

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Club Fit

40+ Years of Health and Fitness Evolution



Ellen Koelsch, Vice President of Marketing, and Bill Beck, President of Club Fit



MAY 2016

Read This Month's Edition and Archive Editions Online at www.clubinsideronline.com

PRSR STD
U.S. Postage Paid
PERMIT #3592
ATLANTA, GA

GET READY
to
OWN THE CLUB.
Literally.



planet fitness



*With over 8 million members and more than 1,150 locations,
this is your chance to join the fastest-growing team in fitness.*

VISIT [PLANETFITNESS.COM/FRANCHISING](https://www.planetfitness.com/franchising)

FOR FRANCHISE INFORMATION, CONTACT:

Candace Couture, Director of Franchise Sales | 603.957.4603 | candace.couture@pfhq.com

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Club Fit

40+ Years of Health and Fitness Evolution

By: Justin Cates

The task of business is a complicated one. The number of moving parts can seem infinite. We plan for everything possible, but it never works out completely to plan. Simplistically, some keys to long-term success include: Always learning from your mistakes, as well as the successes of others. Populating the business with a team of trusted and capable staff members who buy into the company's mission and values. And, doing everything ethically possible to build a customer base that loves, trusts and values your brand. Embedded within those tasks are thousands of sub-tasks that exponentially complicate things.

Now, consider a family business. Take the previous points and throw in the further complications that can come from the personal nature of family relationships, as well as the personalities of family members involved in the company. Having grown up in a family business, CLUB INSIDER, albeit, a much simpler one to operate compared to a full service health and fitness club, I have seen first-hand some of the issues that can rear their head with such an organizational structure. A key to success here, even more so, is once again learning from your mistakes, as well as the successes of others.

This month's cover story subject, Club Fit, with two large full-service locations in Westchester County, New York, is a company that has mastered many of these issues. Their track record of success now spans more than 40 years. What follows are several illuminating interviews with the key principals of Club Fit: Beth Beck, who joined the company

in 1973 and is the former President; Bill Beck, who is the current President; and Ellen Koelsch (Bill's sister), who is the Vice President of Marketing. You will learn about the beginnings of Club Fit, its evolution into the modern era of the health and fitness club industry, the opportunities and challenges of family business as well as many other nuggets you can learn from and apply to your health and fitness club business.. I welcome you to read on...

The Early Days of Club Fit

An Interview With Beth Beck, Former President of Club Fit

CLUB INSIDER (C.I.) - Let's go back in time and discuss what you can recall about the founding/early days of Club Fit in 1973 and beyond. How did you meet David Swope and come to be with Club Fit? And, please tell us about the original Club Fit facility prior to its many advancements over the years.

Beth Beck (BB) - In 1973, Club Fit started as an 8-court, pay-as-you-go all-electric indoor tennis facility in 1973, and everything was done in ledger books. I came there in 1979 as an enthusiastic tennis player and agreed to help my friend run it. By then, four racquetball courts and a small, leased fitness space were also there.

Shortly after, my friend left, and an owner asked me if I would meet with David Swope, who had left a law practice to run his father's businesses. David explained to me that the business wasn't viable because of the high-energy costs. He asked if I would stay on and run it until it could be sold for warehouse space.



David Swope, Ellen Koelsch, Bill Beck and Beth Beck

As we worked together, we found that we enjoyed it and felt we could turn the business into a successful one if we could institute monthly EFT billing and add more activities. We were one of the first clubs to do EFT at a time when it wasn't very common.

C.I. - Please tell us about some of the key physical plant changes made by Club Fit to bring it into the modern era our industry knows today. What year and how did the second location come to be?

BB - Over the next five years, we added more racquetball, expanded fitness and exercise classes and added a tennis bubble and pool.

In 1985, we saw an opportunity to purchase our Briarcliff club. At this point, we had many staff who were good at what they did but were looking for advancement. We saw this as a perfect way to expand. We loved the business and traveled to IHRSA and many independent clubs to learn more.

Some of our key changes over the years include adding cafés, which while not wildly profitable, added the social, family element we were looking for. The addition of physical therapy centers was also very successful in the early days. Briarcliff's indoor track was a nice plus and outdoor tennis bubbles allowed us to expand our tennis program.

(See Club Fit Page 12)

Inside The Insider

- Six Ways Data Analytics Will Change the Health Club Industry - **By:** Mario Bravomalo and Daron Allen
- Document! Document! Document! - **By:** Melissa Knowles
- A Perfect Financing Combination - **By:** Paul Bosley
- A Simple Approach to Membership Sales Training - **By:** Jim Thomas
- Core Values - What Do They Mean to Your Staff? - **By:** Karen Woodard-Chavez
- Creation Vs. Evolution - The Religion of Programming - **By:** Bill McBride

- Internet Middlemen and the Fitness Industry - Bonus Article: ClassPass - **By:** Stephen Tharrett and Mark Williamson
- Programming For The "Fun Of It!" - Step 4 of 7 to Becoming a Programming Professional - **By:** Laurie Cingle
- A Wellness Device Driving Club's Prospects and Revenue
- National Federation of Personal Trainers Offers Cancer Recovery Specialist Course
- And of Course, *Norm's Notes*

Norm's Notes

• **Hello Everybody! This is your CLUB INSIDER Publisher and Tribal checking in! Happy Spring to you all!**

• **Is America a GREAT country, or what? Hmm... Hmm... Hmm!!!**

• **A belated Happy Mother's Day to all you wonderful Mothers out there! Special Thanks and Sincere Appreciation to all of you Moms wherever you are for what you've done for all of us! Thank you! Thank you! Thank you Moms everywhere!**

• **WOW! Get this. On May 10, 2016, I received an email from CHRIS RONDEAU, CEO of Planet Fitness. His email's purpose was to draw my (our) attention to the just released 1Q, 2016 Planet Fitness Financial Statement, which contains the amazing news, that, in the first quarter of 2016, Planet Fitness had a net new member number of 1 Million across its 1,171 open and operating locations. Other highlights of Planet Fitness' first quarter 2016 Financials include:**

- Total revenue increased from the prior year period by 8.3% to \$83.3 million.
- System-wide same store sales increased 6.8%.
- Net income was \$16.3 million compared to net income of \$8.5 million in the prior year period.
- Pro forma adjusted net income increased

20.5% to \$15.2 million, or \$0.15 per diluted share, compared to \$12.6 million, or \$0.13 per diluted share in the prior year period.

• Adjusted EBITDA increased 20.4% to \$34.3 million from \$28.5 million in the prior year period.

• 48 new Planet Fitness franchise stores were opened during the period, bringing system-wide total stores to 1,171 at March 31, 2016.

Speaking of Planet Fitness, CEO CHRIS RONDEAU has been named as a semi-finalist for the **EY Entrepreneur of The Year Award in New England**. The EY Entrepreneur of the Year Award is celebrating its 30th year.

And, in other news about Planet Fitness, the company has strengthened their management team with the addition of four new key people. JIM ESPOSITION has been appointed **Senior Vice President Corporate Club Operations**; BRIAN ZEHETNER is now the **Director of Health and Fitness**; JOSH BEYER has been appointed **Vice President of Real Estate and Construction**; and BRIAN O'DONNELL has been appointed **Vice President and Corporate Controller**. **Best wishes to all these new Planet Fitness Management Team Members!**

• **NFPT, CLUB INSIDER Advertiser who's Ad appears on Page #25 has launched a Cancer Recovery Specialist Course. Check out their Press Release, also**

on Page #25.

• **Congratulations to KEITH NYGREN, TED TORCIVIA, RAY O'CONNOR and others, as they used their annual 2016 WACy Awards event to celebrate the 40th Anniversary of their Wisconsin Athletic Clubs (WAC) in the Milwaukee, Wisconsin area. SANDY COFFMAN, my friend since 1978, was honored when she was the first WAC employee to be inducted into their new WAC Hall of Fame!**

• **Last month, while I was producing our April Cover Story entitled: IHRSA's 35 and Counting! The VALUE of IHRSA, I mistakenly missed the email from LARRY CONNER, General Manager of Stone Creek Club & Spa in Covington, Louisiana. Larry, a 25-year industry veteran and CPA had been kind to write and send his comments about the Value of IHRSA, and I want to apologize to him for missing that email. So, here are Larry Conner's comments:**

"I have been associated with IHRSA as a member for over 25 years with four different clubs in the New Orleans area. Down here, that is what we all did... we joined IHRSA, and we went to the annual convention. At the convention, we would see the latest equipment and programs, talk to some great people, socialize with our teams, and of course, we
 (See Norm's Notes Page 6)



Norm Cates



Larry Conner

About Club Insider

Established in 1993
23 Years and Counting!

CLUB INSIDER is published by Cates Media, LLC. in Marietta, Georgia. Those wishing to reproduce any portion of this publication may do so, provided it is not for resale in other publications. Reprints for commercial use are available for a fee by request.

PUBLISHER and EDITOR - Norm Cates, Jr.
ASSISTANT PUBLISHER - Justin Cates

PRINTING and MAILING SERVICES - Walton Press

CLUB INSIDER
 P.O. Box 681241
 Marietta, GA 30068
 (O): (770) 635 - 7578
 (F): (678) 826 - 0933

www.clubinsideronline.com

Edition #269

Thank You to Our Contributing Authors

- Rick Caro - President, Management Vision, Inc. - (212) 987 - 4300
- John McCarthy - 25-Year Executive Director of IHRSA
- Joe Moore - IHRSA President & CEO - (800) 228 - 4772
- Angie Pattengale - National Federation of Personal Trainers - (800) 729 - 6378
- Bill McBride - Founder, BMC3 - BillMcBride@bmc3.com
- Bruce Carter - President, Optimal Design Systems International - (954) 888 - 5960
- Casey Conrad - Communications Consultants - (800) 725 - 6147
- Derek Barton - Owner, Barton Productions - derek@bartonproductions.com
- Donna Kreech - Founder and President, Thin & Healthy's Total Solutions - (419) 991 - 1223
- Dr. Art Curtis - President, Curtis Club Advisors - art@curtisclubadvisors.com
- Jim Thomas - President, Fitness Management USA - (800) 929 - 2898
- Jon Butts - President, Muscle Up Marketing - jon@muscleupmarketing.com
- Karen Woodard-Chavez - President, Premium Performance Training - karen@karenwoodard.com
- Laurie Cingle - President, Laurie Cingle Consulting and Coaching - laurie@lauriecingle.com
- Melissa Knowles - CEO, Gym HQ - mknowles@gymhq.club
- Nancy Trent - Founder, Nancy Trent & Company - nancy@trentandcompany.com
- Paul Bosley - Owner, Business Finance Depot - (888) 788 - 3884
- Paul R. Bedard, Esquire - Crunch Fitness Connecticut - paul@crunchct.com
- Robin Schuette - Co-owner, MedFit Partners - rschuette@medfitpartners.com
- Ron Alterio - National Sales Director, Visual Fitness Planner - ron@myvfp.com
- Stephen Tharrett - Co-Founder and Principal, ClubIntel - (866) 691 - 9223
- Thomas Plummer - National Fitness Business Alliance - (800) 726 - 3506



Entrepreneur
**FRANCHISE
500**
RANKED
2016

GET IN ON THE GYM FLOOR

Be a part of the hottest and fastest growing full size fitness franchise.

- The most competitive and progressive model in the industry
- Highest franchisee satisfaction ratings in the category
- Highly recognizable fitness brand with a 25 year history
- Over 500 franchise rights awarded

Call John Merrion at 800.669.7162 or visit CrunchFranchise.com for info.



...Norm's Notes

continued from page 3

would have a lot of fun. The convention is always exciting and motivating, and I could not wait for the next one to come. But, the last few years, I have learned all that I have been missing in-between shows. IHRSA is not just about being a member and going to the show, *it is about being an active part of the Association.* The Association is there to help make us successful, and we just need to use it (just like a club member needs to use the club). We joined the Industry Leadership Council (ILC) to be a part of

solutions, instead of just complaining about the problems; we sent team members to the IHRSA Institute to help shape them, and us, for the future; and we now speak at the shows on our successes and learn from others about theirs. This last convention in Orlando was the one of the best ones for our team because we are now *part of* the Association. I just wish I would have been this involved when I started. Just as the saying goes, 'I wish I would have known then what I know now!' So, this is not just about what IHRSA has meant to me, but more about how much IHRSA *will mean* to our club from now on!"

Larry serves as an IHRSA Board Member. Thanks for your comments, Larry, and for helping all of us by serving on the IHRSA Board!

•My sincere apologies to AL TASSEL, owner of PUMPS Real Fitness for Women in Woburn, Massachusetts, as I've discovered that I *accidentally added an additional L to his last name in our April edition. The correct spelling is: Al Tassel. I apologize, Al.*

•RODNEY STEVEN, III, with his Genesis Health Club chain, has acquired four Gold's Gyms in the Kansas City area. This brings Steven's total club count to 25 and counting. Rodney and his beautiful family were our CLUB INSIDER Cover Story subjects in July, 2012. Rodney is becoming a true powerhouse in our industry. Even more importantly to me, though, is that Rodney is fighting for Tax Equality for health clubs in Kansas, his home state. Keep at it Rodney until you get 'er done! Stay tuned, Folks!

•PHIL WENDEL's acac club group has acquired the space inside the Green Spring Racquet Club in Luthersville, Maryland that had been previously occupied and operated by Baltimore-based Brick Bodies, which is owned by VICTOR and LYNNE BRICK. This brings acac to a total of 11 operating locations with Green Spring being their 12th location as of June 7th. Phil also added, "The proximity of 350 John's Hopkins physicians and ACAC's medical model should create a win-win for all." Keep up the great work and leadership, Phil!

•Congratulations to the lovely ANN-BETH ESCHBACH, as she's been named to be Club Industry's Lifetime Achievement Award winner this year! Annbeth, a 30-year veteran in the industry who is based in New York City, will be the second female Club Industry Lifetime Achievement Award winner.

•Speaking of the October Club Industry Show, my oh my how time does fly! Just when we got used to a little Spring weather here in the ATL, it was over, and the Summer hit us! As the month of June is almost upon us, it's time for my annual exhortation to ya'll to make plans NOW to UPGRADE YOUR CLUB BUSINESS KNOWLEDGE, EXPERTISE and SKILLS by attending the Club Industry Show in Chicago, October 12th - 14th! After years of the Club Industry Show attendees having to be bused across town from several Chicago hotels to McCormick Place, the Club Industry folks have made what I consider a really smart and good

move... they've left the McCormick Place venue for The Hyatt Regency at 151 East Wacker Street, Chicago! This means you and I don't have to commute in buses and cabs while attending the show! Hooray! As mentioned previously, ANNBETH ESCHBACH will be honored with Club Industry's Lifetime Achievement Award. And, Rick Caro's 6th Annual CEO Summit is all set to happen again. And, right now, if you're a Club Industry Alumni and act by May 24th, the All Access pass is just \$221, 25% off. We urge you to visit the Trade Show, and for sure, stop by and meet our terrific advertisers who'll be exhibiting there. They are a really great group of folks, and they'll treat you right! Also, in Chicago, we're going to be celebrating CLUB INSIDER's 24th Anniversary, and we're excited about that. Here are our CLUB INSIDER Advertisers who've already booked their exhibits at the Club Industry Trade Show:

Gym Wipes	#1800
Motionsoft	#2301
Sports and Fitness Insurance	#704
CLUB INSIDER	#608

•Learn more this Summer! Attend the IHRSA Institute, August 2 - 5. Make plans to advance your learning in the industry in which you earn your living by attending the 2016 IHRSA Institute to be held at the Rizzo Conference Center Kenan-Flagler Business School at The University of North Carolina, Chapel Hill. Thanks in advance to the 2016 Institute Sponsors: Mind Body, NASM, SPRI, Star Trac, StairMaster, Nautilus and Schwinn. There are 16 training sessions, and the list of the presenters includes RICK CARO, Management Vision, on Financial Management; FRANK FURNESS, author and consultant, on Social Media and Digital Strategies; BRENT DARDEN, Darden Consulting, on Member Retention, Experience and Engagement; JAY ABLONDI, IHRSA's CBI Magazine; BILL MCBRIDE, Active Sports Clubs; ALLISON FLATLEY, IHRSA Board Member; LINDA MITCHEL, Newtown Athletic Club; MARK MILLER, Merritt Athletic Club's; and KEVIN MCHUGH, The Atlantic Club just to name a few of the 2016 Faculty Members. For information, contact IHRSA at (800) 228 - 4772.

•IHRSA's 2015 Health Club Consumer Report: The Story Behind Members and Their Health & Fitness Clubs says that the health club member gender gap closed in 2015 as males and females were equally likely to join a gym. The report also (See Norm's Notes Page 7)

NEW

ANTIBACTERIAL

Revolution

GYM WIPES

800
LARGE 8" x 6"
TOWELETTES

Defeat CA-MRSA, H1N1 and HIV

- Lowest Cost, Most Effective
- Made with 100% renewable resources
- Approved by leading equipment manufacturers

RESIDUE FREE FORMULA!

2X CORP

Let the Revolution Begin!
(888) 977-3726 ■ www.2xcorp.com

...Norm's Notes

continued from page 6

indicated that, while males are more likely to belong to commercial multipurpose and boot camp facilities, females are more likely to belong to yoga/Pilates/barre and residential centers. Men and women are nearly equally represented in nonprofit and combat-focused facilities (boxing/mixed martial arts/MMA). **To obtain the report, contact IHRSA at (880) 228 - 4772 or go to www.ihrsastore.com.**

• **CASEY CONRAD**, long-time industry consultant, Founder of **Healthy Inspirations** franchise and **23.5-year Contributing Author** for **CLUB INSIDER**, is at it again! Casey has just introduced a medical device to the industry that reportedly increases general blood flow, which has lots of positive health benefits. There must be something to the device since **NASA** just signed with the company in order to **add it to the spacesuits of our U.S. Astronauts** for decreasing bone loss and increasing general health while in space. See **Page #10** for more information. **Folks, stay tuned** because Casey is usually on track with the latest and greatest.

• **KAREN WOODARD-CHAVEZ'** article this month is an excerpt from her new management and leadership manual: **More Meaningful Meetings**. In her manual, Karen offers over 100 pages of activities you can use to engage your staff in your organization's purpose, support your meeting's message and drive the essence of your meetings for longer impact on staff behavior. By applying the advice Karen provides in this month's article, and in her manual, *you will no longer have boring, useless meetings*. To obtain a copy of the new manual call her at (303) 417 - 0653 or email Karen at Karen@karenwoodard.com.

• **Are you building a new club? Or, are you remodeling your club?** The reason I ask is that I noticed an article in the **Atlanta Journal Constitution** newspaper on April 27th with the following headline that might be of interest to you at this particular time in your club business career: **Gyms Going Mirror-less to Reduce Self-criticism** with a sub-headline that read: **Studies have found mirrors diminish sense of well-being**. The article, written by **COURTNEY PERKES**, was originally published in the **Orange County Register**, in case you want to track it down to read it. If you can't find it, send me an email at Norm@clubinsideronline.com, as I scanned and saved it just in case. Also, **IF** you're building a new club

or upgrading your club(s), you should contact our friend and **CLUB INSIDER Contributing Author, BRUCE CARTER**, at Bruce@optimaldsi.com.

• While I've already mentioned several of our terrific **CLUB INSIDER Contributing Author Team members**, let me say **Thanks** and express my sincere **Appreciation** to **all of our Contributing Authors** (see our **Contributing Author Directory on Page #4**) for their thousands of article contributions to the **269 monthly editions** we've published in print and online over our first **23.5 years!** Also, in this edition we have great articles from: **Visual Fitness Planner's MARIO BRAVOMALO** and **DARON "ROCKETMAN" ALLEN**, **LAURIE CINGLE**, **BILL McBRIDE**, **PAUL BOSLEY**, **JIM THOMAS**, **MELISSA KNOWLES** and **NANCY TRENT**. Folks, **do take care of your CLUB INSIDER printed edition**, as I often hear from folks out there who've had their copy taken by another staff member!

• Be sure to check out the **Ad on Page #29** for the **Brooklyn New York ROCK 'N ROLL Half Marathon** to raise funds for **ALS research for Angie's Quest!** The event is set for **October 8, 2016** in **Brooklyn, New York**, so that gives you plenty of time to train for it if you're not currently training for half marathons or marathons. For more information, go to www.classy.org/teamquest. **Congratulations to the Atlantic Club's KEVIN McHUGH** for dreaming up the idea and sharing it with **dynamo club industry guy, JIM WORTHINGTON**, **owner of Newtown Athletic Club in Newtown, Pennsylvania!**

• The **President's Council on Fitness, Sports and Nutrition** has selected **JOE TROUBETARIS**, a **Corporate Fitness Works Wellness Coordinator** at **CSX Transportation's corporate health and wellness center in Huntington, West Virginia**, to receive a **2016 President's Council on Fitness, Sports and Nutrition Community Leadership Award**. The award is given annually to individuals or organizations who improve the lives of others within their community by providing or enhancing opportunities to engage in sports, physical activities, fitness and nutrition-related programs.

• **Lake Nona**, in the **Orlando, Florida** area, is going to serve as the **new USPTA Headquarters location**. **Lake Nona** is one of the **Top 10 fastest growing communities in America**. In addition to being the new home to the **USPTA**, **Lake Nona's Sports & Performance District** will become home to the **USTA**

(**United States Tennis Association**) **National Campus**. With more than 100 tennis courts, it is the largest tennis facility in the country. In addition to becoming Headquarters for big-time tennis, **Major League Soccer's Orlando City Soccer Club's Training Center and Elite Youth Academy**, which are both currently under construction in the area, are making **Lake Nona a true sports mecca**.

• **#22KILL** is a movement established in **2013 by Honor Courage Commitment, Inc.** after realizing the staggering statistic that an **average of 22 veterans die by**

suicide every day! **#22KILL** is a platform to raise awareness, not just toward veteran suicide, but also to address the issues that can lead people to suicide, such as post-traumatic stress disorder (PTSD), traumatic brain injury (TBI) and the stresses of transitioning out of the military. **#22 KILL has a goal of reaching 22 million push-ups worldwide** in order to bring awareness to its movement.

UFC GYM was one among many entities who signed on to the challenge. **ADAM SEDLACK**, **UFC GYM President**, commented: "*When I* (See Norm's Notes Page 8)



Announcing the placement of
John Brandt
 Regional Director
 Tomorrow's Vision

Hire the Best!

Think beyond traditional job boards, classified, and web postings. We specialize in executive recruitment for the health and fitness industry. We have a vast network of over 3,000 candidates in our database and have successfully placed over 250 senior level managers.

**For all your health & fitness
 employment needs,
 contact JLR Associates!**

Jeff Randall
781-251-0094
Email: jr@jlrassoc.com
or Dennie Noecker
609-430-8455
Email: dennie@jlrassoc.com

...Norm's Notes

continued from page 7

first heard about #22Kill, we knew that UFC GYM had an obligation to help drive awareness and continue a conversation around this important cause. Our military service men and women fight for our freedom unselfishly, and we are committed to bringing continued national awareness to this campaign and do whatever we can to help save lives."

UFC GYM's across the country offered complimentary 22-day guest passes, and all of those who signed up for the offer were entered into a raffle to win

round trip airfare to attend **UFC FIGHT NIGHT: ALMEIDA vs. GARBRANDT** on **Sunday, May 29**, at the **Mandalay Bay** events center in **Las Vegas, Nevada**. **Congratulations to the UFC GYM TEAM for taking on this special cause. And, God Bless our Troops! Stay tuned for more info on #22KILL!**

• **JUSTIN and I want to say Thank You for reading CLUB INSIDER!**

• **CLUB INSIDER is a Paid Subscription based Publication with a money back guarantee on all new subscriptions. Are you a Paid Subscriber? If the words**

PROMOTIONAL COPY appear above your name and address on the cover of this month's edition, *you are not a Paid Subscriber*, and you are not enjoying the *full benefits* of a **Paid Subscription** to **CLUB INSIDER**, which includes **one year of new editions** (print and online) and **online access to all previous 22 years of CLUB INSIDER's 268 archived monthly editions**. So, *don't delay!* **Subscribe today for just \$89 for one year or \$10 a month** by going to www.clubinsideronline.com/subscribe.

• **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 23rd 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)

KNOW YOUR BUSINESS FROM EVERY ANGLE

iGO 360

Start your free trial.

The best cloud-based management software for handling every aspect of your club including: member data, class and trainer scheduling, compensation, POS sales and more. With data that can be viewed aggregately or by club, you'll get a 360-degree picture of your business.

- Easy to use software
- Integrated payment processing
- Scheduling
- Real-time billing
- Collections
- Door access

Free Training.
Free Technical Support.

Membership & Business Management Software

Microsoft Partner
Gold Independent Software Vendor (ISV)

(866) 532-9588
www5.igofigure.com

GymValet®
Bottle and Towel Holder

- ✓ Easily attaches to training and conditioning equipment or walls.
- ✓ Convenient cleaning prevents germ and virus transmission.
- ✓ Eliminate expensive disposable wipes! Save up to 95% on equipment cleaning costs.

216-378-4298
www.gymvalet.com
bruce@gymvalet.com

**NATIONAL
GYM
SUPPLY**

2016 CATALOG AVAILABLE NOW!

**WE'RE STRONGER
THAN EVER!**

- More parts, more models
- Electronics repairs
- Custom-made strength cables
- Mobile-friendly website

WWW.GYMPART.COM

TOLL FREE 1-800-496-7278 | INTERNATIONAL 310-410-4200

A Wellness Device Driving Club's Prospects and Revenue

Imagine a device that is simple to use, appeals to a huge segment of the market that is interested in health (not just fitness), immediately drives ancillary revenue and produces referrals without having to ask. You don't have to imagine it, because it's here. It's an FDA approved, Level-1 medical device that improves general blood circulation.

Casey Conrad, long-time industry consultant and Founder of two international weight loss programs, Healthy Inspirations and Take It Off, recently discovered the device because of a family member's treatment, and she instantly saw the potential for it to be a remarkable marketing and retention tool inside fitness clubs by creating short-term wellness programs around the device. Several facilities are in beta testing, and the initial results have been extremely positive.

Tasso Kiriakes, Owner of Bodez by Tasso in Ormond Beach, Florida, was the first to jump on board. Kiriakes, a highly successful franchisee with Conrad's Healthy Inspirations program, notes,

"Casey is a master marketer and she develops turnkey systems. The minute she shared her vision with me, I could see that it had huge upside potential with driving new prospects into the clubs, generating ancillary revenue from existing members and even possibly helping with retention."

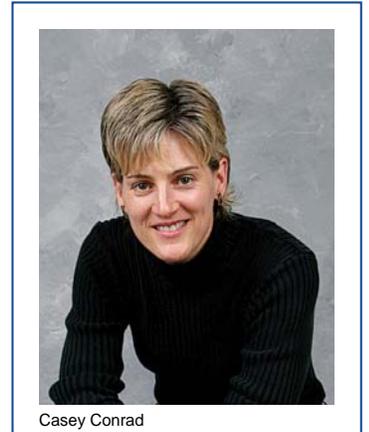
Before Kiriakes even had the device in his facility, he was stunned with the response. "I am part of a networking group in my town, and it was my week to give a short 15-minute presentation. I discussed the new device and offered a 30-day trial for \$199. Out of the 31 people at the meeting, 11 of them have joined before I even had something to physically show them! I have quietly discussed it with some of our one-on-one PT clients, and in the first week, eight signed up for the program. What is most remarkable, literally, is that two people have already referred their spouses to the program after having just one session," exclaimed Kiriakes.

Less than a week from having the device in-hand, Kiriakes has generated \$4,200 in revenue without any print

marketing or advertising. Kiriakes is optimistic, "I'm super excited and know that I'm going to need to stay ahead of the demand, and although the sessions are short, perhaps even get a second device if this explodes the way I'm sensing it will. That's a good problem to have." One other club operator reports similar response, but we were not able to get actual numbers before this article needed to go to press. We will keep you posted.

Increased general blood flow enhances nutritional uptake and oxygen supply, aids in metabolic waste disposal, improves cardiac function, supports physical fitness and recovery, mental acuity and even influences stress reduction and sleep. This device is portable, simple to use and less expensive than most other ancillary revenue products, such as tanning beds or aqua massage beds. It also seems to be a better "magnet" for attracting interest.

Because the company is in the process of getting FDA Level 2 clearance on the device, we are unable to disclose the name in any print media, but if you



Casey Conrad

would like a free 16-page brochure, a link to a webinar replay or even just to speak to Casey about the device, please email her at CaseysHealthClubTraining@yahoo.com or call her directly at (401) 932 - 9407.

LA Fitness is looking for experienced and high energy Group Fitness Instructors!
 If you are interested in becoming a fun, motivating, and dynamic instructor,
 and have experience teaching group fitness classes, **APPLY NOW!**



Complete an application at the LA Fitness nearest you, or online at www.lafitness.com.

If you are interested in learning to teach, sign up for our Fitness Instructor Training.

LA Fitness Instructor Benefits:

- Complimentary LA Fitness membership
- Network of free workshops to maintain continuing education towards certification
- Access to teaching at over 575 club locations nationwide, including Canada
- Free childcare while teaching, where available
- Current onsite music



Please contact: KC Lee at (949) 255-7215



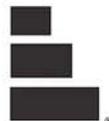
**GET A
GRIP!**



Your Group Fitness program just got a BIG HAND UP with the New Group Fitness Weights from Step Fitness!

- New Ergonomic Design expands use of hand weights in Group Fitness Programs.
- Multiple Grip Positions open up a whole new range of movements.
- New Five-Weight Lineup fits weights to a wider variety of people.
- Increase Group Business & Personal Training as excitement spreads and results get noticed.
- Available Individually, in complete sets or packaged with redesigned weight rack.
- Another First in Group Fitness from the STEP Fitness people.

Call 1-877-296-9990 for more information or to order yours today.



STEPFITNESS

...Club Fit

continued from page 3

C.I. - Please describe some of the challenges of working in a family business. Conversely, what have been some of the opportunities/hidden gems?

BB - Working in a family business was, I think, a surprise to all of us; it was never planned. I think one of the hardest things about running a family business is to try and keep the club business out of family interactions and keep spouses feeling included. Working with Bill and Ellen over these many years has been a pleasure and allowed me the opportunity to cut back slowly and start enjoying more down time.

The Modern Times of Club Fit

An Interview With Bill Beck,
President of Club Fit

CLUB INSIDER (C.I.) - Where did you grow up? Where did you go to school, and what did you study?

Bill Beck (BB) - I grew up right here by the clubs in a town called Yorktown in Westchester County. Our two clubs are both in Westchester County, and I grew up in-between them. I tell everybody, 'I haven't made it too far in life' (laughing). I went to public school through high school, graduated and went off to a small college called Guilford College in Greensboro, North Carolina. I studied Sports Medicine there and played lacrosse.

C.I. - When did you join Club Fit and in what role? What were your subsequent roles?

BB - I've essentially worked in the clubs since I was about 12 years old. My mother had gotten involved in the club business, so she would bring me to the club to keep an eye on me. I would end up doing odd jobs around the club. I think my first job was literally pulling nails out of the tennis lines. Then, through high school, I



Beth Beck

did maintenance, lifeguarding and those kinds of things. That really carried me through college.

When I left college, I came here to work in fitness and sell memberships in our Briarcliff club. That was in the early '90s, which as you know from being an industry insider, was around the time personal training was taking off. I recognized pretty quickly that I was not great at selling club memberships, but for some reason, I was really good at selling personal training. Those first four or five years were so much fun. We took a team of four or five of us and really grew personal training from just about nothing to half a million dollars a year. It was a lot of fun. It was back in the '90s, so nobody knew where it was taking us or why.

That experience led me to other jobs. I eventually moved up into a Fitness Director role and then into a GM role. Somewhere in the middle there, I got married, started a family and decided to go back to school to get my MBA at Pace University in Manhattan. So, there were a couple of years where I was the GM of our Jefferson Valley location and also going to school finishing up the MBA. That turned out to be a really good decision for me because I learned a lot and interacted with



Club Fit - Briarcliff Manor

people who were not club people. Some were involved in very big businesses, others in small businesses, but they were different thinkers than we were. The timing was good, because at that point, I was ready to be in school again, so it worked out well.

I finished my MBA, and that was about the time my father was suffering from complications with colon cancer, and as a result, my mother was finding herself pulled away from the business to help care for him. In the mid- to late-2000s, she began to move away from the business, and I began to take on some of her responsibilities. She had always been the President and ran operations, so that's when our transition from her to me began, driven by two factors: (1) my taking the business seriously and (2) her having some outside influences making her feel like it was okay to enjoy her time away from work.

C.I. - In addition to your mother, Beth, having been deeply involved with the business, your sister, Ellen, has been as well. Please describe some of the challenges growing up and working in a family business has presented. Conversely, what have been some of the opportunities/hidden gems?

BB - For years, we've had the luxury of long-term staff being around. My sister got into the business a little bit differently than I did. She came from Lafayette College and was an economics major. She has always held important roles and is now our Vice President of Marketing. She also takes an advisory role for group fitness classes and construction projects.

When you work with your family, there is a ying and a yang. When I tell people I work with my family, I get one of two responses: 'Oh, that must be really cool.' Or, 'Oh, I can't imagine!' When you get down to it, both are true, really. When you work with your family, there is an intimacy that makes the business work in some ways. You can say things plainly, messages may not have to be as tempered and there is a natural familiarity that can make things work well. On the flip side of that, you might spend an uncomfortable holiday together because the meeting you had just before didn't go as well as you wanted it to be.

One of the biggest challenges in a small, family business is succession planning. My mother and David Swope, who cofounded Club Fit with my mother, have been incredibly thoughtful and sensitive to this. They have always tried not to hover over my sister and me as we've taken on leadership roles. I can't thank them enough for all their advice and support over the years. Their ability to work through really difficult succession issues with my sister and me, as well as the other managers in the club, made our transition much easier than it could have been.

C.I. - Now, as Club Fit's President, please describe how your previous roles prepared you for your position today. What were some of the challenges you did not expect?

BB - I love the people aspect of our business. And, I mean all of them: the members, the staff, the management team, etc.

(See Club Fit Page 14)



Club Fit - Jefferson Valley



Bill Beck

IHRSA WAS ONE YEAR AGO...
IF YOU WOULD'VE APPLIED
OUR BU\$INE\$\$ MODEL THEN, ... YOU'D BE
\$500,000 RICHER*
RIGHT NOW!!!



\$465,000

ADDED TO CLUB IN 1 YEAR!!!

- Sandy McCaslin - Delta Valley Athletic Club, CA



\$659,000

ADDED TO CLUB IN 1 YEAR!!!

Austin Thomas - Fitness Unlimited, NC



\$750,000

ADDED TO CLUB IN 1 YEAR!!!

- Shelley Elrod - Thin&Healthy's Total Solution, OH

• NO ADDED STAFF • NO INCREASE IN OVERHEAD • ZERO COST MARKETING • NOT MLM



- FEEDS PERSONAL TRAINING
- TREND SETTING WEIGHT LOSS CONCEPT
- 20 lbs. IN 30 DAYS SHED WITHOUT MUSCLE LOSS

YOU'RE NOT GOING TO WAIT ANOTHER DAY... RIGHT?!?! - *Donna Kueh*

CALL NOW!!!

1-866-260-THIN (8446)

20-30 FAST TRACK

*this statement is based on these clubs; results will vary

...Club Fit

continued from page 12

That's what I really enjoy. As you grow up in the business, you are on the front lines. I've worked in maintenance, I've worked as fitness floor staff, I've done sales and I've worked as Fitness Director... The further up I've moved in the organization, though, the more I've moved away from that real interpersonal connection to the membership I loved. So, if there is one thing I miss at times, it's that ability to spend a few hours out with the membership just talking about how to do fitness, if you will.

But, the upside to that is that I get to participate in roundtables, I'm on the IHRSA Board now and I advise the Board of Cedarvale in Massachusetts, so I get to do some things that really expand my view of the industry and business. You get to meet people who think differently than you, and you can learn a lot from them. That has been terrific. The role as you go farther up becomes less about the fitness industry and more about business. So, you do unfortunately have to meet with attorneys, accountants, business consultants, etc. It's not that those are bad things, but they are just not the same as developing the next big fitness product/service, which is really what I went to college for.

C.I. - What is the current square footage of each facility? And, please tell us about Club Fit's key amenities and service offerings.

BB - Briarcliff is about 140,000 square feet, and Jefferson Valley is about 90,000 square feet. We offer high service facilities that include a large fitness center, multiple studios, aquatics, a large kid's center and indoor and outdoor tennis courts (During cold months, we have bubbles on the outside, which both clubs use). We have full service cafés, massage, full locker rooms with amenities and leased out physical therapy centers in each club. We also have a huge commitment to group fitness, and

in fact, about 30% of our use every day is from group fitness. Our classes definitely generate traffic, and they are a big part of the culture of our club.

C.I. - What do you consider to be some of Club Fit's key market differentiators?

BB - Our kid's centers definitely differentiate us from 90% of our competitors. We call them Energy Centers, and they have become a big plus and advantage for us.

In general, of course, it depends who we are differentiating from. This will sound strange, and I am not sure how you will write about it. But, the fact that we have chairs in the club differentiates us from many of our competitors. We believe there is a social component to fitness. We believe that, when you bring people into a club, you need to help facilitate that club environment. Too many times, clubs around us literally don't have a chair in them. In turn, the social interaction is what suffers. We do a lot of parties and celebrations for our membership. We find ways to get members together in our cafés. We find ways to do things after class. We want them to come in, play bridge, play cards, hang out and socialize.

So, as you look at differentiation, there is a social component that definitely differentiates us from most places. Then, there is our commitment to helping members achieve results. Despite the fact that defining what results means for everybody can be difficult due to people's varying needs, our staff knows that the reason we are here, the reason we are in business and the reason members come to us is because we are here to motivate and inspire our members to live a healthier life than they would without us.

C.I. - Please tell us about the Club Fit Rewards program. How does it work? Has this had a quantifiable effect on your retention?

BB - We started that 5 - 7 years ago, and it's a good program. Local businesses



Aquatics at Club Fit

offer discounts to our membership, and members have to show their membership card. It's not as successful as we would like it to be, but what it does is remind people they have a membership and can save a little bit here and there in the community. The community vendors who participate talk it up, so it does give us a chance to be in the conversation within the community, so that does bump sales.

C.I. - What are your typical monthly dues rates for single, couple and family memberships? And, do you charge an initiation fee; if so, how much?

BB - Singles are \$135. Couples are \$210. And, family, which includes all of the kids, is \$275. We also have a senior membership that we discount at 10%. And, we have a 29-and-under membership that is reduced down to \$108, which was really designed to recognize that, as kids come out of college, they may have educational debt, are trying to get their career off the ground and may be living at home. Finally, we have an in-college membership, which is the best deal we have going, and it is \$300 for the year for whenever they happen to be home. We do charge an initiation fee, and it averages about \$100.

C.I. - How many membership accounts do you have, and how many members does that equate to?

BB - At any given time, we have 7,000 - 7,500 memberships, and that's about 14,000 - 15,000 members.

C.I. - Do you offer any sort of corporate or medically-based memberships? If so, how are those structured?

BB - We don't have a strong corporate component. But, we do have something we call Help RX, which is our version of a doctor referral program. We connect with a lot of the local doctors and hospitals to offer a 3-month, \$150 membership, which is guided by the doctor's advice. So, if you see a doctor, and they have a particular diagnosis, they will write a prescription and share with us what the member should and shouldn't do. Then, we work with the member for three months at essentially \$50 per month.

C.I. - Please tell us about local area competition. And, how do you combat the challenges they present?

BB - Our market is evolving like I think most markets are. We might even be a little bit behind in terms of competition. The last four or five years, though, have been the most active from a competitive standpoint than we have had in the last 20 years. Now, we've got more New York Sports Clubs than we've ever had. We have more Equinox clubs around us. Life Time Fitness has shown up on the fringe of our market. We have Planet Fitness, Snap Fitness and Retro Fitness. And, we've had four of five different boutique fitness studios that have emerged, whether they have come from far away, or from a few staff members who have left to go out on their own in a studio capacity. From a competitive standpoint, we are seeing it more and more. Then, add to that the ones who have been around awhile, like Saw Mill. So, we have to work harder to justify joining us as opposed to someone else.

We do that through our staff. This comes across with a strong commitment to
 (See Club Fit Page 16)



Group Exercise at Club Fit





Full Service. One Fee. That's All!

What are you paying today?
Call us for a free analysis: 1 800 829 4321

*Credit and other conditions apply

call 800.829.4321 | email sales@motionsoft.net | visit motionsoft.net

...Club Fit

continued from page 14

group fitness with about 160 - 190 classes and thousands of participants per week. We also have a strong aquatic schedule. Then, in our fitness center, we attempt to do two things: (1) We keep up in having them properly outfitted with equipment and (2) We now have a good-sized functional training area in each club so that we can do small group training. The key here is we always try to add all this into to our memberships without an added fee. We do a lot of small group training, which is included in the monthly membership fee, where I believe other clubs would charge for it. We run TRX training and functional training in groups of six to eight people. Classes are also done on the cardio equipment as we mark off five or six pieces of equipment for members to do a class.

So, as people are coming in, our effort is to tell them, 'We have all the facilities, we have all the equipment, but our obligation is to get you to use it and get the most out of membership.' We are always looking for ways to lead exercise with our staff, as well as keep people connected. These concepts are embedded in our marketing. We do a lot of social media. Our posts on Facebook, Twitter and other mediums encourage conversation around small group training or group fitness classes.

Finally, I will say this about competition. As much as I, like anyone, would prefer to not have competitors because it is easier to not have them around, they do make you sharper. There is nothing better than somebody new in town to make you look at yourself and make sure you are making good on your promises.

C.I. - What are some of Club Fit's methods for interacting with the community?

BB - Any group or organization in the community that asks us for a donation, we try to find some way to help their charitable

cause and get involved with them. Sometimes, it is as simple as handing them a gift card to raffle off. More often than not, though, we try to sponsor events and be at those events so we can be in front of people and talk about what we do.

Also, we do a lot of fundraising and events in the club. The most recent I can think of was a local school-aged girl with cancer who was looking to raise funds. So, we did some cycling classes for her where people would come in, 'buy' a bike and we would donate the space and instructors. Then, afterwards, we had a social event with the participants where they could get together and raise additional money. We have done a lot of that type of activity over the years.

C.I. - Who are your key staff members? What are their roles and tenures?

BB - We have a staff of about 600 people at any given time during the year. About 120 - 130 of them are full-time. We've been in business for a long time, and our success is a reflection of the effort of many people over that time. I'd like to thank all the staff, past and present, who have worked with us for helping us change people's lives for the better in the communities we serve. We really couldn't have gotten where we are today without the hard work and dedication to helping people that we've consistently seen in the staff members we've been lucky to work with. I'd love to individually mention every person who has ever worked with us in this article, but there really are just too many people to thank.

C.I. - What are some of the opportunities and challenges you have experienced in 2016 so far? What do you expect as the year progresses?

BB - The challenge for us right now is, as I was saying earlier, the competition we are facing has never been stronger. New sales are really the challenge we face right now. The proliferation of real price pressure on

our community has just emerged in the last four or five years. So, it's really diluting the sales numbers we are seeing in the community; only so many members can be served. I think some of that will fall out over time, but the current challenge is to get through that. I believe boutique operators are having an impact on the marketplace. In our market, they are not the same as you are seeing in the bigger cities where they are on every street corner, but in aggregate, they are making our sales efforts a challenge. We believe our product has the best chance to help people in the long run, and we work hard to convey that message to the community.

As far as opportunities, the sky is the limit. We are living in a time in which market penetration is increasing every year. But, at the same time, we hear in the news that our population has never been more out of shape and at risk. So, if you mash those two counter-points together, we have a lot of work to do, and we haven't unlocked the genie in the bottle, so to speak. We have to do a better job of helping people be active for the rest of their lives. There is more to it though. There is an activity component, a sleep component, a nutrition/diet component, a work/life balance component, etc. We can help people with those things. If we, as a club, can find a way to help the whole person, I believe there is a lot of opportunity there. If we think broader than just fitness, there is a lot of good that can be done.

C.I. - Longer term, what is your vision for Club Fit in the next 3 - 5 years?

BB - We are definitely going to spend time on our internal product. We know we need to spend time learning better techniques to help people succeed at living a healthier life. And, getting back to an earlier comment, we have to help the whole person, so we are going to do that work. And, of course, we will do facility improvements. We will do locker room renovations, provide new fitness equipment and things like that. We

have also always talked about adding more water to our model, so having another pool or two is likely.

As far as adding new clubs, it's not that it won't happen, but a new club for us is just not on the radar. Our plan does not call for us having to add another club tomorrow. We want to make sure the product we provide in the two clubs we have is as good as it can get.

C.I. - Which Roundtable Group are you a member of? When did you join it and what have been the benefits to date?

BB - I'm a big supporter of roundtables, and I am in Rex Roundtable #2. I started in roundtables about 15 years ago, and I have been in a few different ones over the years. I was invited by a friend, Herb Redl of All Sport Health and Fitness in Fishkill, New York, into the one he was in. There's nothing better than having friends in the industry that you can call when something comes up. Additionally, as part of the roundtables, you know you are going to go out and view other clubs and businesses, so the roundtables have been a valuable developmental tool for our business and for me, personally.

C.I. - As a member of IHRSA, please tell us about the benefits and value you have received from IHRSA membership over the years.

BB - IHRSA, for us, has always been an organization we could call with any question we had. Whether it's legal, operational, legislative or really anything club related, they could always provide an answer or connect us with the people who could provide that answer. It's an important Association for anyone in our industry. I tell people all the time that I can't understand why anyone in this industry would not want to support this organization. They do a tremendous amount of good things for the industry that many just don't know about.

The conventions and trade shows
 (See *Club Fit* Page 17)



Functional Training at Club Fit



Kid's Energy Center at Club Fit

...Club Fit

continued from page 16

are great, and I was very happy with it being in Orlando this year because it allowed us to bring a few extra staff members that we wouldn't normally bring. We brought eight this year, when we would normally bring between four and six. What I think IHRSA has done really well over the years is make the convention relevant to everyone who attends. There were some shows ten years or so back, where if you were a long-term operator, you felt that there may not be enough for you. But, now, you could be brand new to the business or a 40-year operator, and you're going to find a curriculum that makes sense for you. And, the trade show is a can't-miss. If you're part of the industry, you should go to the trade show every year.

C.I. - Thank you for your IHRSA Board service. Please tell us about your experience on the Board so far. What would you say to those considering IHRSA Board service?

BB - For many reasons, I believe it is one of the greatest things I have done in my career, so far. Not the least of which is everyone I have met through that position, both on the Board and IHRSA Staff, have been terrific people, smart, deep thinkers and committed to the industry. They have been open, helpful and honest, and they are just great people. Board service helps you gain a better, deeper understanding of the importance of having a strong industry association. And, you get an appreciation for the hard work the IHRSA Staff does. As we operators do our thing, we sort of get caught in our day-to-day routine and take a lot for granted that happens around us. Board service definitely opens your eyes to the importance of the potential legislative problems IHRSA protects us from.

Another thing that I have found I like from Board service is that I enjoy

debate and discussion on the current topics facing our industry. One of the things you do on the Board is wrestle with the difficult issues facing the industry, and you do that with people who are smart and open to discussion. They have different perspectives on issues than I do sometimes. As a result, I've begun to understand the 'whole issue' better. I'm not sure there are answers to every question, but you get to wrap your arms around these topics from a broad view. And, it has been interesting to do that. One last thing I'll note is that, during my experience on the Board, nobody has really ever been territorial. There really hasn't been any competitive pressure in that room. That has been really nice.

• • •

I want to express my sincere thanks and appreciation to Beth Beck, Bill Beck and Ellen Koelsch for their time interviewing and other tasks related to bringing this cover story to you, our readers. And, I want to thank you for reading!

(Justin Cates is the 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 31 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. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)

An Interview With Ellen Koelsch

An Interview With Ellen Koelsch,
 Vice President of Marketing for Club Fit

CLUB INSIDER (C.I.) - How did you first become involved in the health and fitness club industry?

Ellen Koelsch (EK) - Well, I'm going to assume the answer is the same as my brother's was. We were really both lucky enough to be born into it. I did go to school for economics, and I thought would end up with a job in a bank somewhere. But, the opportunity to work in the health and fitness club industry was too good to pass up. When I was first hired, I was in charge of the nursery and selling memberships. I have always helped with the club's newsletter, and I am now the Vice President of Marketing.



Ellen Koelsch

C.I. - Please tell us about some of your marketing efforts to differentiate Club Fit from the numerous local competitors.

EK - What we try to do most is to be authentic and very available to our community. So, we have a strong effort to stay in touch with the community through social media and the Internet. We talk about what's going on at Club Fit with stories about the staff and success stories of members. We also make ourselves available for questions and new ideas. For us, new technologies have been a great improvement because it has become much easier to spread news about Club Fit and healthy living. It is easier to have a conversation with our community. And, it is easier to listen to what our members have to say about how their health club would work best for them.

C.I. - Please describe some of the challenges of working in a family business. Conversely, what have been some of the opportunities/hidden gems?

EK - I'd love to hear my brother's answer before answering that (laughing). I believe we have been very lucky in that we don't face some of the traditional challenges of a family business. Bill and I have been very careful to craft our roles so that they are well defined. Our responsibilities complement our individual strengths and expertise. Defining those roles has been critical to our success inside the club and outside. We are still able to spend Thanksgiving together (laughing). We learned those lessons from my mother, who was very good at having everyone understand their roles and responsibilities. It has also been important to our success that our spouses and kids are very supportive and understanding when business interrupts family life. Our families are involved in using the clubs and supporting them.

C.I. - Who are some of your key staff members? What are their roles and tenures?

EK - It's hard to choose only a few; we have so many people committed to helping our community stay healthy and active. Our group fitness managers, Karen Cornetz (15 years) and Liza Forster (2 years) ensure our classes are inviting and inspiring. Jacquie Giannico (5 years) keeps our brand strong, consistent and welcoming. Liz Swan (10 years) makes sure our Internet presence is friendly and motivating.



Club Fit Café

Six Ways Data Analytics Will Change the Health Club Industry

By: Mario Bravomalo and Daron Allen

Data analytics, and its myriad benefits, can positively affect every single health club regardless of size. This influx of data can be harnessed, analyzed and utilized to benefit both the health club and consumer in very meaningful ways.

Health clubs today face the daunting task of trying to understand and engage the web-surfing, technology-using, sophisticated and well-educated consumer. Through proper use of analytics, club operators can predict (and be prepared to adjust to) the most current consumer trends. Data collection and interpretation will forever change club marketing and sales strategies. Club operators who understand and implement data strategies have the power to elevate their clubs to the next level and significantly outperform their competition.

Data analytics have a significant impact on the health club industry in multiple ways:

1. Data is worthless without INSIGHT; data insight is a vital asset - If a health club has a website, social media page, billing and management system, CRM or sales platform, the club has an unimaginable asset in the data it collects from its customers. Even the smallest clubs generate data, but what do we do with this data? Advanced analytics systems can track and analyze user experience, web traffic, keyword preferences and consumer trends. This amount of data can be overwhelming for any club; hence, a strategy and plan are needed to collect, store, analyze, implement and protect data assets. In this competitive market, savvy operators will begin to use data services to collect and visualize their clubs' data with a desire to elevate beyond the competition.

It also means that clubs that never thought data would be "for them" might be scrambling to catch up. Let me make this as plain as possible: *If you own or operate a club, and you have questions about how to improve your operations and stay ahead of your competition, your data is your greatest asset.* It can be powerfully utilized to improve your club if you leverage the data for insight. It's really that simple.

2. What other industries are telling us - Data will enable clubs to better market and implement customer intelligence. Like it or not, the companies you do business with know a lot about you, and the quantity and diversity of what they know about you is increasing every year. Furthermore, 87% of enterprises believe data analytics will redefine the competitive landscape of their industries within the next three years. A remarkable 89% believe companies that do not adopt a data analytics strategy within

the next year risk losing market share and momentum.

These, and other key findings, are from a recently published Accenture and General Electric study. This study also revealed that many enterprises are investing the majority (36%) of their time and IT budget in data analysis.

3. Data will improve internal efficiency and operations of your club - Harnessing quantifiable data from how effectively we market our clubs, sell our services, track our members and train our employees will improve internal efficiency and operations for any club. Data is breaking away from just the IT department and is now becoming an integral part of every area throughout the company.

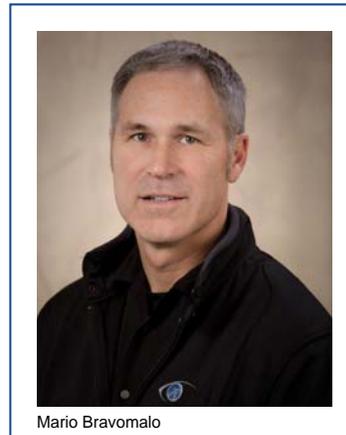
Analytics implementation is essential for front-line team members. Front-line team members do not have time to translate consumer preference; therefore, having a great analytics dashboard is essential for their success. These sales dashboards are evolving compilations of consumer specific data and should be easy to read and navigate. By using sales analytics, health clubs can create a plan for constant sales improvement. Front-line team members must be provided with the right tools: consistent scripting, consumer preference insight and sales branding dashboards. Sharing the results of this invaluable data analysis allows the team to see what practices are relevant and why they are working.

Measuring ROI - Research reveals the following:

Data-driven businesses:

- Outperform their industry peers by up to 6%;
- Generate 9% more revenue through their employees and physical assets;
- Enjoy a market value 12% above average, and
- Are as much as 26% more profitable than competitors.

Becoming a data-driven business requires top-down leadership and decision making on the idea that data is an asset and analytics are an important investment for the organization. It also requires a cultural change and an evolution of technologies



Mario Bravomalo



Daron Allen

that enable the business to fuel an agile decision-making process throughout the organization." (*Forbes*, January 22, 2015)

4. Data will allow clubs to improve the customer experience - Top IT department operators have already started investing a great deal of resources into structuring, capturing and analyzing their data to create better product offerings and customer experiences. These sophisticated operators are using data to better understand their customers' needs. Health club operators would benefit by following the lead of these top operators.

Health club members' experience and engagement is tracked through "Touch points." These are points of contact that clubs can utilize to continually rejuvenate interest. Data analytics gives clubs the ability to track these member touch points, affording club operators a deeper understanding of their members, thus enhancing retention. By utilizing a central database, which gives operators a top-down look at their structured and unstructured data, the health club is provided endless insight into the adoption rates of the club's offerings and the members' overall experience.

5. Invest in algorithmic marketing - According to the *Forbes* article, "Big Data, Analytics and the Future of Marketing and Sales: companies need to invest in 'algorithmic marketing,' an approach that allows for the processing of vast amounts of data to be processed to create better and more relevant interactions with

consumers. Club operators who are able to use customer data to provide relevant personalized messaging to their members will have a much more effective marketing strategy. Club operators must invest in systems that will give them the ability to analyze their club members in a multitude of different categories."

6. The risk of not implementing data into your health club's operation - The greatest risk a club has from not implementing a data strategy is that competitors will gain market share at your expense.

These are just the top six impacts I foresee data analytics having on the health club industry in the near future. **Is your business ready to capitalize on these opportunities?**

View additional resources at www.forbes.com and analyticsweek.com.

(Mario Bravomalo, Founder of Visual Fitness Planner (VFP), is a Licensed Physical Therapist who developed the prediction mathematical formulas of fat loss for body segments used today. An entrepreneur, his ventures include a partnership in the creation of SPORTSMED and founding the North Texas Center for Pain Management. Mario also created a cash-for-service business portal within the nursing home industry for Richard's Healthcare. His vision of how VFP could benefit the fitness industry led to the creation of Inter-Images.)

(Daron Allen, President and CEO of the Visual Fitness Planner has 20 years health club industry experience. Daron has worked with many of the top 100 club operators. He is a Past President and Board member of THRSA, Former VP of Fitness Services of the Osteopathic Health System of Texas (OHST), Finalists for the IHRSA/LifeFitness GM of the Year Award 1998/1999 and a recognized presenter within the health club industry.)





“MORE THAN SOFTWARE”



J.J. Creegan, Chief Operating Officer
YouFit Health Clubs // 120 Locations



WHAT WE DO

Visual Fitness Planner (VFP) creates customized sales systems that enable health clubs to identify, modify, and adapt sales processes utilizing our exclusive sales analytics dashboard. VFP's suite of technology modules transforms your sales systems. Our modules include a new Interactive Member Journey and our industry leading presentation system...along with the VFP Fit Day App which allows your customers and fitness team to communicate in real time - anytime!

HOW WE DO IT

First we evaluate your current manual sales systems, make suggested modifications, then merge our technology with your newly modified system. Our technology is always evolving due to the expertise that only VFP has; with 150 years of combined health club experience, we provide the ultimate sales engine.

THE END RESULT

VFP utilizes sales analytics to increase sales, predict future trends, and empower your business. This new system assesses interactions throughout the entire sales process, and provides immediate feedback based on your clubs' critical KPIs. VFP's technology ensures your revenue constantly reaches its maximum potential.

Learn more at vfp.us/testimonials or call 877-837-1212



Document! Document! Document!

By: Melissa Knowles

If I have one phrase I utter more often than any other while navigating our wonderful business of fitness, it may well be some variation of: **"Is it documented?"**

I get it; no one wants to take the time to write it all out. It's time consuming, and you could actually be **doing** it rather than *writing* it down. But, here's the thing: it's absolutely key to your long-term growth and success that anything essential to your business' operations or health be in writing.

To get you started on your adventure into the world of proper record keeping, here are three areas in your fitness business where I consider proper documentation to be of paramount importance:

1. Policies and Procedures. Think of your Policy and Procedures Manual and/or your Employee Handbook like the playbook for your business. They lay out expectations for team members, explain the business objectives behind those expectations and provide the framework for how to carry

them out. Sitting down and committing your business essentials to writing is important for several reasons:

- It causes you to really "think through" how you're carrying out the day-to-day. Do your policies make sense? Are they easy to adhere to, manage, and in some instances, measure? Are they legally compliant at both the Federal and State levels?

- It memorializes when a policy was put in place. As your manuals are updated, the



Melissa Knowles

latest versions should be time-stamped. This ensures that, should you need to follow-up on when a new initiative went live, you can do so easily. **Example:** Knowing when a paid-time-off (PTO) policy went into effect *and* having it clearly detailed in writing makes it easy to explain when a team member questions their balance.

- It gets everyone on the same page, literally. A written policy eliminates mistakes and misunderstandings. It creates consistency among different supervisors and as the members of your team change.

2. Employee Issues. Inevitably, issues with team members will arise. *Hopefully*, you have a solid Employee Handbook in place that addresses how to deal with these issues. Most businesses strive for a system of progressive discipline. This involves a series of procedures for dealing with shortcomings in a team member's performance. A good policy should provide for a method of documenting all employee dealings relating to performance (both positive and negative) and require signatures where appropriate. Clear and consistent documentation ensures the employee understands the reasons for your actions and what your expectations are of him moving forward. If the time comes when employment must end, it also provides a history should a claim arise (unemployment benefits, discrimination, wrongful termination, etc.).

Note: Many managers equate the word "discipline" with punishment vs. thinking of it as the process of helping an employee understand his role and how to perform more effectively or efficiently. If meetings with a supervisor involving documentation are always viewed as negative and seen as a threat, that's exactly what they end up being, and the policy loses any potential positive impact. You end up with a too-little, too-late situation because, even you,

(See *Melissa Knowles* Page 21)

**ACHIEVE NEW HEIGHTS
 GYM HQ
 MAKES YOUR BACK-OFFICE SCALABLE**

ACCOUNTING. CUSTOMER SERVICE. PAYROLL. HUMAN RESOURCES.
 PAST-DUE CLIENT COMMUNICATIONS. OPERATIONS. LEGAL.
 (404) 921-2269 WWW.GYMHQ.CLUB INFO@GYMHQ.CLUB



OMG! SKB DOES IT ALL!

WE OFFER ONE STOP SHOPPING:

- Newspaper Campaigns
- Digital Marketing including Geofencing
- Marketing Plans
- Flyer Design
- Website Development
- Coaching Sessions
- Print and Distribution
- Guerrilla Marketing
- Frames & Displays
- Compelling Creative
- Retention & Referral
- Email Blasts



BETTER THINKING BRIGHTER VISION

Call today to get started!

1.888.349.4594
613.969.8896

Affiliated with:

...Melissa Knowles
continued from page 20

avoid discussing employee issues!

3. Member Relations. Did your front desk person have a conversation with a member about freezing his account? Where is that conversation notated so other team members can see it? Hopefully, your club management software offers basic CRM (customer relationship management) functionality. Use it! It's extremely important that you're tracking member interactions through clear notes on their accounts. This helps to provide the member with consistency in experience and prevents him from having to relay the same information multiple times. It also eliminates the "he said, she said" trap in which we sometimes find ourselves by making it easy to look back on what was discussed during previous member interactions.

Bonus Thought: If your software allows for follow-up or ticketing, it makes it much easier to schedule any necessary tasks concerning members' needs with your management team. A system of proper notation and follow-up ensures nothing falls through the cracks.

So, roll up your sleeves and grab your pen! With some upfront effort to create clear policies, the discipline to adhere to those policies and the dedication to follow through with consistent documentation, you set your business up for success.

(Melissa Knowles is Vice President of Gym HQ - A ClubReady Company, and she can be reached at mknowles@clubready.com)



A Perfect Financing Combination

By: Paul Bosley

When an entrepreneur is first considering a new project, various financing options are usually considered and the most appropriate financing product is chosen. For example, an equipment lease is often chosen for financing new fitness equipment. Another example is when an entire new club is financed using

a bank loan or an SBA 7(a) loan. It is very unusual when two financing products are complementary and can be selected to finance the same project. With the introduction of the SBA Express Loan, this is no longer the case when renovating or expanding an existing fitness center or when launching a new fitness center. An SBA Express Loan works very well with an equipment lease for financing a new

project or an expansion.

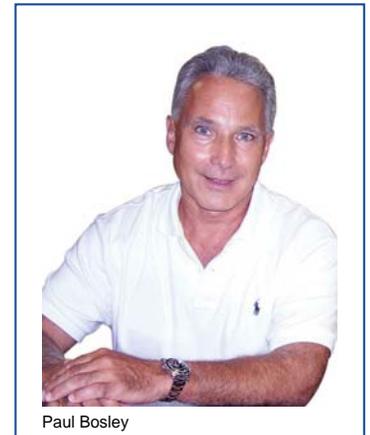
In 2014, the Small Business Administration (SBA) introduced the Small Loan Advantage Loan Program, often referred to as the SBA Express Loan. After the recent financial crisis, often referred to as "The Great Recession," many homeowners lost their real estate equity, which is used as collateral requirement for an SBA 7(a) loan approval in most cases. Consequently, many perspective borrowers were unable to secure financing because they lacked the equity in their home required to collateralize their loan request. The SBA Express loan caps the loan request amount at \$150,000 to limit the risk since **real estate collateral is not required**. Instead, the business assets are used to collateralize the SBA Express loan, and the main approval requirement is a good personal credit and some liquid assets.

Since the collateral used to secure an equipment lease is the equipment being financed, and the collateral for the SBA Express Loan is the other business asset, these two debt-financing products are fully compatible! Furthermore, since the underlying concept of the SBA Express Loan is to provide working capital, financing the equipment needed to run the business provides the club owner more working capital so the underlying reason that both products exist is exactly the same.

Capital Leases: Leasing Equipment to Own

The most common financing option traditionally available in the fitness industry is equipment leasing. The cost of purchasing the fitness equipment has risen over the years as manufacturing costs have increased and as technology and entertainment options have been introduced. Most major fitness equipment manufacturers employ full-time leasing professionals who manage the financing process with major banks and lessors with the goal of increasing sales by providing financing options to their perspective buyers. Nearly all fitness equipment manufacturers are aligned with a variety of leasing companies who actively compete for the leasing business that is generated on a consistent basis by the fitness industry.

The main purpose of a capital lease is to finance the equipment purchase while preserving the owner's working capital. Club owners can finance the purchase of strength and cardio equipment, security systems, computer hardware and software, flooring, outdoor signage and other tangible items needed to run the business using an equipment lease. The fitness and non-fitness equipment being financed is the collateral for the equipment lease. The owner(s) are required to personally



Paul Bosley

guarantee equipment leases until the business is established and profitable over many years.

The required down payment ranges from one lease payment to 20% of the amount financed. Lease documentation fees range from \$95 to \$495. Repayment terms typically range from 12 months up to 60 months and are tax deductible so the payments will lower taxable income, and in turn, tax liability. Since most owners plan to keep the equipment long term, they choose a capital lease with an end-of-term purchase for \$1.00. In short, an equipment lease is used to purchase the equipment needed to manage the fitness center.

Small Business Administration (SBA) Express Working Capital Loan

This government-backed loan is designed to provide working capital ranging from \$20,000 up to \$150,000 for start-ups and existing businesses. The main purpose of this loan is to provide the funds necessary to support the company until the business generates positive cash flow. The loan process takes 60 - 90 days to complete on average before the loan is funded. The SBA loan process does require an attention to detail in order to complete the application and contingency requirements. If the use of the loan funds is to finance a new location, the loan can be approved in advance; however, the bank will not distribute the funds until the new location has received a certificate of occupancy. This insures that the money will be used to operate the new business and will not be used to pay for build-out expenses.

The interest rate for this loan is calculated by starting with the prime rate as published in the *Wall Street Journal*, which is currently 3.5% range. The bank charges a 2.75% risk premium on this loan, so the interest rate will be at least 6.25% at this time. This is a variable rate loan that changes quarterly when the Federal Board

(See Paul Bosley Page 24)

A WINNING COMBO TO FINANCE START-UPS AND EXISTING BUSINESSES

SBA EXPRESS WORKING CAPITAL LOAN

Loan amounts range from
\$20,000 up to \$150,000

EQUIPMENT LEASE

Leases range from
\$5,000 up to \$1,000,000

CALL FOR A NO OBLIGATION ASSESSMENT!

Paul Bosley, Managing Member
www.healthclubexperts.com
 DBA Business Finance Depot
 Office: (800) 788-3884
paul@healthclubexperts.com



A Simple Approach to Membership Sales Training

By: Jim Thomas

The biggest mistake we see over and over with sales training is that it's done just every so often, every 30 days or longer. Gym owners get so busy putting out fires and handling operational issues that sales training gets pushed down the priority list until it becomes an emergency.

Any sales training that is done is many times done in a half-day or full-day format and is typically not specific to the fitness industry. When done in this fashion, sales training is not the focal point of the sales team and becomes ineffective.

What would you tell a member that wanted to get in the best shape of their life?

If you don't work out on a regular basis, you'll be out of shape and won't accomplish your goals or get your desired results, right? You'd want your member to attend the gym 4 - 7 times a week if they want to get in the best shape of their life, right?

Well, sales training needs to be just like a successful workout program; it needs to have frequency, it needs to be

varied and the length of it should be based on your goals.

For your member to get fit, they need to plan to do it and be in the gym. The same is true in order to train your membership sales team for top performance. Here are some simple tips to help get you started:

1. Create a training plan and stick with it. You can't wing it and expect to get results. It simply won't happen. Your plan should include training as a group, individual training, all departments and role-playing. Put the training times on everyone's schedule so nothing else interferes. Same days/same times, without fail; it needs to become a habit. Yes, it's that simple, but it starts with you.

2. Get everyone onboard and involved. Don't just tell your staff what you plan to do; get them involved and help create the plan. In part, they need to own this. A good way to start would be to have each person train on something they are good at. I always start meetings by asking "what's working?" and "what's not working?" or "where do they need help in the sales

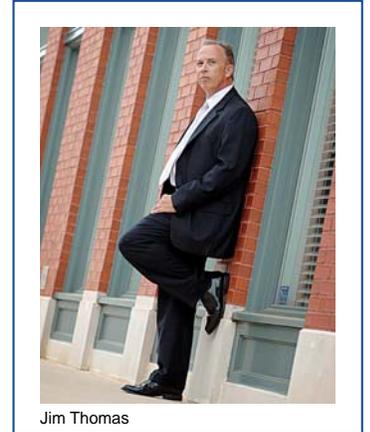
process?" I want to get everyone involved and participating.

3. Train daily. Just like your workout program, you need frequency. The way we sell in the modern world is always changing and adjusting. You want your staff to be fresh and crisp. You can listen to call tracking on phone inquiries, do role-playing sessions, cover how to build value, what to say on follow up call(s), etc. There will be a shortage of topics, but do it daily. It will never be important to your staff until it's important to you.

4. Do sales training a little at a time. Yes, have your weekly sales meeting that may take an hour, but daily training sessions should be short; 15 - 20 minutes will work. Give your staff the freedom to train at their own pace. Short videos and audio files can be great training tools as well.

5. Have a script. Okay. This is pretty straightforward. If you don't have a script, get one and memorize it. As they say in the theatre, you need to memorize your script so you are now free to be yourself. There is no acting.

6. Follow up. Now, you held training; that's great, but don't just assume it will be



Jim Thomas

done. You must follow up. It will never be important to your staff until it's important to you.

The only thing worse than training your people and having them leave is not training them and having them stay.

Now, go make a sale!

(Jim Thomas is the Founder and President of Fitness Management USA Inc.)

**YOUR INDUSTRY
 IS OUR SPECIALTY** SINCE 1985

WITH MORE THAN 100 YEARS OF COMBINED EXPERIENCE IN THE FITNESS INDUSTRY, YOU CAN COUNT ON SFIC'S EXPERTISE TO ENSURE THAT YOUR BUSINESS IS PROPERLY INSURED.



SPORTS & FITNESS
 INSURANCE CORPORATION



CALL US TOLL FREE: 800.844.0536 OR VISIT WWW.SPORTSFITNESS.COM/IHRSA

Core Values

What Do They Mean to Your Staff?

By: Karen Woodard-Chavez

Core values; what do they mean to your staff? If they do not have meaning to your staff, then they are not being used as the powerful tools they could be. Core values are the values that your organization has defined as the elements that support the integrity, vision, mission and promise of your organization. Ideally, there are 3 - 5 core values (any more than that will be diluted and too difficult to remember, let alone deliver) that guide the actions and intentions of every single staff person and decision in your organization that point toward achieving your purpose. Sometimes, they are referred to as your "true north."

An example of core values might be the following:

Mutuality, Authenticity, Sustainability, Not for Self and Respect for the Individual: These core values are actual client core values, and I must say, some of the best that I have seen.

Others include: **Do the Right Thing, Have a Positive Impact Every Day and Live the Three-Thirds Lifestyle**

I could cite numerous examples, but that is not the point of this article. The point of this article is you may (or heaven forbid, may not) have created a set of core values for your organization. If you have, that's very good. If you have not, then it is time to make a commitment to values that speak to and for your organization.

However, that is STILL not the point. The point is... regardless of WHAT your core values are, **does your staff know exactly how to deliver them?** They may be able to *recite* them, but if they do not know how to *deliver* them, then it makes NO difference whether you have them or not. Finally, the point of this article:

An Exercise On How To Deliver Your Core Values

To make sure your staff does know how to deliver your core values, I encourage you to do the following exercise in your next management meeting:

1. Take one piece of flip chart paper (preferably the sticky note kind) per core value. You will write one core value at the top of the paper and post it on the wall. If you have five core values, then you will have five flip chart papers up and around your meeting room.

2. If you have ten managers split, them up into groups of two. Regardless of the number of managers you have, you will

want to have 2 - 3 people in each group. Place each group of two or more by a piece of flip chart paper on the wall with one core value.

3. Give each group two minutes to come up with three behaviors that deliver that core value. Very specifically, you are looking for *behaviors*, not attitudes or platitudes. You want specific behaviors that any staff person can do to successfully deliver that core value.

4. When the two minutes are up, each group of two will rotate to the next core value and repeat the same exercise. However, they cannot repeat anything that has already been written on the flip chart paper for that core value.

5. When each group of two has been to all five stations (roughly 10 minutes), you should have 15 very specific behaviors that deliver the core values of your organization.

6. After all groups have gone through the initial stage of this exercise, you will open it up to discussion. In your discussion, you will want to be clear about what has been written that is or is not a behavior. Be forewarned that some of the "behaviors" that have been written will not actually be behaviors, but instead, ideals or attitudes. It is critical that you boil this exercise down to *behaviors* that will deliver your core values. If you are unclear about this, I invite you to reach out to me to discuss this further.

Discussion questions might in-

clude the following:

- How hard was it to articulate simple, specific behaviors to deliver these core values?
- Had you thought about these prior to this exercise?
- Are these intuitive to you?
- What about for your staff?
- Would this be helpful for your staff?
- If we were all behaving in the ways stated, would we be able to meet/exceed our mission?

7. Once the discussion has been completed, you will then assign the managers to do this exercise in their departments or do it in an all staff meetings. Simply follow the same steps.

The 3 Bs. These Core Values Must Be: Believed, Bought Into and Behaved

By doing this exercise, you will bring form to the function of having core values. If staff does not know how to deliver the core values through simple, specific behaviors, then it is likely that they are not delivering the core values of your organization. If they are not delivering the core values, then they are meaningless. As stated in the beginning of this article, it is not enough to be able to recite the values. **They must be believed, bought into and behaved, the 3 Bs.** When the 3 Bs happen consistently, your core values become a very powerful tool. Without them, they are simply words on a page.

This article is an excerpt from my new management and leadership manual



Karen Woodard-Chavez

More Meaningful Meetings. This is a terrific resource with over 100 pages of activities you can utilize to engage your staff in your organization's purpose, support your meeting's message and drive the essence of your meetings for longer impact on staff behavior. You will no longer have boring, useless meetings.

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

...Paul Bosley

continued from page 22

of Governors decides to raise or lower the prime rate. The most recent .25% rate increase implemented at the end of last year raised the SBA loan payments on a \$150K loan by about \$18 per month. The repayment term is 10 years, and there is no pre-payment penalty. So, if the fitness center is extremely profitable, the loan can be prepaid to save interest expense.

Conclusion

The purpose of using SBA loans and equipment leases is to access other people's money (OPM) and preserve the club owner's capital. The goal is to borrow the money at a cost that is less than the

business profit percentage. For example, if a \$100,000 equipment lease provides a 12% return to the lessor and an \$150,000 SBA working capital loan has a 6.25% interest rate, the business owners will be borrowing \$250,000 at an 8.6% blended interest rate. Assuming the fitness center operates at a 15% profit margin, the club owner is using OPM at a cost that is almost half of the anticipated return on capital.

In conclusion, equipment leases and SBA Express loans are complementary products that will enable an entrepreneur with good personal credit to finance the opening and expansion of a fitness center. The best part about this financing combination of a SBA Express Loan and equipment lease is that the collateral are the business asset, not a home... just the

business assets.

(Paul Bosley is the Managing Member of HealthClubExperts.com D/B/A Business Finance Depot, and he can be reached toll free at 800-788-3884, by cell phone at 561-702-5505 or email at paul@healthclubexperts.com. Also, check out www.businessfinancedepot.com)

**Make
It Fun!**

National Federation of Personal Trainers Offers Cancer Recovery Specialist Course

LAFAYETTE, IN - The National Federation of Professional Trainers (NFPT) has partnered with Recovery Fitness to create and produce the *Cancer Recovery Specialist Course*. This specialty course is aimed at equipping personal fitness trainers with the skills and tools it takes to effectively help a cancer survivor maintain their quality of life without putting them at risk of injury.

An ever-growing demographic of potential personal training clients is that of the cancer patient. On the bright-side, the number of cancer survivors is also on an upswing. According to a new research study from 2015, "cancer is still a leading cause of death in the United States, but advances in radiation, chemotherapy and targeted treatments have improved

survival [over the past few decades]." This is a group of special populations that is in dire need of trainers to provide the fitness guidance they need to fully recover.

"It is becoming better known that exercise during and after cancer surgery and treatments is extremely helpful for one's physical and mental wellbeing. The biggest problem is that most trainers are not equipped to train this demographic or feel nervous about doing so. And, for good reason," says NFPT's Angie Pattengale. "That is where NFPT's *Cancer Recovery Specialist Course* comes in."

The *Cancer Recovery Specialist Course* comes in two different versions: eCourse and Printed. The eCourse includes a Practice Test and a digital download of the manual and costs \$129. The Printed

includes a Practice Test, digital download of the manual, the manual in hard copy and education tech support. The Printed version costs \$154. The exam is 65 multiple choice questions that you will have one (1) hour to complete with a 70% passing score and can be taken in the convenience of your own home from your home PC. This course can also be used as Continuing Education Credits for most personal training certifications.

The NFPT has also partnered with the Medical Fitness Network (MFN) in hopes of giving NFPT trainers another avenue in which to connect with cancer patients and survivors. The NFPT and MFN share a mutual goal of educating people about healthy living and complementary healthcare management of

chronic diseases/medical conditions and their risk factors.

This partnership helps connect consumers to qualified fitness trainers and complimentary healthcare providers who are interested in working with those with medical conditions through MFN's online network. MFN provides a free national network of personal trainers and other healthcare professionals with a background in treatment and rehabilitation of various diseases and medical conditions, including cancer patients and survivors.

Sign up and pass NFPT's *Cancer Recovery Specialist Course* to receive your credential, and then sign up to be part of MFN's huge network of potential clients. NFPT trainers will also receive 50% off the first year of membership with MFN.

Build On Your Foundation
Back-to-basics approach to trainer certification for goal-oriented fitness programming, client assessments, and lasting results.

nfpt.com
800.729.6378
info@nfpt.com

PERSONAL TRAINER CERTIFICATION

est.1988
accredited. recognized. at your service.

*discounts for club staff!

NFPT
National Federation of PROFESSIONAL TRAINERS

NCCA
NATIONAL COMMISSION ON CLERICAL EDUCATION

NATURAL FITNESS
NATIONAL FITNESS ASSOCIATION

ihfpa
International Health, Fitness & Performance Association

IDEA
International Dietetic & Exercise Professionals Association

Creation Vs. Evolution

The Religion of Programming

By: Bill McBride

We are facing disruption in our industry with increased segmentation and specialization. Our challenge as operators is to discern trends that have longevity with fads that will be a "flash in the pan." Studios and specialization are now everywhere! What should we do? Should we create a program or programs that attempt to compete directly with the studios with specialized offerings that are popular today? When it comes to trends and programming, this is the fundamental question we operators are asking ourselves... or need to be. Do we CREATE completely new programs to follow trends (and possibly fads), or do we stay fresh on our current traditional offering while EVOLVING with elements of efficacy from new technologies and consumer-adapted preferences?

We have seen the surge in Small Group Interval Training (SGIT) with Heart Rate (HR) technology. This space is currently in *full adoption mode*. Most forward thinking clubs are implementing SGIT with multiple apparatuses: Cages, TRX, Sleds, Balls, Slam Bags, Ropes, Kettlebells and everything else imaginable. Many have added turf and open areas and are utilizing MyZone, Polar or one of the other technologies now available for heart rate measurement in class and beyond. This type of programming, while efficient and getting a lot of attention, can still be somewhat intimidating to a large group of people. In this arena, it is imperative to make it mainstream and use the HR technology as an equalizer for all to be able to succeed based on their own effort. The routines must be doable and user-friendly. A lot of focus has to be given on the regular exerciser, not the somewhat more extreme fitness enthusiast. A lot of operators are seeing success in this arena with the more advanced exercisers. But, let's not forget about the less advanced in functional movement; making simpler while using all the camaraderie and technology of the HR measurement is the great equalizer. Team/Group exercise does increase efficacy and adherence and should not be minimized. *Figuring this out is important.*

We have seen a surge in Yoga offerings. Remember, Yoga is a practice, not a trend or fad. People spend a lifetime practicing yoga, mastering Yoga. They have a noun: *Yogi*. It means a person proficient in Yoga. Yoga isn't going anywhere, and it cannot be faked. To have a viable Yoga program, you have to have stellar Yoga/

Yogis teaching and a variety of offerings. **YogaFit.com** is a great resource in finding Yoga instructors and obtaining training for your Yoga program. There are others as well. The point being that, to offer Yoga in clubs that compete with the specialization of Yoga studios, you need to have high quality Yoga classes with high-quality, well-trained Yoga instructors/practitioners.

We have seen a surge in cycle offerings. Cycling has also proven not to be a fad. Outdoor cycling is actually a sport. Thus, we can presume that cycling isn't going anywhere. There are so many levels of cycling. Some cycle indoor to augment their outdoor routines. Some are committed just to indoor cycling as a fitness activity in and of itself. For the most part, when you look at the cycling studios and space, there are fundamentally two varieties: "Dance Party on a Bike" and "Cycle Training." Of course, this is an oversimplification of the spectrum. Various studio models focus on variants of each. They range from "Exertainment" to active fun and cycle training. My advice to traditional club operators is that we have 2 - 3 varieties of cycle class formats with very strong charismatic personalities teaching all.

We have seen a surge in boxing offerings. I think that most clubs should offer some boxing training formats. A lot of times, this can be done within hybrid classes or as a part of your Small Group High Intensity Interval Training (SGHIIT) program. But, boxing modalities are currently attractive and engaging. While boxing is a sport, boxing training seems to be much more than a fad and *more of a trend* in class formats.

We have seen a surge in Barre offerings. Barre draws a mix of individuals who may have enjoyed Pilates, other mind/body activities and some components of ballet or even dance. A big component of this modality is the community of like-minded individuals. In many case, the popularity of Barre programs is provider-driven. From

the origins of ballet, the allure of muscle elongation, flexibility and muscle firmness (toning) has a wide appeal and is most likely a trend (in some format) versus a simple fad.

We have seen a surge in almost every imaginable twist to programming. The takeaway here is *creativity*. How do we make our class schedules "pop," not only in membership-included offerings but also in fee-based offerings? We need to be creative, evolve and experiment. Change regularly (*quarterly*).

We have seen a surge in High Value / Low Price (HVLP) offerings. We have to find our differentiation and be committed to what we do internally. Do our clients/members get what they pay for plus a bit more? If we do this consistently, we will be okay. The newer HVLP entrees to our markets will hurt in the short term, but in most cases, they will expand the market. But, we will continue to grow if we pay attention to the programmatic opportunities in the marketplace. Also, remember that great companies pay more attention to what they are doing than what their competitors are doing. Knowing what the market offers is important, but staying true to *WHAT we do* and *WHY we do what we do* are the most important components to long-term success.

We have seen a surge in residential, corporate, multi-tenant and medical locations. Fitness is becoming more available on every front. From technology to public spaces and every conceivable entity that has a vested (*and in many cases a financial*) interest. So, with all the hype on new models and all the pressure on the traditional club model, there is a natural tendency in our industry to follow with a lot of "me too" copying. I think it's critical to stay relevant and offer the latest in best practices (and trends). But, it can be dangerous to try and offer what others are offering when they may just be "fads," even if you know how, unless you are very clear about WHY you are doing it. Many



Bill McBride

times, we jump straight to execution and don't take the time to create the strategy around WHY we are doing what we do the way we do it (how). So, do we create a whole new approach, or do we evolve our current approach? I think that, for most of us, it will be a combination. But, let's not *"throw the baby out with the bath water"* on what we do that works. Creatively, let's do some new stuff and evolve our current stuff. **Remember, the body craves and needs variety.** *Traditional clubs provide variety like no other solution.*

Bonus Thought: Low Intensity Interval Training (LIIT) is an opportunity. I know there is no clear-cut answer to this disruption for every operator. But, with all the new models and substitute offerings, we should all spend some strategic time thinking about who we are, what we want to do and WHY we are doing what we do.

I wish you all continued and even more success as our industry evolves for the better!

(Bill McBride is President and Chief Executive Officer of Active Wellness & BMC3. Bill is a health club industry veteran with over 25 years of experience leading and managing all aspects of commercial health clubs, medical fitness centers, community centers and corporate fitness centers. He owns BMC3, a health club consulting company and is a partner, co-founder, President and CEO of Active Wellness (dba Active Sports Clubs). Bill has served as Chairman of the IHRSA Board of Directors and is actively engaged in industry education and speaking on industry topics throughout the world. You can reach Bill at BillMcBride@BMC3.com or (415) 299-9482, or you can go to www.BMC3.com to learn more.)

BMC3
 consulting ■ coaching ■ club management



Social Media Management



Direct Mail



Target Display Ads



Promo Items



Key Tags



Club Signage



Grassroots Marketing



Emails & Landing Pages



#1 FASTEST GROWING COMPANY IN FITNESS

*2015 INC 500

MENTION CLUB INSIDER & GET \$100 OFF YOUR FIRST JOB!

**New clients only. Cannot be combined with other offers. Call for details.*

CALL TODAY AND ADD SOME MUSCLE TO YOUR MARKETING!

800-516-4480

www.muscleupmarketing.com

Internet Middlemen and the Fitness Industry

By: Stephen Tharrett and Mark Williamson

**Bonus Article:
 A Deep Dive into the Value Proposition
 of the Market Leader - ClassPass**

ClassPass has a dual brand promise. The first is the consumer promise built around offering incredible convenience, the flexibility to work out at a host of great studios or clubs and do so at below market pricing. The second is the promise promoted to club and studio owners (partners) that involve increased brand presence and brand recognition, increased consumer traffic, potential to garner high quality regular clients, incremental revenue growth, and finally, professional development for studio leadership. So, let's take a look at how well ClassPass delivers on its promises to consumers and studios.

1. The consumer promise. ClassPass does an excellent job delivering on its consumer promise. First, they offer convenience and flexibility. Consumers can go online and reserve space at over 7,500 studios (typically several hundred in a given geographic market) and typically at a time that is convenient for them. Since ClassPass gives studios the flexibility to manage which classes ClassPass members can use, many studio operators limit the number of classes (black-out classes) they open up to ClassPass members that, in turn, may reduce the convenience and flexibility of the program to some consumers.

Second, the price is an incredible value. A month of access is anywhere from \$79 to \$125 a month, and for most markets, will be in the neighborhood of \$99. If you take IHRSA's 2015 Health Club Consumer Report data that shows the average boutique member visits their studio 80 to 117 times annually (7 to 10 times a month), it equates to a price of \$9.90 to \$14 per visit. This is significantly less than the average price charged by boutique studios according to AFS' 2015 Fitness Studio Operating and Financial Benchmarking Report, where the average reported price charged by studios for unlimited access to group exercise classes was \$111 a month and \$159 per month for small group training classes. Furthermore, the charge for a single group exercise class or small group training class, according to the AFS report was \$24 and \$34 respectively.

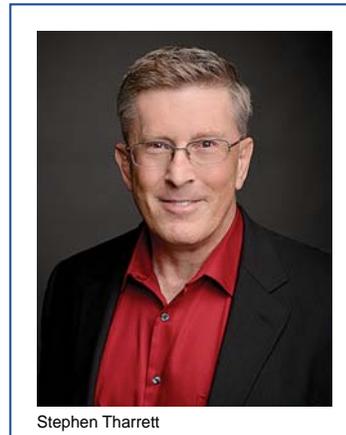
As the numbers reflect, consumers pay considerably less using ClassPass than if they go directly to the studio (cost per visit could be anywhere from \$10 to \$20 less using ClassPass). In an August 31, 2015 article that appeared on Mindbodygreen.com, the author highlighted 10 things only

ClassPassers understand. One of those was, "Paying the regular fee for a class not on ClassPass seems insane." We have to give ClassPass a score of 9 out of 10 on delivering their consumer promise with the only thing preventing it from achieving a 10 being the fact that many clubs and studios limit class availability, which may be perceived by some consumers as limiting the program's convenience. If class availability erodes, then it may become harder for ClassPass to effectively deliver on this promise to consumers.

2. The partner promise. The promise to studios has several elements, so let's look at each separately and ascertain how well they are delivering on each:

Increasing brand presence, brand recognition and brand value. ClassPass is very similar to other digital middlemen; it's all about building their brand on the back of their hosts. So, what do we know absent quantifiable brand research? We know who Uber is, but do we know the names of the drivers. We know who Airbnb is, but do we know the homeowners whose homes are used? Do studios get the press ClassPass receives? No! When ClassPass signed on leading boutique operators such as Barry's Boot Camp, Core Power Yoga, Cross Fit, Exhale, Flywheel, Pure Barre and Yoga Works, and club operators such as Active Sports, Crunch, Gold's Gym and 24 Hour Fitness, whose brand benefited most? In all of the above instances, ClassPass received the greatest benefit.

Lastly, when you bring in consumers at a price point that is typically 50% below the single session rate of your discounted 10-pack rate, it devalues the studio's brand. Katherine Paine of the News Group said, "The moment you make a mistake in pricing, you're eating into your reputation or your profits." Yes, studio and club operators will be exposed to a significantly larger audience of consumers by being on the ClassPass platform, hence greater brand extension, but they will be one of more than 7,500 options (several hundred in most markets), each competing for a share of the consumer's attention. So, while the awareness of a studio or club will increase (positive brand recognition), depending upon its existing marketing efforts, its brand will always take a back seat to the ClassPass brand in terms of top line exposure. The perceived value of a studio's brand can also be negatively impacted if consumers begin equating the value of the studio's experience with the ClassPass fee. We have to give ClassPass a score of 4 out of 10 on fulfilling this partner promise, though for some start-up clubs and studios, the fact they gain wide exposure may offer greater value in the



Stephen Tharrett



Mark Williamson

short-term than the possible devaluation of their brand over the long-term.

Increased consumer traffic. According to the aforementioned study conducted by AFS, the average monthly visits generated by studios using ClassPass was 65 (approximately two per day), or 3% of the studio's overall visits. The highest volume of monthly visits generated by ClassPass in the AFS study was 300 (approximately 10 per day). In this instance, the traffic represented less than 3% of total client visits. We recently obtained ClassPass usage data from a national boutique operator that indicated across their brand they experienced approximately 130 visits per studio per month. One yoga studio indicated that, for the classes it opened to ClassPass, 75% of the participants were from ClassPass and not their regular client base. Finally, one operator of traditional health clubs indicated they experience approximately 120 additional visits per club per month from ClassPass. It should be noted that not all these guest visits are unique since a ClassPass member can frequent a studio up to three times in one month. Accounting for the above variable, then the actual number of unique guests could be a third of the reported foot traffic (e.g., if the average studio sees 65 visits a month that would be 22 unique guest visits, and if the studio sees 130 guests, it would be approximately 47 unique guests).

We realize the data may not be reflective of the entire boutique or club industry, but it does offer a realistic glimpse. According to our interview with ClassPass's Head of Global Business, ClassPass brings considerable new traffic to its partner clubs. On an absolute basis, it appears ClassPass generates a reasonable level of additional traffic, but when looked at as a relative percentage of the total visits a studio experiences, the average traffic increase is small. Obviously, there are clubs and studios, as reflected in the above data that garner a greater

number of ClassPass guest visits on a monthly basis, and for them, the traffic numbers may be more significant. What is important to understand is that most of this additional traffic is incremental and therefore enhances the overall occupancy percentage of the partner studios. As a result, we would give ClassPass a score of 8 out of 10 on fulfilling this partner promise.

Conversion of guests to members. In the AFS study, the average conversion percentage for studios using ClassPass was 6%. In talking with several studio and club operators (owners of single studios, multiple studios and multiple clubs), they indicated their conversion rates (percentage of unique ClassPass visitors who acquire a membership or a class pack) were below 10%, and in some instances, as low as 2%. These conversion percentages are eerily similar to the conversion rates seen in other digital business models that offer a free or low price value proposition and then attempt to upgrade the user to a premium experience. For example, in the free-to-play video game market, conversion rates range from as low as .5% to as high as 30% with an average range of 2% to 5%. Platforms such as Dropbox and Skype see conversion rates to premium services in the neighborhood of 4% to 6%. Since most conversion monetization strategies have low conversion rates, the key to their success is having a very large base of consumers to pull from. In video gaming, that audience base can be in the millions, sometimes the tens of millions. Consequently, for Internet middlemen to drive significant absolute conversion for a seller, they either have to generate extremely high visit counts or incredibly high conversion rates. A few operators we talked to indicate the "big risk" of using ClassPass relates to the possibility of not converting new guest traffic to full paying guests. In our interview with ClassPass, (See *Internet Middlemen Page 29*)

...Internet Middlemen

continued from page 28

they indicated their business priority is to put bodies in classes, not to help convert these guests to regular clients of their partner boutiques. Consequently, as a result of the available data and discussions with both ClassPass and operators, we do not see them as a reliable or viable source of significant client conversion.

In the **Mindbodygreen.com** article mentioned earlier, one of the ten things the author brought forward about ClassPassers was, "You'll never go to the gym again." This alone should raise a red flag when it comes to converting ClassPass guests to regular clients and/or members. In the same article, another alarming bullet the author brought forward was that, "You bond with other ClassPassers." One of the key ingredients for driving loyalty and profitability in the boutique studio business, and also the club business, is the social connectivity and pride in belonging that is created among business regulars. If ClassPassers already have this sense of community, then conversion becomes a nightmare. Potentially the biggest challenge to conversion has to do with price. A monthly subscription to ClassPass is lower than the average studio's subscription pricing, and in some instances, is significantly lower. When it comes to more traditional health clubs, ClassPass' pricing may actually come at a higher price point. We give them a score of 2 out of 10 in fulfilling this partner promise.

Generating incremental revenue and profit for studios. The revenue potential of any partnership with Internet middlemen is driven by the volume of additional guest traffic driven by the partnership (increasing class occupancy), the rate received by the seller for delivering the service and the seller's ability to convert the guests to regular clients. The key to driving incremental revenue is to leverage at least one, and preferably all, of these variables.

In the case of ClassPass, the seller typically receives 50% of their base price for the lowest priced class pack, in essence 40% of their single session base price. For example, one yoga studio we talked to offers a 20-pack price point of \$320 and receives \$8 from ClassPass for each visitor. One club operator we talked with indicated they get \$3 for a gym visit and \$10 for a group class visit. So, from a price point perspective, the seller is sacrificing a considerable amount of revenue. With respect to driving incremental guest traffic, the data clearly shows on average boutiques gain at least 65 additional guest visits a month (22 unique visitors) from ClassPass and some gain closer to 300 additional visits (100 unique visitors) a month. Viewed from this perspective, the seller gains a revenue advantage. Lastly, with an average conversion rate of 6% (as noted from the AFS study), the seller obtains

some benefit, but it's minimal. Having said all this, let's take a look at some revenue numbers based on the available data from the AFS study.

The average studio generates 65 additional visits each month at an average of let's say \$12 per visit (50% of the average price charged for a single class by a boutique in the AFS study). Using these numbers, the average studio will generate \$780 in additional monthly revenues (we are assuming that without ClassPass they would not have these additional visits). If we then take the average of four conversions at an average price of \$111 per month (average monthly fee charged for group classes by studios in AFS study), that comes out to another \$444 a month. All told, that is \$1,224 a month in incremental revenue. It's not a great number, but for a small studio, it could be the difference between going out of business and remaining in business.

Now, let's look at the cost to generate the revenues from the above scenario. By offering a 50% discount to attract the additional guest traffic, the club/studio is sacrificing \$12 in revenue per guest visit. Therefore, the sacrificial cost of generating those 65 additional visits each month is \$780, equal to the revenue generated by those visits. Since the average club would generate \$1,244 in additional revenue at a cost of \$780, the average monthly profit would be \$464 or \$7 per guest visit (63% cost margin compared to average studio marketing costs of 4%). As the data shows, while you garner new revenues, the cost of acquiring those revenues is extremely high.

Chances are most operators don't assess their costs in this manner, though they should. Instead, most operators will see their margin as the total revenue from a class divided by the cost for the class (instructor payroll). Let's evaluate the profit effectiveness of ClassPass from this perspective. Let's say that, before ClassPass, you average 12 students per class at a rate of \$24. That represents \$288 in revenue before instructor costs. Let's say your instructor receives \$60 for teaching the class. The cost margin is 21% with a profit of \$228. ClassPass now provides you an additional two students per class (using data from prominent boutique operator) at \$12 per class that adds \$24 and brings class revenue to \$312 with a profit of \$252 and a cost margin of 19% instead of 21%. Let's say you have 15 classes a week that are open to ClassPass guests. Under this scenario, you would increase incremental class revenue by \$360 a week and with a lower cost margin. Using this approach, there is revenue and profit to be gained by using ClassPass.

What we haven't brought forward is the possible cost associated with a devaluation of your brand, and furthermore, the cost of existing clients switching to ClassPass as a result of the favorable pricing and flexibility ClassPass offers. Unfortunately, at this time, we don't

have data to model this cost. What we do know is that, if members are able to get an experience with ClassPass that is similar to what your studio or club offers (e.g., good instruction, energy and comradery), and at half the price, they will be inspired to switch.

As a result of the above discussion, we would give ClassPass a score of 4 out of 10 on fulfilling this partner promise. If a studio operator is vigilant about what classes they open up to ClassPass guests (limit to only low occupancy classes), negotiates hard for higher than average fees (e.g., doesn't settle for the standard rate of 50%) and finds a way to prevent client switching, then the revenue and profit benefit of ClassPass is reasonable and makes sense. If the above steps are not taken, it's probably a losing proposition in which you gain a small amount of short-term incremental revenue while devaluing your brand and having your client base shrink.

Based on this deep dive into the ClassPass value proposition, we can definitively say that it is a fabulous deal for the majority of fitness consumers. From the studio perspective, it appears that ClassPass does not benefit this segment of the industry as well; what we defined in earlier articles as a parasitic relationship. In those instances where the studio/club operator carefully manages the program, then the relationship might be more symbiotic. We should note that, in talking with ClassPass, they indicate a 97% retention rate for their studio partners, which would indicate these studios perceive value in the relationship.

(Steve Tharrett and Mark Williamson are veteran club business executives and Co-Founders of ClubIntel, a consulting firm serving the industry worldwide. Steve can be reached at stevet@clubintel.com and Mark can be reached at markw@club-intel.com)



JOIN YOUR ORGANIZATION AND BECOME A TEAM QUEST4ALS PARTICIPANT FOR THE BROOKLYN, NY ROCK 'N' ROLL HALF MARATHON

INSPIRE HOPE, IMPROVE LIVES.

Whether you're a first-time runner or an endurance pro, Team Quest4ALS is a simple and fun event for members to train and fundraise for Augie's Quest. We have partnered up with other clubs throughout the country to raise critical funds for ALS research. We are asking you to be affiliated with the best nationwide Marathon Team to help End ALS. The Brooklyn Rock 'n' Roll Half Marathon is a fun, urban New York race coupled with live bands and entertainment along the course. By competing on behalf of Team Quest4ALS, you will participate for those who can't and speak for those who don't have a voice. One step is all it takes, take that step for ALS!

Fundraising fee includes:

- Airfare
- Hotel
- Race event fees
- Ground transportation
- Special meals prior to the race
- A personalized fundraising webpage
- Easy-to-use online tools to make your fundraising easy and successful
- Community support from your teammates, clubs and coaches

SATURDAY, OCTOBER 8, 2016
 BROOKLYN, NEW YORK

WHAT IS REQUIRED TO PARTICIPATE

- Say yes! Contact your Club's Team Quest4AL Captain and sign up!
- Register as a participant under your Club. Go to www.TeamQuest4ALS.org.
- Once you register and have your fundraising page up, ask everyone you know to sponsor a mile to hit your fundraising goal!
- Share on social media. Get the word out and fundraise!
- Help motivate other team members and train with a buddy!
- Most importantly, have fun!

FOR MORE INFO, PLEASE VISIT
www.CLASSY.ORG/TEAMQUEST4ALS

Programming For The “Fun Of It!”

Step 4 of 7 to Becoming a Programming Professional

By: Laurie Cingle, M.Ed.

Follow Up With Program Prospects

A programming professional is a person who is an expert at the skills required to implement and fill programs. What does it take to become a programming professional in your facility? There are seven steps or skills: (1) Find program prospects, (2) Invite them to learn about and understand your program, (3) Present the program, (4) Follow up with program prospects, (5) Enroll them in the program, (6) Ensure success in the program and (7) Grow programs by promoting events and additional programs. Let's discuss **Step #4, Follow Up with Program Prospects** who did not enroll after attending a live presentation about the program.

The primary reason to have a

follow-up exposure is to set up the next exposure and the next until they either enroll or tell you they are not interested. The goal with each exposure is education and understanding. It may take an average of 4 to 6 exposures for them to make a decision. When following up:

1. Do what you said you'd do when you set up the exposure. If you said you'd call at a specific time, then *be sure to do it*.
2. Avoid saying, “What do you think?” Instead of asking them to enroll if they are clearly not ready, keep the process alive by setting up the next exposure and the next and the next until they've made a decision.
3. Ask “What did you like best?” Next, ask, “On a scale of 1 to 10, where are you with getting started?” Then, ask, “How can I

help you get to a higher number?” If they don't give you a high number, schedule the next exposure. Never finish this exposure without setting up the next exposure.

4. Condense exposures into the shortest time possible for better results. People are busy. When you are prospecting them to take a look at something new, it is important to keep their interest. Stack the exposures as closely as possible to avoid the tendency to get distracted by life. For example, if you have them check out a video, join a conference call, then try a product/service, then attend a webinar, then participate in a 3-way phone call, then come to a live meeting and have them do this all in one week, you give them the opportunity to understand how this can change their life.

To overcome objections, use **Feel, Felt, Found**: “I know how you *Feel*. I/Others *Felt* the same way. But, I/they *Found* by participating...”

(Laurie Cingle, M.Ed., is Regional Program Manager at Cleveland Clinic



Laurie Cingle

Akron General LifeStyle, a fitness business success coach and club consultant. 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.)

Advertising Directory

Norm Cates' **CLUB INSIDER**TM

The Pulse of the Health and Fitness Club Industry

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

BMC3 - Bill McBride Consulting - Pg 26	www.bmc3.com
Crunch Franchising - Pg 5	www.crunchfranchise.com
Gym HQ - Pg 20	www.gymhq.club
Gym Wipes by 2XL Corporation - Pg 6	www.gymwipes.com
GymValet/B&D Specialty Concepts - Pg 8	www.gymvalet.com
Health Club Experts - Pg 22	www.healthclubexperts.com
iGo Figure - Pg 8	www.igofigure.com
IHRSA	www.ihrsa.org
Iron Grip Barbell Company	www.iron Grip.com
JLR Associates - Pg 7	www.jlrassoc.com
LA Fitness - Pg 10	www.lafitness.com
MOSSA - Pg 31	www.mossa.net
Motionsoft - Pg 15	www.motionsoft.net
Muscle Up Marketing - Pg 27	www.muscleupmarketing.com
National Gym Supply - Pg 9	www.gympart.com
NFPT - Pg 25	www.nfpt.com
Planet Fitness - Pg 2	www.planetfitness.com
Sports & Fitness Insurance - Pg 23	www.sportsfitness.com
Susan K. Bailey Marketing & Design - Pg 21	www.clubads.com
Team Quest 4ALS - Pg 29	www.classy.org/teamquest
The Step Company - Pg 11	www.thestep.com
Thin&Healthy's Total Solution - Pg 13	www.thinandhealthy.com
Visual Fitness Planner - Pg 19	www.visualfitnessplanner.com
World Gym International - Pg 32	www.worldgym.com

Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 23rd 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 23-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller of Atlanta's Hudspeth Report** for the tremendous assistance they provided us during our *first eight years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our 269 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 21 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 23 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.

**BREAK ON THROUGH TO
THE OTHER SIDE**

VIPER[®]
WORKOUT

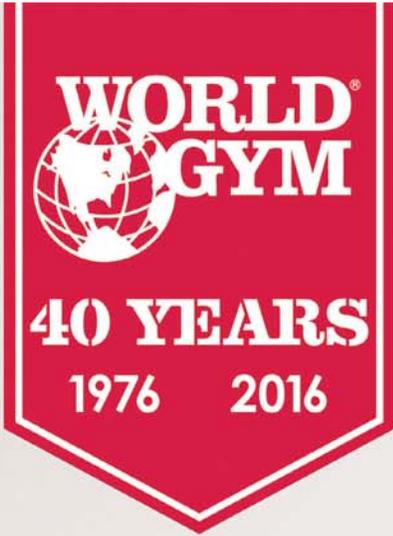


IT'S LOADED! And We Have It.


MOSSA

LET'S MOVE!

www.MOSSA.net



Nowadays, people kiss their biceps. In 40 years, we've made a few changes to the way people work out. We're proud of our accomplishments, but the real work lies ahead. Become a World Gym Franchise Owner, and together, let's bring great fitness to every corner of the globe.

40 YEARS OF FITNESS EVOLUTION

Contact World Gym for details. The World Gym Franchise program is open to prospective gym owners, independent gym owners, and gym owners with other brands whose franchise agreements are expiring.
© 2016 World Gym International, LLC • 1901 Avenue of the Stars, Ste. 1100 • Los Angeles, CA 90067 • 702.567.8394

www.WorldGym.com/Franchising