Guilt of the Digital Middleman Economy

## *Classpass From One Articulate Consumer's Viewpoint*

**By:** Jenna Wortham

**Publisher's Note:** This article has been reprinted from *The New York Times* and is a supplement to **Jarod Cogswell's "Insider Speaks" Article on Page #6.**

• • •

Each month, I pay \$99 to a company called ClassPass for the luxury of taking an unlimited number of fitness classes in and around Brooklyn, where I live. In the depths of this winter, regular exercise, a key to calming my hyperactive and anxiety-prone brain even when it's less awful outside, has become crucial enough to maintaining my sanity that I find myself prioritizing my ClassPass bill over other splurges, like ordering in, taking cabs and expensive nights out.

I'm a relatively early adopter of ClassPass. I signed up last October, and so far, it's kind of a dream. Memberships to a single yoga, Pilates or spin studio can cost as much as \$200 or \$300 a month, or upward of \$20 for an individual class. A monthly membership to ClassPass costs \$99 in New York and offers access to a multitude of gyms, studios and meditation classes in each city where the company operates, though some of the biggest brand names in fitness, like SoulCycle and YogaWorks, seem to have opted out. Most of my favorite yoga studios have classes on the service, and I've begun dabbling in kickboxing, indoor cycling and rowing for a fraction of what I would pay otherwise. Like Uber, Instacart and Seamless, ClassPass offers a considerable leap in efficiency and convenience, paired with a price cut that seems too good to be true.

But, just as I try to be a conscientious consumer who buys organic food and recycles, I'm working on being mindful of the larger economic and environmental impact of the software and apps that I use. Are the studios that work with ClassPass able to do it sustainably? Or, does the service push the limits of their business model?

While attending classes, I've picked up on notes of tension between the company and its partner studios. It's not uncommon for instructors at individual studios to implore ClassPass users to sign up for regular packages and become members, an unlikely proposition for people who are already paying \$99 a month to ClassPass. It's normal enough that they would want to up-sell newcomers, but the urgency and undertone of desperation in their voices signal something else afoot in the financial realities of their partnership.

ClassPass pays studios a set amount of money for each class that is

booked through its systems. It declined to give me specifics on how that rate is determined. Two of the owners of a studio that I frequent, however, were willing to talk. Ashley Lively and Karla Misjan run a clean and cute boutique gym called SyncStudio, which offers cycling, yoga and strength training. Since working with ClassPass, they've seen an influx of new customers, me among them.

"The biggest appeal is marketing," Lively told me. But, because most of their new customers come through ClassPass, she said, they're less likely to sign up for SyncStudio's \$175 monthly membership. For each class booked through ClassPass, the company pays less than the studio's \$18 drop-in rate. "A full class running at half the cost doesn't make you money," Lively said. "Sometimes, the economics don't make sense."

ClassPass marks the latest advance of the Internet's middleman economy, which is progressing ever deeper into the territory of brick-and-mortar businesses. This is a process that began almost two decades ago with Amazon and shows no signs of stopping. Joshua Brustein described the dilemma this poses in a 2013 *BusinessWeek* article about Seamless, the food-delivery service: "A start-up comes up with an idea to leverage the Internet to increase customer choice or convenience, skimming a healthy portion of the profits with a fraction of the overhead. People listen to more music, get more massages, have access to more classified ads, etc. But, as it gets easier to sell things and offer services, some businesses find it harder to make money doing so."

Businesses like restaurants, bookstores and exercise studios already operate on thin margins, and their relationships to digital middlemen like ClassPass can quickly become untenable, especially because most intermediaries take a commission and may also charge for advertising and processing credit card transactions. The power imbalance is worsened by the winner-take-all tendencies of the Internet economy. As companies like Amazon, Uber and Seamless have grown, it's increasingly difficult for their suppliers to push back on onerous terms.

Already, ClassPass is cornering its market. In February, the company booked 600,000 reservations through its service; last year, that number was closer to 10,000. The company now operates in 28 different American cities, employs more than 100 people and offers classes from 2,500 different studios. In January, it raised \$40 million in venture capital, bringing its total funding to \$54 million.

"We've definitely lost a significant number of membership people to

ClassPass," Misjan told me. Lively added, "It's more than direct competition; it's fierce competition." If ClassPass continues to grow in size, entire businesses could become dependent on it, and yet, resisting it already seems futile. "That's like going back to sending letters because you decide you hate email," Lively said. "They're not going anywhere."

ClassPass does let studios decide which classes they list through the service, allowing studios to direct users to time slots and days that might otherwise go empty. Lively told me that ClassPass is better than Groupon, at least, in that the company makes a point to listen to her frustrations and grievances and respond when it can.

Payal Kadakia, Co-Founder and Chief Executive of ClassPass, says she is working to figure out how to build a more sophisticated pricing system that benefits both the studios and her company. She

said the company's recent decision to raise money was in part an effort to not have to raise its own prices or reduce the amount it's able to pay out to studios. "It's not just about discounted pricing but making sure each of these studios is growing," she told me. "We don't want to cannibalize their loyalists."

In general, Silicon Valley likes to argue that middleman services offer customers, jobs and opportunity where there were none before. Okay, sure... But, that argument often glosses over the human costs associated with convenience. Those of us who use these services the most are often the blindest to their potential consequences.

*(Jenna Wortham writes for The New York Times. To subscribe to The New York Times, go to [www.nytimes.com/subscribe](http://www.nytimes.com/subscribe).)*

## Join The Movement To Make The World More Active: #WhyGetActive

**BOSTON, MA** - As an industry, we have set a goal for ourselves to be recognized as a primary solution to the global physical inactivity epidemic. #WhyGetActive is a social media movement born at the grassroots level to combat that crisis. The purpose of the campaign is to:

- Provide a worldwide platform for sharing the many compelling reasons people choose to be physically active;
- Foster cultural support for wellness and physical activity, wherein physically active lifestyles are encouraged, supported, and ultimately, made easier to sustain;
- Provide a vehicle for increased engagement and a platform for discussion among health clubs and physical activity advocates, policy makers, fitness enthusiasts and anyone interested in physical activity promotion.

We hope that with regular engagement and promotion, #WhyGetActive can become a location for discussions around the importance and benefits of regular physical activity, with a focus on solutions health clubs provide, a vehicle for clubs to engage their members and build a sense of strong community in their clubs and a tool

for clubs to reach out to their surrounding communities to educate the public and recruit potential members.

#WhyGetActive is a tool to be used to engage your community and strategic partners around this important topic. You can join the movement by:

- Sharing your own reason(s) for pursuing an active, healthy lifestyle;
- Using the #WhyGetActive hashtag to share your own physical activity habits;
- Adding the #WhyGetActive hashtag to Twitter, Facebook or other social media posts when sharing a relevant article or research study from your personal account or the club account;
- Using the club account to share your members' stories of why they pursue an active, healthy lifestyle;
- Encouraging trainers to take #WhyGetActive photos with each client, and share them from their own accounts, to be re-shared by the club account.

Ready to get started? Go to <http://bit.ly/clubinsider9> to learn more.

# Programming For The “Fun Of It!”

## Leadership For Small Group Training Management Success

By: Laurie Cingle, M.Ed.

Success with Small Group Training (SGT) is based on 7 Keys: (1) Leverage Your Offerings, (2) Hire and Retain Champion SGT Trainers, (3) Define Metrics, (4) Identify a SGT Manager, (5) Create a Space, (6) Outline a Marketing Plan and (7) Develop a Budget. This article discusses **Key #4, Identify a SGT Manager.**

Clubs know that Personal Training and Group Fitness departments must be managed very differently. The majority of clubs today employ separate individuals with specific skillsets and credentials to manage each.

It is a mistake to think that the SGT department can be managed the same

as either of these departments, as it is its own distinct business model. However, what many clubs do is assign oversight of the SGT department to either the Personal Training Manager or Group Fitness Manager, expecting success.

By appointing an SGT Manager, someone who has the right skills, experience and commitment to grow the business, you create your best chance for success in this department.

As you decide whom to appoint, or as you assess the person you currently have in place, consider these key attributes. The SGT Manager should:

- Have a strong sense of marketing, whether responsible for creating the marketing themselves or working with the club's

marketing department;

- Understand the budget process: creating, managing, monthly reporting, etc.

- Hold himself accountable to meeting and exceeding goals;

- Be organized with strong computer skills;

- Be skilled in creating the annual SGT program calendar ensuring that individual programs are offered at the right time of the year for maximum sign-ups and that they work with and not compete against other departments;

- Benchmark every activity against achieving the plan;

- Be skilled at recruiting, hiring, training and retaining SGT staff who possess different characteristics than a typical personal trainer or group fitness instructor;

- Have personal experience in developing and delivering fee-based SGT programs;

- Understand that his job is to be a coach, to grow and support their team and not compete with them to be the best;

- Be committed to doing whatever it takes to grow the department;

- Possess the passion and drive to build enthusiasm and success;

- Ensure SGT clients have an extraordinary fitness experience in each session;

- Be a Leader with a vision as well as a manager.

SGT success is achieved at the



Laurie Cingle

hand of a great leader. Leadership is what will allow the vision of the department to be implemented with the support and commitment of the team.

*(Laurie Cingle, M.Ed., is a fitness business success coach, club consultant and a member of the Leadership Team at Akron General LifeStyles. Her specialties include creating successful club program champions through coaching, developing and operating non-dues revenue profit centers, establishing club market differentiation and designing programs that result in profit and retention. Contact her at [laurie@lauriecingle.com](mailto:laurie@lauriecingle.com).)*

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## Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 22nd Year 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 22-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of Atlanta's **Hudspeth Report** for the tremendous assistance they provided us during our *first 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 **257** 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 19 years advertising with us! We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *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 22 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.*

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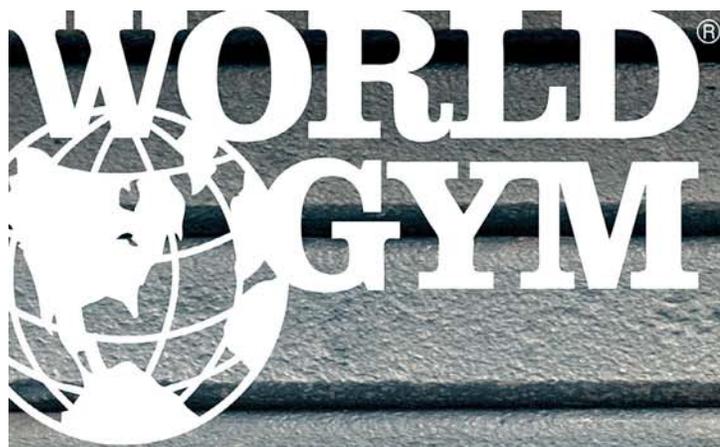
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