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THE Club Insider

NEWS

The Pulse of the Health, Racquet & Sports Club Business

MAY 1998
VOLUME V NUMBER 5



**GEOFFREY DYER
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*Club Industry, July 1997

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THE Club Insider[®]

NEWS

The Pulse of the Health, Racquet & Sports Club Business

Geoffrey Dyer's Life Style Family Fitness Centers Strong In Tampa!

By Norm Cates

Tampa, Florida - \$100 a week. That's how much Geoffrey Dyer, now owner of seven upscale Lifestyle Family Fitness Centers that serve 22,500 members in the Tampa, Florida area, earned when he first entered the business 27 years ago.

Dyer, a devoted family man and father of two sons (Sean, 8 and Christian, 6) with his wife Tina, has a career story that should serve as a terrific motivator to up and coming club professionals who want to build and own their own clubs. His organization's success is due largely to Geoff's focus, dedication, management skills, persistence and good timing.

Originally from Australia, Dyer and his Dad were touring

America when they stopped at Oklahoma City to visit friends. His Dad returned to Australia from that point. Dyer stayed, taking a job at Bill Ward's Oklahoma City clubs in 1972. In December, 1973, he moved to Tampa and went to work for Jim Nyberg in the President's First Lady Clubs. In June, 1975, he went to work for J.P. Davenport at his Clearwater Health Club.

While Dyer was working at Davenport's clubs he was approached by Jack Hall who wanted to build and operate a club in Lakeland, Florida in partnership with Dyer. They built a 5300-square foot facility and called Lifestyle Family Fitness Center. After time passed, it became evident that Dyer and Hall didn't agree on the direction they wanted to take for future development. Dyer wanted to grow by

building multiple locations. Hall wanted to expand the Lakeland location and remain a single club operator. They settled the situation in 1985 with Dyer buying out Jack Hall's interest by signing a \$109,000 note. (That was Hall's original investment). After the settlement, Dyer began his search for new developments and expanded his first club to 12,000 square feet. He also exercised an option to purchase the building and land. Over the years, Dyer's ownership of buildings and land for several of his clubs became very important as he has been able to leverage the growth of his Lifestyle chain using the land and buildings as security. This has enabled him to grow the organization significantly.

In 1987, Dyer built his second location, a 5,500-square foot facility in Winter Haven,

Florida. This was later expanded to 12,000 sq.ft. In 1991, Dyer acquired a 24,000-square foot facility from Don and Jim Booker, which had formerly been an American Fitness Center. In 1993, he added his fourth location, an 8400-square foot facility in South Lakeland.

In 1995, Dyer became aware of Bally's desire to reduce their presence in the Tampa area. He negotiated with Bally to acquire three locations, making an offer of \$800,000 for all three. The Bally officials declined the offer and chose to seek other offers. No attempt was made to counter Dyer's offer. Less than 90 days after Dyer's offer, Bally posted notice on the doors of those three clubs that they were closing the locations in 30 days. To Bally's credit, they offered their members the op-

portunity to receive a refund or to transfer their membership to other Bally locations in the Tampa area. Dyer reopened the most desirable of the three locations within 24 hours of being closed by Bally. The 38,000-square foot building and property was purchased by Dyer and expanded to 45,000 square feet. Simultaneous to the reopening of the former Bally club, Dyer was Grand Opening his sixth location, a 12,000-square foot facility in north Lakeland. In March of 1998, Dyer added the seventh location to his group. This one a 25,000-square foot (former Bally club) facility located in the Seminole area of St. Petersburg, Florida. This newest location added 400 new members during the Grand Opening month ending March 31st, bringing the total memberships to 1,800 in the first six months!

(See Dyer page 10)

Goal For 2010: 40 Million Club Members IHRSA Begins Development of Plan To Grow Business

Boston, MA.- The Board of Directors of the International Health, Racquet & Sportsclub Association (IHRSA) has authorized the development of a plan to grow U.S. health club membership to 40 million by the year 2010.

"Achieving this goal will be a win for the public as well as for all who are involved in the fitness industry," said John McCarthy, executive director of IHRSA. "We can increase the total number of

exercisers by doubling the number of people who work out using health clubs. This will expand the market for clubs and club suppliers, produce more options and opportunities for club managers, and increase the importance of fitness professionals."

"In short, this goal will focus everyone in the industry on the one key to our long-term success: getting more customers."

Currently, there are 22.5 million health club members in the

U.S. (1997 figure)— up by 63% over the 1987 figure of 13.8 million. In the same period, the number of commercial health clubs grew by 17% from 11,800 to 13,800 facilities.

"Including commercial clubs, we estimate that there are 40,000 facilities serving health club members today," Mr. McCarthy said. "By the year 2010, we project the addition of another 9000 facilities, 3,000 of which will be commercial clubs."

He said that, given these numbers, membership at individual facilities will have to grow only modestly in order to reach the goal of 40 million members by 2010. Noting that 61% of all health club members belong to commercial clubs, Mr. McCarthy said that much of this growth would no doubt accrue to the commercial sector.

"By focusing on our long-term future now, we in the commercial club sector can not

only increase the number of health club members, but also our market share of those members," Mr. McCarthy said. "A key component of IHRSA's '40 Million by 2010 Plan' will call for increasing our share from 61% to 75%. We can achieve this if every for-profit health club in the country grows its membership by an average of 5% a year, and the nonprofit sector grows membership by 3% a year."

Inside The Insider

- Bally Admission To IHRSA - Yea Or Nay?
- Impact Your Retention, Membership Sales & Bottom Line In 15 Minutes Per Day
- Helping Members Succeed
- TSI Acquires 4 New Jersey Clubs

RED LERILLE INJURED IN PLANE CRASH!

Lafayette, LA.- Veteran club industry legend Red Lerille, age 63 and owner of 35-year old Red Lerille's Health and Racquet Club, was injured in late April in a plane crash at the

Lafayette Airport. Red suffered a severe compound fracture of his leg and lacerations to his face and body.

Red Lerille was Mr. America in 1962 and a year later established his health club in a

former boot shop in Lafayette. This icon of American health clubs began with just 4,000 square feet. Today, the club is over 120,000 square feet on 20 acres with five outdoor swimming pools and 22 outdoor tennis

(See Lerille page 12)

THE INSIDER SPEAKS

• EDITORIALS • "INSIDER MAIL" • COMMENTS •

BALLY ADMISSION TO IHRSA - YEA OR NAY?

By Norm Cates

Many IHRSA members have known me since I was the First President and a Co-Founder of IHRSA. Over the years I have always been one of those who has been willing to speak my mind on issues that I believe are very important to the Association. I now view the situation with Bally Total Fitness and their future as very important to the future of the Association and the industry in general. Since the Exercera situation, I've had virtually nothing to say about policy at IHRSA be-

cause I see an Association that has been well directed by the Board and managed by John McCarthy and his excellent staff. I have decided to share my thoughts about the admission of Bally Total Fitness to the Association because in my opinion things have changed significantly in the industry since 1986 when I and many other members vehemently opposed any alliance with Bally.

First, let me provide some background. In 1986 there was a move afoot to admit the Bally clubs into IHRSA. That movement led to a group meeting at the IHRSA Annual Convention in New Orleans where several hundred IHRSA (then

IHRSA) members met to discuss the proposed admission of Bally into the Association. That meeting turned into an endless stream of speakers that expressed strong opposition in no uncertain terms to the admission of Bally into IHRSA.

I was one of those that spoke strongly in opposition to Bally's admission. My view was that Bally club operators and their corporate culture of that era was nothing short of a high pressure, unethical, willing-to-do-anything (including lying) membership sales machine offering no real after-sale service except for admission to the facilities. That view was shared then by virtu-

ally all IHRSA members that attended that New Orleans meeting.

In short, that meeting made it clear to the Board of Directors and IHRSA staff that should they go ahead and admit Bally there would be a serious division amongst the membership of IHRSA.

That was then..... this is now.

FAST FORWARD TO THE 90's

A lot of water has passed under the bridge in the 12 years since that meeting. The industry has evolved into a new era..... one of increased professionalism, government support and public awareness of the benefits of regular exercise and fitness. The potential for our industry to grow new markets appears to be huge.

After considerable scrutiny of Bally Total Fitness over the past 15 years, I am convinced that the organization is in the process of a significant corporate culture change and improvement and will continue to change as Lee Hillman and Jason Conviser and the rest of Hillman's Executive Committee implement the various initiatives that they have begun.

Our industry is booming and at this stage of that boom, the last thing that we need to happen would be for Bally Total Fitness to fail. It would be the worst black eye in the history of the business and would set the commercial club industry back years and years in the eyes of the North American consumers. Such an event would cause millions of prospective commercial club members to seek memberships in YMCA's, JCC's, Government operated fitness centers, etc. instead of to the local commercial club operations.

Whether IHRSA club operators like it or not, Bally Total Fitness is the image of the commercial health club industry that the average American holds. This is because of the size of the organization and the mass marketing on TV and other media. Sure, that image is not the image that some IHRSA family focused club operators might like to see, but it is still the image held by the masses.

BALLY AN IHRSA MEMBER..... YES! BUT NOT YET!

Last month I told you I would give my opinion as to whether (See Bally page 6)

Spearman Industries, Inc.

April 29, 1998

Mr. John McCarthy
IHRSA
263 Summer Street
Boston, Massachusetts 02210

Dear John:

The change in the club industry since 1984 when I started to work full time as a club owner is overwhelming -- and very positive. I suspect many big changes will occur in club management as consolidation of our clubs into large club companies starts to develop. As the scale of operation increases and return on investment is more predictable, I believe the Wall Street investment bankers will take a keen interest in club management as an industry.

As our industry matures, IHRSA will have a bigger responsibility to the member clubs. When change occurs quickly in an industry, there needs to be a source of reliable information about the importance of the changes occurring. I believe IHRSA will provide this important stabilizing leadership as our industry makes the transition to a dynamic growth industry.

In order to provide the best possible information to all member clubs, I believe it would be wise to revisit the idea of having Bally Total Fitness as a member of our association. I remember well the massive opposition to allowing Bally to join our association during our meeting in New Orleans. However, I believe our industry has changed drastically in the last ten years, and I believe Bally has changed even more than the industry. I was very impressed with the talk by Lee Hillman at the IHRSA meeting in Phoenix. I believe Lee will lead Bally to a great future and make them the type of clubs that should be a part of IHRSA. I believe it is time to not only allow Bally to be a member of IHRSA but to aggressively pursue them as members. Bally will be an important part of our industry in the years ahead, and all IHRSA members will benefit from having them as active members of our association.

I suspect some people might continue to object to the inclusion of Bally due to their past style of operation. I believe Lee Hillman, however, when he says those evil days are over and the Bally of the future will be a fierce competitor but one who competes in an honest and fair way.

I would like to suggest the current IHRSA board consider pursuing Bally Total Fitness as a member of our association.

Very truly yours,

C. E. Spearman, Jr.
Chairman
Spearman Industries, Inc.

CES/ebn

Norm Cates'

THE Club Insider
NEWS

Established 1993

PUBLISHER: Norm Cates, Jr.
EDITOR: Norman L. Cates, Jr.
AD SALES REPRESENTATIVE: Norm L. Cates, Jr.
DATA INPUT: N. Lester Cates, Jr.
MAIL ROOM MANAGER: Justin Cates
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•NORM'S NOTES•

•Congratulations to two of RAY WILSON'S proteges, RON THOMPSON and LARRY GURNEY who have been promoted by 24 Hour Fitness' MARK MASTROV. Ron has been promoted to Chief Operations Officer for the entire 175-club chain. That puts Ron directly under Mark in the 24 Hour Fitness management structure and provides him with a seat on the Board of Directors of Fitness Holdings, Inc., the parent company of 24 Hour Fitness. Ron indicated to me that he anticipates, at the current pace, that 24 Hour Fitness will have 225 locations by the end of the year.

They are growing aggressively through acquisitions and new club developments. Larry Gurney has been promoted to President of the Southern Division, effectively taking over the helm for the territory formerly known as the Family Fitness Centers, the 72-club chain built by legend Ray Wilson. Now the Southern Division has over 80 locations. Best of luck to two of the real hosses of our industry!

•We recently reported that Nautilus had been put up for sale by its parent company, Delta Woodside Industries, Inc. Repeated calls to Delta Woodside Executive Vice President, BETTIS RAINSFORD, were not returned by

press time so I don't have anymore news on the Delta situation. I'll keep after the story until the news, whatever it is, breaks.

•I spoke with MIKE TALLA who continues to grow the Sports Club Company. He tells me that he now has 11 clubs in development. They recently acquired the Vertical Club in New York City which will be renamed to guess what? Sports Club LA! Also, they are building a 60,000-square foot Spectrum Club in Thousand Oaks, CA. They are under construction with 100,000 s.f. mega clubs in San Francisco and Washington, D.C. and he hopes to do mega clubs in Miami and Boston. And the beat

goes on!

•GREG DALE has been appointed Operations Director for Club Services, a four-year old company that provides consumer research for the health and fitness industry. He replaces JEFF STOKES who has reportedly left to develop his own club.

•J.D.HOLMES, owner of The Peachtree City Athletic Club outside Atlanta, has just broken ground for a new 14,000-square foot club which will occupy a new 20,000 building with a 6,000 square foot tenant. Good luck J.D. with the new club!

•Word is that DOUG LEVINE of Crunch Fitness is buying a club in South Florida. Haven't been able to reach the globe trotting Doug, but word is the club being acquired is Club Body Tech.

•Spoke with LEE WEINSTEIN the Corporate Communications Director for the giant Nike Corporation, who confirmed Nike's decision to pull out of the Super Show. He cited a need by the company to trim costs and a desire to get closer to their customers on a regional basis as the reasons for their decision.

•LEE LANGTREE of Columbus, Georgia-based American Club Systems, told me that they are working hard on their public stock offering, but because it is not complete, he can't comment.

Several calls to Lee at press time this month were not returned, so I guess that means the deal isn't done yet. Stay tuned.

•STEVEN SCHWARTZ headed up the committee for IHRSA that developed IHRSA's new Uniform System of Accounts. Congratulations to the guys for their work as I've already received rave reviews about the document from an IHRSA member who is implementing it fully in his chain of clubs.

•Also, last month I forgot to congratulate ANNBETH ESCHBACH for being a new Mom and the President-Elect for IHRSA. Annbeth will have the honor of being the first woman to ever serve as President of IHRSA. Also, congratulations to MIKE MCPHEE, Vice President/Secretary-elect and DAVE COHAN Vice President/Treasurer-elect.

•MICHAEL CAMPELLE has been named Director of Sales for CASEY CONRAD'S Communication Consultants fitness specialty company. Campelle will be initially responsible for managing the organization's 17-product sales division and managing both in-house and at-club services to clients.

•NICK PIERATOS, CEO of First Class Fitness Corp. in Closter, N.J. has named MATHEW CAPPELLINI to the positions of Vice President and General Manager.

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April 17, 1998

Norm Cates
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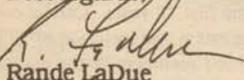
Dear Norm;

I just wanted to drop you a note to let you know how pleased I am on the effectiveness of my ads in The Club Insider. Not a day goes by that I don't get several leads from my ads and articles! Yours has been without a doubt one of the most cost effective advertising tools I have ever used.

Thanks also for all your help and advice; you certainly have gone beyond the call of duty. I look forward to working with you in a long-term relationship.

Just one thing I want to know- how do you get all the "inside" info before anyone else?

Best regards,


 Rande LaDue

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...Bally

continued from page 4

I thought Bally Total Fitness should be admitted into IHRSA membership. My answer is yes.... but not yet. Bally should be admitted only after some important things have happened.

IHRSA SHOULD AVOID ANOTHER EXERCERA!

The last time an issue of this magnitude happened at IHRSA was in 1993/94 when the misguided effort to change the name of IHRSA to Exercera took place. (Exercera is Latin for "to exercise.")

In short, the Board of Directors at that time voted 9-0 to change the name of the Association to Exercera. However, this was a classic case of getting the horse before the cart. What happened was that the vote to change the name was taken by the Board first without involve-

ment by the membership in the decision to change the name or the selection and approval process of the new proposed name Exercera. After the vote they informed the membership and began to try to sell the new name Exercera through a series of direct mail letters and an article by the consultant hired by the IHRSA Board to come up with the new name.

Ironically and coincidentally, The **CLUB INSIDER** News had just begun publishing two months after this vote had been taken. Because of that I was receiving copies of letters sent to John McCarthy and the Board in opposition to the new name. Since the vote had been recorded as 9-0, the Board acted as if they had a mandate on the issue and initially largely ignored the objections of the 'loyal opposition'. But, there were some IHRSA members that refused to be ignored. Amongst them was Cecil

Spearman, the former IHRSA President from Southern California.

After communication with Cecil Spearman and numerous other members of the 'loyal opposition,' I began to publish a series of articles in **The CLUB INSIDER** News airing the feelings and views of the opposition to Exercera. Due to that effort and the continued efforts of the 'loyal opposition,' the Board used great wisdom to grant the membership an Open Forum at which the name change decision and vote was discussed. The Open Forum Meeting held at the IHRSA Reno Convention in 1994 was very interesting. There were 42 speakers that rose to comment. Of that number 41 people spoke out in vigorous opposition to the new name Exercera. Only 1 person spoke in favor of it. A few months later the Board of Directors made the difficult decision to rescind the name change vote. They then recommended to the membership that the name be changed only by adding the word HEALTH to IRSA, making the new Association name: International Health, Racquet and Sportsclub Association. That change was supported overwhelmingly by the members and has served the Association very well over the last five years and will be fine for many years to come.

GET THE CART BEFORE THE HORSE!

It is my opinion now that IHRSA and the industry at large will be much better off in the long run if we find a way to bring Bally Total Fitness in as IHRSA members. However, my opinion does not count because I am not currently a club owner/IHRSA member.

What counts is: How will the IHRSA members feel once they are fully informed about the changes that are happening at Bally?

I would like to suggest a series of steps for the IHRSA leadership's consideration in regard to the possible admission of Bally Total Fitness into IHRSA:

(1) Between now and the 1999 IHRSA Annual Convention next March, IHRSA should update the membership on the various initiatives undertaken by Lee Hillman to right the Bally ship and bring the organization into the 1990's. They include: (1) Financial restructuring of debt. (2) An extensive facility overhaul and upgrading effort. (3) Medical Advisory Board to direct BTF's efforts to more professional customer service. (4) A service and sales practices overhaul which is currently in progress and due for completion this summer.

(2) The Bally Total Fitness culture change in progress under

Hillman's leadership should be closely observed by IHRSA clubs and illegal and/or unethical practices that are observed and documented should be reported to both Lee Hillman and to the IHRSA Board of Directors just as they would be if Bally was a member of IHRSA.

(3) Bally Total Fitness Clubs should all be encouraged to meet IHRSA's standards prior to March, 1999.

(4) There should be an Open Forum of all interested IHRSA members at the IHRSA Annual Convention in San Diego, March 24-27th, 1999, so that the Board of Directors may hear from all IHRSA Members that have an interest in the issue.

(5) After the Convention Open Forum, the Board of Directors should be given the opportunity to study and consider the issue until the time of the next Board meeting, June, 1999.

(6) At the June, 1999 Board Meeting there should be a vote of the Board Members who are the representatives of the membership that are empowered to make the final decision. The final decision should rest with the Board of Directors.

In preparing this editorial I contacted Ben Emdin, the owner of East Hills Athletic Club in Grand Rapids, Michigan and current IHRSA President. Ben indicated that while the issue was not formerly planned for discussion at the June, 1998 Board meeting next month, there was certainly a great deal of interest in the issue based upon his contact with members at the Phoenix Convention. In fact, Ben indicated that he had been immediately approached by a couple of irate IHRSA members immediately after Lee Hillman had spoken at Phoenix and had heard their belief that "Bally admission was a set-up - it was a done deal!" Emdin comments, "Actually we've talked about putting Bally on the agenda, but I think we need to be clear. There is nothing on our immediate radar that would speak to admitting Bally into IHRSA because we know it is still a very controversial issue. Lee Hillman spoke at the Phoenix Convention and there were people that enjoyed his comments and were glad he was there and there were people that were incredibly upset that he was even there. It becomes an issue that the Board has to look at very carefully. To my knowledge it has not been discussed at Board level since I've been involved on the Board for the last 3 or 4 years. I think that it is appropriate now that there at least be a discussion about the issue because

of the power that Bally has in the market place and all of the other issues. There are no specific plans right now, but it is clearly a very interesting issue. There surely are some common interests that IHRSA and Bally clubs share. The not-for-profit issue is out there. They are very concerned about it and they have shown a willingness to invest their resources in that issue. Legislation may provide common ground for discussions. I think it is good to stimulate the discussion. Here is my only concern: I just don't want people to get the idea that there is some kind of 'deal' already cooked up and it's a 'done-deal' because that is what one of the people said to me, Oh, this is a 'set-up' - this is a 'done-deal!' NO WAY! It hasn't even been on the table for years. I think the first line of discussion is to explore any areas of common interest where we can collaborate that would be a 'win-win' and then go from there. See where it goes."

THE DEBATE TO ADMIT BALLY INTO IHRSA SHOULD INVOLVE ALL INTERESTED MEMBERS!

The significant decision to admit Bally Total Fitness into IHRSA should only be made by the Board of Directors after there has been time for the IHRSA members to become more informed about the emerging new Bally Total Fitness and allowed to discuss the decision in a group setting.

IHRSA has gotten to the point of over 4,000 memberships worldwide through the hard work of the many Board members who have donated their time and energy and through the great work of John McCarthy and his staff. Through the support of dues-paying member clubs and the Associate member sector, IHRSA is thriving.

The last thing the Association needs is for the issue to become divisive amongst the membership as happened with Exercera. The best way to keep that from happening is to make the process from the beginning, inclusive for all members who have an interest in the issue.

Team IHRSA must continue the unity enjoyed during most of the first 17 years. Careful communication and inclusion of all interested members in the decision making effort should assure that.

(Norm Cates is the Publisher of **The CLUB INSIDER** News, a 25-year club industry veteran and the 1st IHRSA President and a Co-founder of the Association. You may reach Cates by calling: (770) 850-8506 or by Fax: (770) 933-9698.)

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You Don't Have To Set Your Club On Fire To Get In The Nightly News!

By Amy Redfearn

Your club is having a tenth anniversary celebration. You have decided to open your doors to the public so they too can join in your celebration. You have been publicizing this special event through advertisements in the newspapers as well as on the radio for the past two weeks. You have hired entertainment, live music, provided food and beverages and hired clowns for the children. Your event is colorful, lively and would be a perfect story to be covered by the local newspapers or television stations.

So you make a couple of

calls to the local media.

Now it is 4p.m. and the event is winding down. A fair amount of people showed and the members had a great time, but the media did not make an appearance. You are a little disappointed, but perhaps the media had more important things to cover than your human-interest story. So, you tune into the local nightly news, expecting to see some horrible story about a fire or some other tragic story that took precedence over yours.

The news is coming to a close, and not one fire, not even a tragic story. In fact you counted three human-interest stories. So why didn't your story get any attention? It might have everything to do with your presentation, tim-

ing and follow-up.

Presentation is key to getting a reporter's attention. A good presentation and knowing who to send your presentation to can make the difference between having your media alert filed to the top of a reporter's pile or into the trash can. Make sure your media alert is concise, stating, who, what, when, where, how and why. Keep in mind that we are not talking about a news release, where you might write an article, but rather a media alert, to attract the media to your special event.

The top of your media alert should contain a headline. Make sure your headline is not an advertisement. For example, **JOE'S GYM CELEBRATES 10 YEARS**. Instead make the headline more appealing by taking out the advertising element and highlighting the actual event that is newsworthy, **LOCAL GYM CELEBRATES 10 YEARS**. Your headline is important, because if the reporter sees advertising in the first line of your pitch, your story will probably only see the inside of a trash can.

Underneath your headline include your club's contact person's name along with your club's phone number. This contact person may be you, the manager or fitness director, but preferably someone who will be available when the media calls to field questions if necessary. This brings us to another important point: be available.

Whoever is the contact person should be available to take the reporter's call even if he or she is in a meeting or away from the office. There should always be a way to get in touch with the contact person, whether it is by pager or cellular phone. Reporters have deadlines, and their deadlines are ten times worse than yours are. If the contact person is not available, it is quite possible that your story will be skipped.

Below the contact person's name, be sure to put the date, then type in bold and underline: **FOR IMMEDIATE RELEASE**. Complete the media alert with your WHO (the name of your club), WHAT (the name of the event) WHEN (the date and time of the event), WHERE (directions to your club), HOW (how can the general public participate), and WHY (the purpose for the event). Then follow-up with a closure of either, ###, or -30-, meaning the end of release.

Timing is the second key factor to successfully gaining publicity from your event. In the case of sending media alerts for spe-

cial events, many people will send them too early or too late. The best time to pitch a media alert is one or two days before the event.

Since reporters do work on such short deadlines and their schedules change dramatically each day, giving too much advance notice on your event may just bury it in their "To Do" pile. You want your event to sound fresh, exciting and most importantly, newsworthy. Send your media alert by fax a day or two before your event. News staffs typically have meetings each day in the morning and again in the late afternoon. If your event is on a Saturday or Sunday, make sure the media receives your media alert by Friday so the weekend editor can prepare for assigning stories to reporters. Contacting the media the day of your event usually does not give the reporter enough notice. Make sure you are familiar with their deadlines, they usually have several in the course of a day.

Be sure you call attention to the reporter who you are targeting your story. This will take a little research on your part, but can be easily accomplished by watching the local news and reading the bylines in your local newspaper. Most newsrooms have one general fax, so if you do not attach a name to your media alert it might not make it past the fax machine.

However, keep in mind that sometimes a news-breaking story can bump your's even if the reporter has already come out to cover your event. That is just the nature of the media's business. The important thing to remember if this happens is not to get mad or angry with them. Turning a reporter into an enemy has never helped anyone's business. Rather, be understanding, and watch that reporter come right back to your club the next time you have an event. In fact if you treat them right, they might feel as if they owe it to you. If you are easy to work with and understanding about their job, your club will always be the first club they consult with on fitness issues.

Finally, follow-up. After sending your media alert to the reporter, make sure he or she received it by giving them a call. If you get their voice mail, leave a message stating who you are, your phone number and let them know



Amy Redfearn

that you sent them a media alert and to call you for any further questions. That's it. There is no need to go into detail about your event. First, they probably don't have the time and secondly, that is why you sent them a fax. The call is simply made to make sure they received the fax you sent them.

If they do run your story, it is okay to give the reporter a call to tell him or her what a nice job they did on the article or piece; however, don't over-thank. Reporters are not impressed with presents, which are seen as bribes. In other words, don't give them a months pass to your club for the publicity. As the reporter sees it, he or she is just doing their job, reporting the news. Sending them passes to your club is going to make them feel like they did an advertising job for you, which defeats your whole original intent.

Lastly, if all else fails, take your own pictures and write your own article about your event. Make sure you take really good pictures, close-ups are the best. Then send your article and pictures to your local newspaper's community or neighborhood editor. Remember your event does not have to be a total success to make the news, it just has to look good.

(Amy Redfearn is the President of Innovative Concepts & Consulting, a public relations consulting business specializing in health clubs. Innovative Concepts & Consulting offers programs to increase free media publicity, member retention and referrals, organize and develop special events and design profit-producing programs. Amy may be reached by phone at: (352) 379-8301 or E-mail: Redfearnam@aol.com)



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MEDX INTRODUCES THE ABDOMINAL MACHINE

Ocala, FL.- MedX introduces the Abdominal machine, a new strength training exercise equipment unit for Abdominal muscles that revolutionizes the crunch. MedX engineers state-of-the-art strength training, flexibility and rehabilitation equipment.

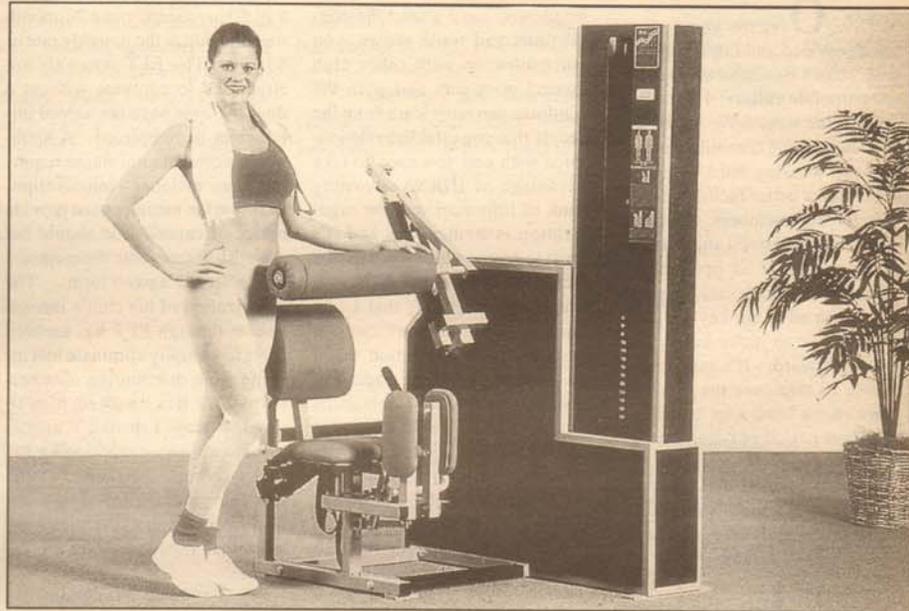
The MedX Abdominal machine features an effective means of neutralizing hip flexor muscles to achieve a high-degree of abdominal muscle isolation. MedX engineers discovered that by abducting the femurs (spreading the knees), hip flexors are incapable of assisting an abdominal crunch.

"We're getting great reports from our initial customers," said Jim Flanagan, Director of Sales. "This abdominal machine has a feel no other abdominal machine can match. That's because it truly

isolates the abs, and provides a fluid stroke."

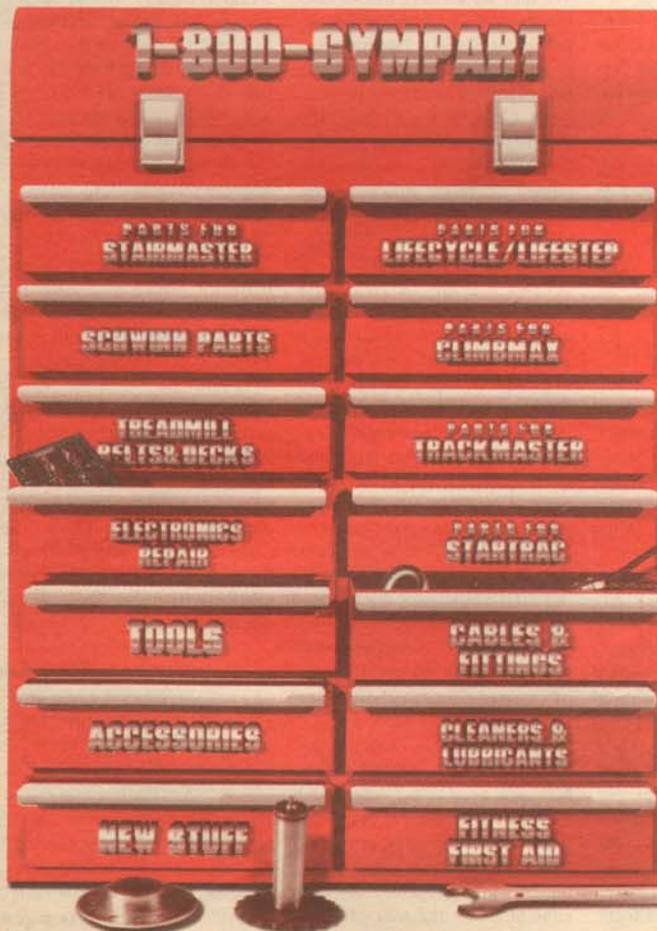
As a MedX product, the Abdominal machine is endowed with the company's standard quality features: low friction operation, tested and proven resistance profiles, biomechanical precision, resistance settings every two pounds, low inertia weight stack movement, and virtually maintenance-free operation.

MedX is headquartered in Ocala, Florida, with sales representatives stationed throughout the United States and around the world. MedX strength-training equipment is virtually maintenance free. The company also manufactures computerized testing-and-training medical machines for lumbar and cervical spine rehabilitation, and for rehabilitation of the knee. MedX



MEDX ABDOMINAL MACHINE

has rehabilitation equipment in United States and the world. Ad- the MedX website: www.MedX use in over 800 clinics around the ditional information is available at online.com.



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 web site at gympart.com!

...Dyer

continued from page 3

months!

A SOLID BUSINESS PHILOSOPHY

Over the years, Dyer has developed and implemented a very sound business philosophy and corporate culture. He summarizes it this way, "We are a team of dedicated and committed people who are working hard every day to provide a better facility and service for our members. Our core values include honest and integrity, so we encourage an open discussion of our obstacles and opportunities with all of our key people as we continue to move our organization forward. It's our goal to double in size over the next five years so we have a lot to achieve in a short period of time."

LIFESTYLE FAMILY FITNESS CENTERS! COMPANY MISSION STATEMENT

"It Is Our Mission To Work Together As A Team To Provide An Environment That Promotes A Happier and Healthier Lifestyle For Our Members."

CREDIT FOR SUCCESS TO IHRSA AND FAUST ROUNDTABLE #2

Geoff Dyer gives a great deal of credit to two organi-

zations for his success to date. The first is IHRSA. Dyer comments, "I joined IHRSA in 1986. At that time joining IHRSA was the single biggest step forward I had made in my 27-year career in the industry. But, IHRSA is only good if you take advantage of what IHRSA has to offer. That means you must attend the conventions and trade shows, you must network with other club owners/managers and with the vendors, you must learn from the people that you establish relationships with and you need to take advantage of IHRSA's wealthy bank of information. The organization is tremendous and it's great to have an ally like IHRSA there when you need them. It was through IHRSA that I met Tony de Leede and Joe Cirulli. It was on Tony's invitation that I was introduced to the Faust Executive Round Table #2 members. The Roundtable is an extension of IHRSA, though not formally affiliated with IHRSA. Joining the Faust Roundtable #2 was the next biggest step I have taken in developing my career in the club industry. It is such a tremendous advantage to exchange thoughts and ideas with a group of people whom I respect as being more knowledgeable and more experienced than I in this industry. To be able to share information of a very sensitive nature with people that comprise our Roundtable is an honor."

ELECTRONIC FUND COLLECTIONS

Dyer has moved his

organization away from prepaid memberships and now has 90% of his memberships set up on Electronic Funds Collection of monthly dues. He no longer offers discounts for prepaid memberships, instead pursuing monthly membership agreements. He offers a 12-month membership for \$49.50 per month and a 24-month membership at the monthly rate of \$39.50. The EFT renewals are structured to continue without a dues increase once the agreed initial term is completed. A membership cancellation clause requiring a new member's initials stipulates that the member must provide notice of cancellation should he/she wish to terminate the membership after the agreed term. The stabilization of his club's income stream through EFT has enabled Dyer to virtually eliminate lost income from discounting memberships and has enabled him to steadily grow Lifestyle's annual revenues without mortgaging the future through discounts. In the past five years the Lifestyle Family Fitness Center revenues have more than doubled. Here are the figures:

1993-\$2.98 million
1994-\$3.23 "
1995-\$3.97 "
1996-\$5.13 "
1997-\$5.42 "
1998-\$6.9 (Projected)

In the June, 1996 edition, CLUB INDUSTRY Magazine ranked Lifestyles among the Top 100 clubs in the U.S. (rankings are based on gross annual revenues). Also, in the May, 1996 edition of the Tampa Bay Business Journal, the Lifestyle group was listed as the largest co-ed health and fitness operation in the Tampa area.

The CLUB INSIDER News had an opportunity to ask Geoff about his views of the club industry at this time. Here are some of Geoff's comments:

Q. "How do you feel about the future of the industry?"

A. "You know, I really think it is just beginning. I think fitness centers are just beginning to earn the respect of the community, the consumer, the medical community and the corporate sector. I think competition is going to become much more prevalent, but I don't think we need to be as concerned about the competition as we seem to be. From what I've seen, when YMCA's and hospitals enter the marketplace, they truly 'grow the pie'. They bring people into fitness conditioning programs who typically wouldn't be involved in fitness. Is the percentage of the North American population that is involved in fitness



Tim Forrest

going to increase? Without a doubt! It will increase provided we learn to work with one another and treat each other with respect in terms of clubs in the same marketplace, realizing that we are each other's ally even though we may be competing for the same dollars. We would be better off going after the 91% that is not exercising in clubs than trying to compete on price for the 9% that are already health club members. I also think that the impact of the Surgeon General's Report is in its infancy. The filtration of information from the Surgeon General's office to the medical community, to the corporate sector and to the consumer through newspapers, magazines, television, radio, etc. is going to be endless. Fitness is always going to come out on top because it is the 'cure-all'. As we realize more and more that the billions of dollars spent every year on the health care industry is caused by diseases of which 70% are preventable through proper nutrition and regular exercise, it is clear that more and more focus is going to be put on fitness as a remedy for these problems. It is a great time to be in this business. It is clear too that we are going to need to make our facilities bigger, we are going to need to take better care of our customers, the competition is going to get stiffer and the cost of entry is going to continue to increase. Years ago, you could develop and run a club and get by on prepaid memberships. Now you need to not only spend a considerable amount of money to capitalize a facility, you have to be able to afford all of those losses while you build the revenue stream - the cost of entry

now is more than it ever has been."

Q. "Not long ago you hired a full-time Corporate Membership Director. Could you tell us about your Corporate Membership Director and program?"

A. "About 18 months ago, I hired Tim Forrest as our Corporate Membership Director. In an 18-month period he has worked his way into being a key person within our organization helping to coordinate the activities of our fitness and Personal Training staff in addition to club operations. But more importantly, in just 18 months, he has grown the Corporate Membership Program to 158 corporations and amazingly during that period we have a 100% retention rate with our Corporate Membership! This is quite remarkable when you consider these corporations are buying six-month and twelve-month programs. They are not contractually obligated to long-term memberships. The satisfaction rate is very, very high. He genuinely takes care of customers the way a good membership consultant should. Staying in touch, providing reports, going out to the companies and providing fitness assessments of the employees. Tim's department is generating productivity of one location without the overhead."

Q. "You have developed an excellent relationship with a local hospital. Could you share that with us?"

A. "The hospital relationship was an extension of my visits to IHRSA. In going to IHRSA Conventions and reading publications, I learned the value of a

(See Dyer page 12)

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PACE - A PROFIT CENTER FOR SUMMER

By Rande LaDue

Typically the summer months are the slowest time of the year in the health club business. Memberships decrease when vacations and travel plans take potential members out of the area. Many people also feel they can keep fit by doing outdoor activities such as biking, tennis, etc. Some club owners are caught by surprise with this seasonal slowdown. Experienced club owners expect it and plan for it with measures such as decreasing staff and programs. Some progressive club owners use it to their advantage and actually increase their profits during this period by competing for a segment of the population which typically does not "take the summer off"- the overweight.

Studies show the Diet Industry is a \$34 billion a year business while our fitness industry does about \$8.5 billion a year. While the fit people are shedding their clothes on vacation in the warm summer months, business actually increases

for the Diet Industry! (The seasonal slowdown for the Diet Industry is usually between Thanksgiving and Christmas, when people think "what the heck, I'll start again after the New Year).

Want to capture your share of the millions of dollars that are spent every summer on fad diets, but offer no exercise program? What if your club offered a group fitness program designed exclusively for the overweight where they could work out together in a separate, private area in a group? What if they had a "Personal Trainer" take them through a fun, easy to do workout each time? What if this program took only a half hour, three times a week and produced excellent results quickly? What if these people were ready to upgrade into full service memberships at the end of the summer? You would have a PACE Weight Loss Program.

PACE will offer these people the camaraderie of a group format (which several diet programs use and strongly encour-

age their members to attend). Since the PACE equipment is safe and user-friendly, there is no embarrassment getting in and out of the equipment. And since PACE is fun, it will keep them coming back (maybe with their friends). If they come back for more, they will probably get results - permanent results, not just a quick, temporary fix.

Kathy Stepp, General Manager of the Modesto Courthouse in Modesto, California, has implemented just such a program which will transcend the summer months. She says, "We have initiated a new program for the de-conditioned market. It is a complete program using the PACE Group Exercise Program and then transitioning them into our general population. We decided to go with PACE because it is very non-threatening, easy to use and provides a high calorie burn to help this special population. So far, we have signed up over 500 women in this program. We also find that our regular members really enjoy the PACE Program, too."

We at Pro*Fit Enter-

prises have seen several such success stories, whereby those people who normally do not join health clubs will be attracted by a PACE Weight Loss Program either short-term or as a "transition" into the general membership. We have seen PACE customers who have actually increased their revenue in the summer months by \$5,000-\$6,000 per month. One such cus-

tomers told us a few years ago, "PACE saved my summer!" For more information or a free video on PACE, call Pro*Fit Enterprises at 888-604-2244 or visit our website at www.pacepro-fit.com. Pro*Fit Enterprises has been recognized by the American Council On Exercise (ACE) as a Continuing Education Specialist.

Norm Cates
THE Club Insider

Seeks
Contributing
Writers

Contact: Norm Cates, Jr.
770/850-8506

MAKE IT
FUN!

Impact Your Retention, Membership Sales & Bottom Line In 15 Minutes Per Day

By Karen Woodard

Facility audit — hmmm. Sounds kind of ominous and complicated. It can be, but this one is simple and will positively impact: 1. membership retention, 2. membership sales, 3. Repair & Maintenance Budget and 4. overall bottom line in just 10-15 minutes a day.

The purpose: The purpose of the facility audit is simple — to ensure that the physical plant and equipment is all clean and in working order, and the staff and members are carrying out the mission and enjoying the mission. It's an opportunity to see what is working well and let those responsible for the good performance know about it. Additionally, it's an opportunity to catch problems and be able to act upon them before members see them or experience them. A good analogy would be that of a pilot doing a "walk-around" or a "run-up" which means that she/he literally walks around the aircraft before every flight to check out the physical condition of the plane, as well as checks out all the instruments on the inside to insure that they are in top condition for each

and every flight.

With that purpose in mind how could you not succeed by staying on top of these four areas on a daily basis? If we all did this, we'd be guaranteed a higher level of success. So for those of us who aren't doing it — how come? The 4 most common reasons I see and hear when I ask that question to club managers are:

1. "I come into the club and get caught up in other issues."
2. "Don't have/make the time."
3. "It's not my job (they think it is the Maintenance Director's job)."
4. "Never thought of it."

These reasons are understandable but certainly not acceptable. Let's focus on how to avoid these reasons becoming a reality in your club.

Who does the audit? The club manager does the audit. Yes it's a good idea to have other managers and/or department heads audit as well. (Notice the emphasis was on "as well".) The more eyes looking and noticing, the more good and not so good we'll find and be able to take care of before we have problems. If the club manager is going to delegate some

of the audit duty to others, an audit sheet must be used. The final buck though comes down to the club manager. She or he is the one in charge of the plane and needs to know at all times what the condition, appearance and performance of the craft is in to be fully in control so we don't end up crashing.

What to look for: Start with the exterior of the club when you come in for the day: is there trash in the parking lot? How does your building exterior look? How does your sign look? (have the birds built nests in it?) Come into your foyer/lobby — how do the floors, windows, walls, displays, club materials look? How does the club smell? Is the music appropriate for your members?

What about the staff—are they all wearing name tags, uniforms, smiles? Go through each area of the club and look for the obvious and not so obvious. If you would like a format that is very specific for each department, I'll send you a detailed audit form* to use in this process.

What to do about what you find: There will be some things that you can simply and quickly take care of yourself during the audit/walkthrough, so do it and don't leave a note for someone else to do it. These things include, but are

not limited to: picking up magazines, towels, shutting locker doors, cleaning hair out of the drains, picking up debris from the floor, etc. This does mean that you get involved in major repairs (unless it is specifically your job to do those things)— those are the things that you leave follow-up notes for department heads. Leave notes for those staff people who are doing an outstanding job in taking care of their areas. Conversely, leave notes for those who are not doing an outstanding job with expected action to be taken and a due date for completion. Make sure you follow up to ensure the task gets done as agreed.

Results: When you start doing your facility audits on a daily basis, first thing in the morning - you'll see a dramatic difference in how quickly things get done around the club. Why? Because you are increasing your follow-through efforts on a daily basis. It's an excellent way to create accountability with your staff, to stay in touch with the delivery of your product and ensure that you have a premium fa-



Karen Woodard

cility in your market.

* send for your free Facility Audit Form today.

(Karen D. Woodard, President of Premium Performance Training, provides successful sales training, service training and management training to the health and fitness industry. She can be reached at: 303.417.0653, KDW@aol.com or 279 Pearl Street, Suite 15, Boulder, CO.80302.)

...Lerille

continued from page 3

courts. Red Lerille's club serves over 10,000 members and generates in excess of \$6 million annually in a city of 100,000. He is recognized as one of the most successful single-club operators in America by his peers. Red's hobbies, in addition to his 4 a.m. workouts, include collecting and remodeling vintage aircraft, riding his

Harley Davidson motorcycles and driving around in his two Lamborghinis.

Red was flying a plane that he built himself from a kit package. He explained the accident to THE CLUB INSIDER News in a brief conversation from his home, "I had climbed up to 11,000 feet and had been doing some maneuvers. At the time, I had only 13 hours in the new plane. Upon returning to land, while on my final approach

about 1/2 mile out, my engine quit. (I can remember my first thought was that I was going to die!) Unfortunately, I had not placed the fuel control lever in the proper position so the tank which had plenty of fuel was not in use. I was at a low altitude when the engine stopped and I had to chose between crashing into the runway lights or turning. I turned the plane and hit a row of trees and the plane flipped over in a ditch. My leg was broken and all twisted with two bones sticking out of the skin. I had to just lay there for about 20 minutes until help arrived and I was trying to think of something positive that could come out of this. You know, it's been over two weeks and I haven't been able to think of anything positive yet!"

Well, this writer can think of something positive from all of this! That is that Red Lerille is still with us! You see, this is Red's second plane crash. The other one happened a few years back when Red was landing one of his collector edition planes. Even though he had

overhauled the aircraft skin on the fuselage and the wings and had rebuilt the engine and cockpit, he was not aware that the landing gear strut was severely corroded. Upon landing, the strut collapsed and the aircraft flipped over on its back. Red's face and scalp were severely lacerated and he required hundreds of stitches and lots of plastic surgery, but he emerged like new.

Red will be on crutches for three months. Contrary to his first plane crash, when he was stitched up and back in his club working out the next day, he was out of action for a week this time. But now he is back at the club working out and even riding an exercise bike..... with one leg! I'm sure Red would be happy to receive some humorous get well cards. (Mmmm- I wonder if they make get well cards for multiple plane crash survivors? Send your cards and letters care of Red Lerille's Health and Racquet Club, 301 Doucet Ave., Lafayette, La. 70503

...Dyer

continued from page 10

physical therapy relationship. I tried to create my own in-club physical therapy center. I made some mistakes wearing two hats. I realized that this is a business that I would be better off involving a third party that was in the rehab business. That would let me concentrate on running my clubs. After that experience, I am now a firm believer of staying focused and trying to do one thing, overseeing clubs and selling memberships. I then aligned myself with the biggest physical therapy company in the State of Florida, Rehab Management Systems. We brought them in as a subtenant and that was a good thing in that it aligned us with the medical community. Although it was good, we did not see enough cross over from the rehab patients to club memberships to justify the effort we were making to make it work. So, I pursued the hospital

(See Dyer page 14)

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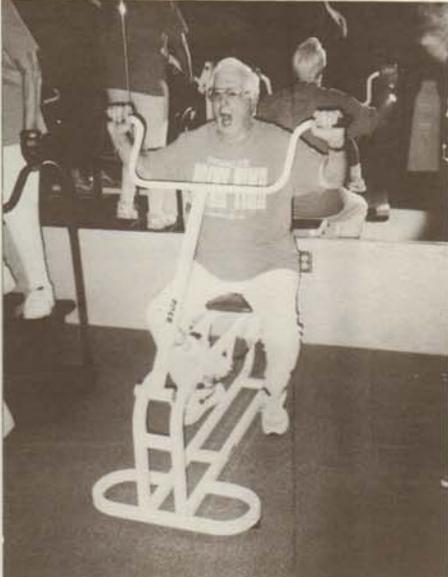
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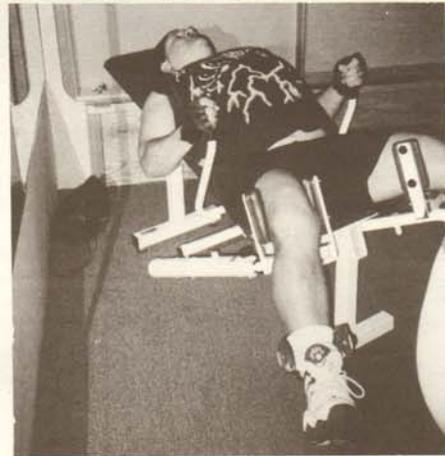
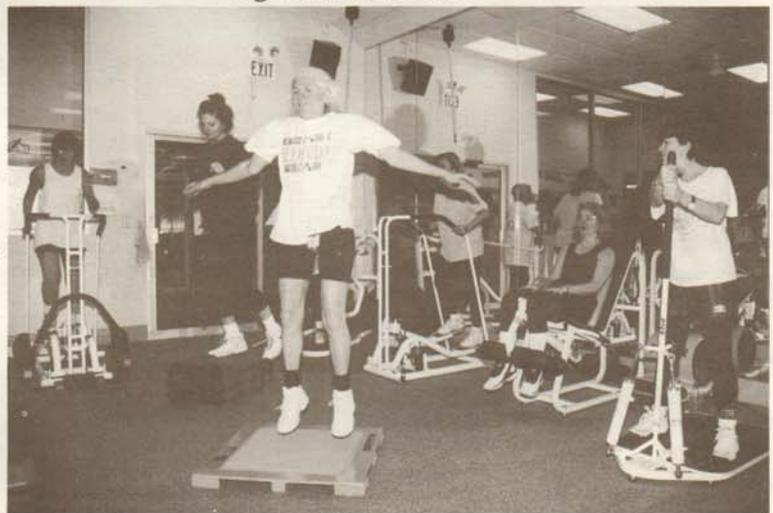
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...Dyer

continued from page 12

relationship and began visiting each hospital in my immediate area, knocking on doors, trying to get to the person responsible for building and development. I happened to come across a young lady who did express some interest. It was actually through a local Chamber of Commerce function where I had met one of her employees. So I visited this lady and told her that I was a genuine hands-on club operator who truly believed in the integrity of the hospital to align their outreach programs with. I suggested she visit Joe Cirulli's club in Gainesville as a testimony to what physical therapy as an extension of a hospital could achieve in a fitness environment. Joe, in his typical fashion, opened his arms and provided her with all the details she needed to realize what he had was a tremendous success and the opportunity to replicate that in my organization was there. With that, she came back and made a decision to rent space for a small 800 square-foot facility. Over the last 15 months, they have been providing a fitness assessment for our members. We pay them a moderate fee

for the physical. The Wellness Staff of the Bay Front Medical Center provides programs such as: cholesterol screening, skin cancer, blood chemistry profiles, or if they have people at risk they can refer them out to their network of physicians. It is a relationship that they monitored for 15 months and it continues to be a very good program for them. Plus, because they were right off the workout floor in a club that was doing 1800 workouts a day, they were extremely visible to our members providing an excellent opportunity for them to promote their programs. They have recently signed a lease extension to provide an additional 2500 square feet of wellness services including weight management, stress management and physical therapy. We expect our relationship with the hospital to continue to grow!"

Q. "As a long time IHRSA Member and strong supporter, how do you feel about the admission of Bally Total Fitness into IHRSA?"

A. "I realize that Bally has 320 clubs. If they were to join IHRSA, they would represent 10% of the U.S. owned

IHRSA clubs. More importantly, Bally is viewed by the consumer as the front runner of our industry, good, bad or ugly; that is the truth. We would all be set back a number of years if Bally were to fail. So it's in every club owner's best interest to see Bally become a better operation, to take better care of their customers and to be successful financially. There are so many big operations, TSI in New York, 24 Hour Fitness, etc., that are making their timing decisions to go public in part, based upon the stability of Bally's current stock price. The question is: do they have strategies in place to take care of their customers better and to monitor their sales process better than they have in the past? When you listen to Bally President and CEO, Lee Hillman speak at IHRSA Phoenix, you have every reason to believe that they are on the right track to do those things. But, it really comes down to what happens at the front line. And, I can't say that we have seen or heard the Bally clubs in our area reflect what he is saying. I think we all need to encourage Bally to get on the right track and be successful. I don't know if this is the right time for Bally to be admitted into IHRSA. I think admission to IHRSA for Bally is

something that everyone needs to seriously consider and I think we need to do everything we can to encourage their success. Obviously that is a difficult decision if Bally is your competitor across the street. I think we could be best served if we could get some kind of handle on monitoring what Bally is truly doing. If we can embrace their admittance into IHRSA and get some kind of handle on monitoring their sales practices, we would all be better off. With that said, at this point I would be more supportive than negative, about Bally's admission into IHRSA."



Penny Sabia

Q. "Geoff, it is public knowledge now that Ray Wilson is establishing a chain of clubs here in the Tampa area with his son, Perry. It is also known that Ray has approached you about purchasing your clubs so they can be rolled into the deal with Perry. Can you comment?"

A. "In regard to Ray Wilson, since I started in this indus-

try in the 1970's, and working with the people that I worked for in Oklahoma City, I've heard nothing but great things about Ray Wilson and the various club empires he has created and the way he had empowered people to be entrepreneurial in the way they ran their businesses. He has a great history behind him. I had an opportunity to meet him briefly back in the early 1970's. When I heard (See Dyer page 19)

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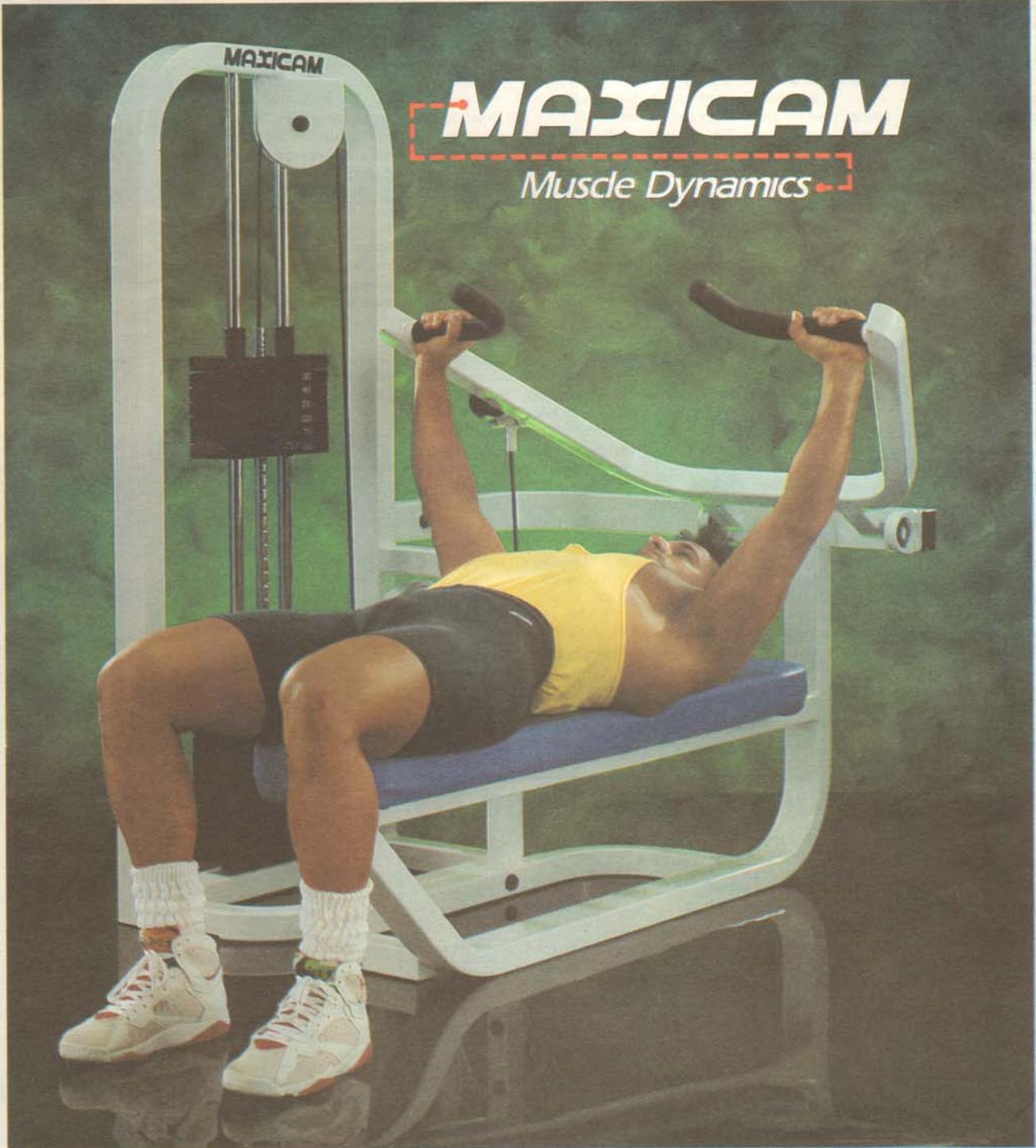
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HELPING MEMBERS SUCCEED

By Tom Cotner

How can you ensure members receive the attention they need?

In a word, CARE. Webster's Dictionary defines caring as "painstaking or watchful attention, to feel interest or concern, having a likeness or fondness, to be concerned about." Club's who institute a philosophy of caring are the best run clubs in the nation. They have the highest member satisfaction and retention. How do club professionals care? Remember the acronym CARE.

C=Calling. View the club industry as a calling. I am referring to loving our business. If you don't love the business, you will fail. I've been in this business many years. I've seen many come and go. Most left because of fatigue and burn-out. It wasn't worth it anymore.

The club business will chew you up and spit you out, if you let it. Club's are service driven with lots of customers, problems, never ending details, and it rarely closes. Profit margins can be slim, too, especially for the amount of work involved. It's easy to "fall out of love" with your club. To "stay in love" ...

• Believe in the product (exercise, fitness, recreation and health).

• Use the product (practicing what you preach).

• Know the product (continual upgrading of your knowledge and expertise in the club industry).

• Have compassion and empathy for the customer (club members, club vendors and club staff).

• Enjoy communicating and interacting with others.

The truth is you have to love this business. If you don't love your members and the club, either:

1) you're in the wrong profession and need to reconsider your career, or 2) you're burnt out.

Burn-out is very common in our business. I've experienced it many times. The sad reality is I didn't need to. Another sad reality is it wasn't good for me, the club or the members.

Burn-out occurs when energy demands (fitness appointments, membership tours, cleaning the club, administration) exceeds energy supply. Like it or not, we have limits. We need to set boundaries. Club professionals need to take care of themselves with adequate sleep, nutrition, exercise and a balanced work schedule. After all, health is what we're selling. Let's practice what we preach. Take care of yourself or your club will take care of you!

A=Accentuate The Customer. People want to feel special. No one wants to feel like "just another body." The club industry is in a unique position to "accentuate" members. The health club, more than any other business, sees customers consistently and often. Other than co-workers and immediate family, the health club staff has the greatest opportunity to interact with members. Know and understand them. Do members want to talk? Do they want to be left alone? How are they doing, really?

Don't interfere with their exercise but nurture and encourage it. Know and understand the difficulty of scheduling the club into their busy day. Congratulate them whenever they do. They've truly accomplished something important.

Your club's greatest customer is your staff. Clearly communicate their job function and goals. Give them the authority, power and resources to accomplish them. Only implement accountability when it's very clear that they understood what to do (often, we don't make it clear) and they had the power to be successful (often they don't). Be your staff's guardian, encourager, mentor and friend.

R=Rare: Be rare, different and unique. How are you different than other clubs and/or service businesses? What sets you apart? The best way to be "rare" is to accentuate your members and staff as described above. Other "rare" items include...

• We take care of ourselves so we can take care of our members.

• We think of members as family and treat them that way.

• We grow professionally to continually become better at what we do.

• We accept that cleaning, fixing and picking up is everybody's job.

• We like what we do and if we don't, we find out why and correct it.

• We keep our facility impeccably clean.

• We know our members'

names and use them.

• We have integrity and follow through on every commitment.

• We are consistent in policy.

• We are loyal to our club's mission.

E=Eternal. Accept caring as an "eternal" quality. Caring is not a winter promotion. Caring is not another program. Caring is eternal and never ending. Ensure everything that happens in your club teaches, models and reinforces caring. Care for your members today, often, always.

Your club is a reflection of you. YOU are the club. You are the one who sets the tone. Caring begins with you.

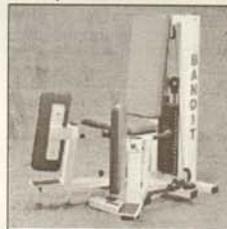


Tom Cotner

(Tom Cotner is the President of Employee Health Management and the author of the book "Helping Members Succeed." Tom may be reached at: (605) 692-2071)

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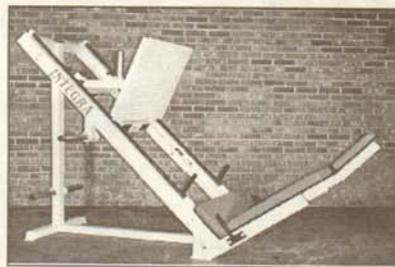
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Philadelphia Fitness Career Expo Set

The Delaware Valley Alliance to host first-annual Fitness & Business Career Fair for job candidates entering the fitness industry and for experienced club pros.

PHILADELPHIA—New college graduates, entry-level job candidates and experienced fitness facility professionals alike will get a chance to meet face-to-face with the owners and general managers of about 15 of the Philadelphia area's largest and best known fitness centers in June.

The first-annual Fitness & Business Career Fair will be held Thursday, June 18, at Clarion Suites, 10th and Race Streets, center city Philadelphia. Admission is free for attendees, and they're encouraged to bring multiple copies of their resumes. The career fair will be open 10 a.m. to 4 p.m.

Club employers will interview for full-and part-time positions in sales and marketing, personal training, group fitness instruction, accounting, front desk/customer service, aquatics, housekeeping and more. Positions in

management also are available.

"Attendees will meet decision makers from some of the largest and most prominent fitness centers in Philadelphia, including the Sporting Club at the Bellevue, Newtown Athletic & Aquatic Club, Northeast Racquet and Fitness, Hatfield Athletic Club, Club LaMaison on the Main Line and many others," said Donna Loyle, Executive Director of the Delaware Valley Alliance of Health and Sportsclubs, a not-for-profit business alliance of premier fitness and wellness centers in the Philadelphia area. The Alliance will host the first annual career fair.

The career fair will coincide with the Club Industry East conference to be held during that week at the Pennsylvania Convention Center, two blocks from Clarion Suites. The three-day Club Industry conference attracts

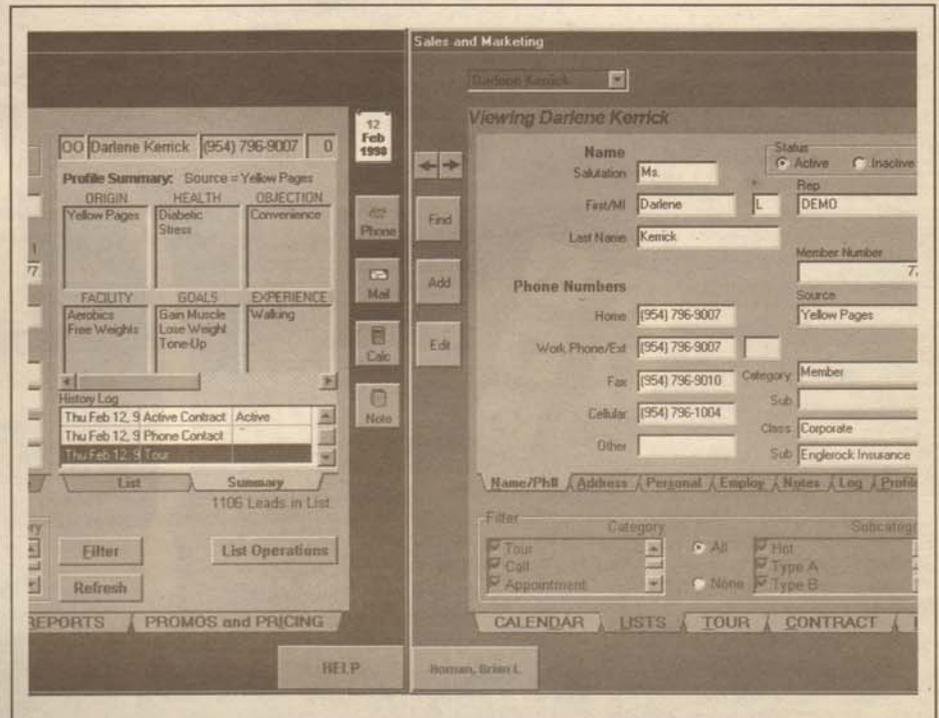
thousands of fitness professionals from around the country. As an exciting added bonus, all career fair attendees will get a free pass to the Club Industry Exhibit hall at the Convention Center, where they'll see the latest fitness equipment, software, club supplies and services on the market.

Job applicants to the Fitness & Business Career Fair can attend an informative free workshop, "Club Careers Today," to learn from club professionals about the rapidly changing fitness facility business environment; the type of fitness jobs available now and in the future as the industry professionalizes; qualifications club managers look for when hiring, and much more! The free workshops will be held at 10:30 a.m. and 2 p.m.

For more information, contact the DelVal Alliance at: (302) 736-3102.

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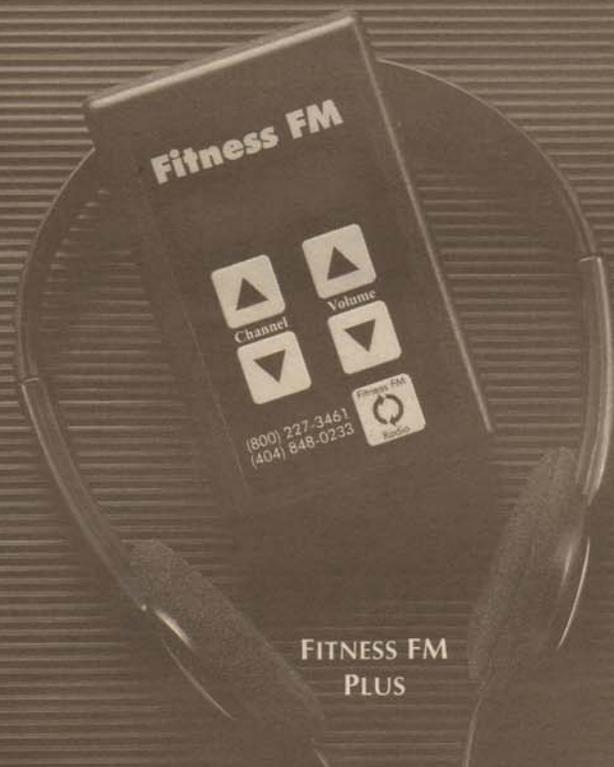


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...Dyer

continued from page 14

he and Perry were coming to Tampa, I immediately called Ray and reintroduced myself. To have an opportunity to meet and get to know someone like Ray Wilson has been a great honor. We had an opportunity to spend three days together. I consider him a friend having had a chance to get to know him and I am honored to know him."

Q."If you could compare Ray Wilson to anybody else you've ever met in the health club industry, how would you describe him?"

A." He is fearless. I don't think anything concerns him. He is intense. I don't think he'll ever leave the business alone. He thrives off the excitement of making things happen. I don't think that a lot of people are like that. It is in his blood and it is never going to go away. And, he loves what he does. When you've got a passion-a fire in your belly that is that passionate-success is predictable."

Q."As a person that has risen through the ranks from a \$100 a week employee to a seven-club owner, is there any advice you would give to up and coming club owner/operators?"

A. "The most important thing for a small club operator that is trying to get bigger is to be prepared to take risk. I don't think the risk is ever going to go away. A good operator knows that he doesn't have to fail, he just has to work harder. I think it is very healthy to take on risk and to take on debt. I think it makes you perform to a higher level. When I look back over the 17 years of ownership that I have had there were three times where we doubled in size. Those were stressful times; however, I knew I could always get out there and beat the street to increase productivity to get through it. Looking back, that's been the most fun time, taking the risk and additional responsibility. Secondly, it is absolutely imperative to network with others every opportunity you can whether it be at convention and trade shows or with people that you know in the industry. You need to share information and learn from your peers. Thirdly, it is important to know your competition. I can say that in my market area I know every

competitor by their first name. I think that we have one of the healthiest competitive markets in the country. To the best of my knowledge we as competitors do not put others down. We formed an Association in Florida called SEHRSA to fight sales tax. It consists of my largest competitor, Bob Karshner, from Shapes Total Fitness, who along with myself and Joe Cirulli are on the Board of Directors. As competitors we often talk to one another and I think it is a very healthy situation. Others I talk to

don't believe that but I think we get along better in this area knowing each other than not. The last bit of advice I would give is that you've got to have a strong corporate office in order to drive your organization. If you don't have it together at the back end, you'll never succeed at the front end opening multiple clubs. Having learned that I've made a big investment in trying to set up a great corporate office and I think I've got the right person, Penny Sabia, running that department. I think in the success

we've achieved, Penny has played a huge role in that success. This is a numbers-intensive business and if anyone thinks differently, they are wrong. Managing by the numbers is the only way to run this business. Rick Caro believes that 1000% and so do I. We don't analyze enough. It tells everything about what is going on."

Geoffrey Dyer is a true club industry professional who has utilized successfully many of

the resources available to club operators. His dedication, tenacity and down to earth charm has carried him a long way and will continue to do so. Geoff's success is a blue print for the up and coming and we wish Geoff and his organization well.

(Norm Cates is the Publisher of The **CLUB INSIDER** News, a 25-year veteran of the club industry and a Co-Founder and the 1st IHRSA President in 1981/82).

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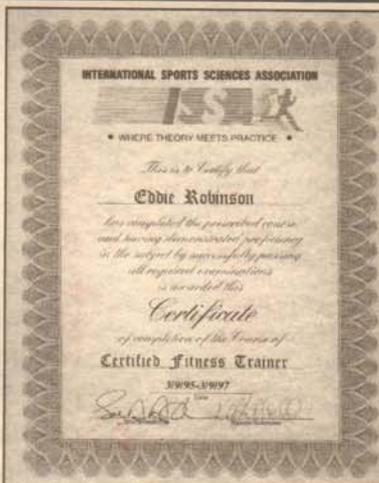
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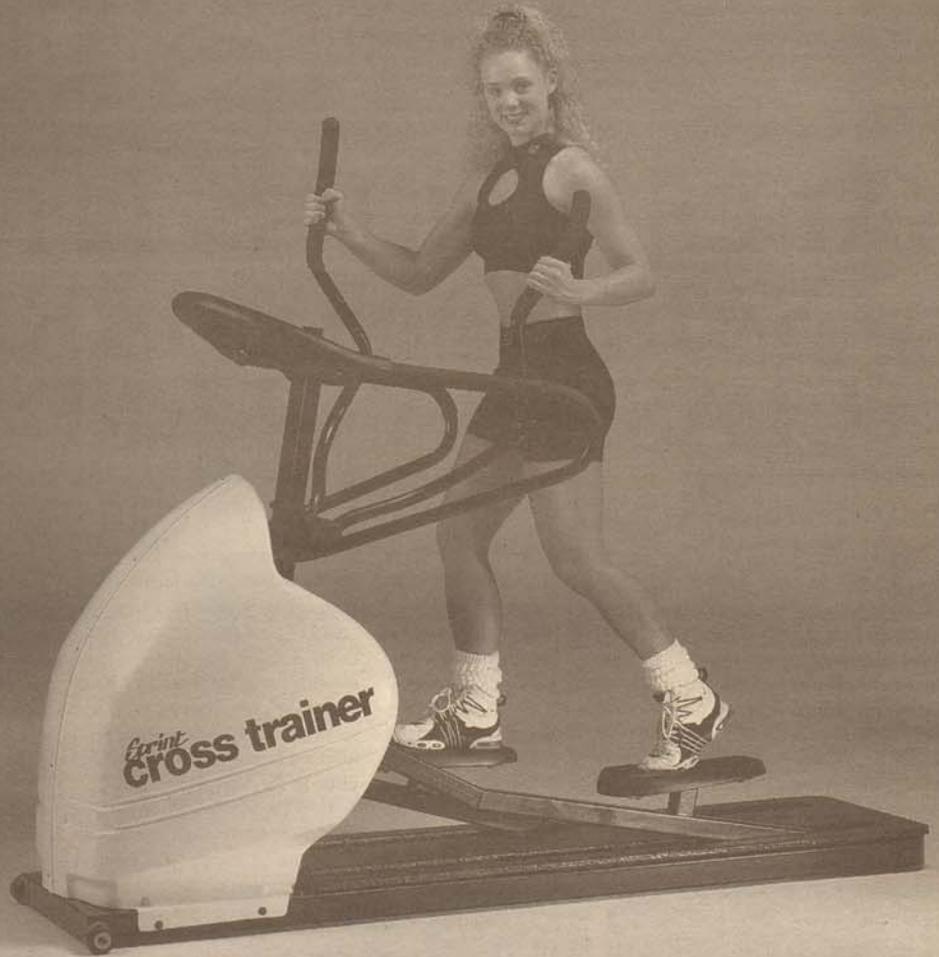
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Sales Makers Class of 1998

SALES MAKERS 12TH ANNUAL SALES AND MARKETING CLASSIC A GREAT SUCCESS!

By Norm Cates

Fort Myers Beach, Florida- They have done it again! The Sales Makers, America's leading sales and marketing trainers, conducted another terrific Sales and Marketing training program with attendees from all over the U.S. and two guests from Great Britain. The event was held, as usual, in sunny Fort Myers Beach, Florida at a hotel on the beach so there was a lot of fun mixed with the education.

The group was also treated to a cruise in sail boats owned by Ray Gordon and Peter Young.

Ray Gordon and Eddie Tock, the principals of Sales Makers, also introduced and welcomed club industry veteran, Lyle Schuler, to the organization and Lyle provided two excellent presentations for the group. Lyle, a 20+ year veteran, has recently sold his interest in five Gold's Gyms that he owned in partnership with Bill Austin.

Also in attendance at the conference was Tom Ficarelli, a

28-year veteran officer of the New York State Department of Corrections. Tom has been attending IHRSA Conventions and Trade Shows and other club industry conferences for 9 years now in preparation for his planned new career in the club industry. He should be extremely well prepared for the rigors of the club industry as he has spent the last 20 years dealing with troubled teenagers, both boys and girls, in the New York State Corrections Department! Tom is a true gentleman who makes friends with everyone he comes into contact

with and he will be a great asset to our industry when he retires from his first career and starts his second in the club business.

During the conference, Brian Homan, President of Tools System Management

and Michael Scichilone demonstrated and briefed the group on their new Sales & Marketing Software. Their Software systems are very well developed and include many important aspects that you won't find elsewhere because it has been developed by a true veteran of the club industry, Brian Homan. (Check out their ad this month on page #17)

The Sales Makers Conference focuses on delivering the attendees an in-depth look at the highly successful Sales Makers System. The Sales Makers System is purely and simply the most results-producing sales system in the industry. It is not complicated and it can be implemented and managed in a fairly brief period of time. Importantly, the Sales Makers Conference emphasized not just the details of the System for the attendees, it emphasized the importance and need for strict adherence to all components of the system for success.

And, success is what nearly 500 clubs across the U.S. have received from their involvement in the Sales Makers program. The average sales increase that the Sales Makers achieve is 30% per year, but many clubs experience significantly greater results than that. Importantly, the Sales Makers System can be taught to your staff by the Sales Makers and/or the Sales Makers accept term assignments where one of the team will actually work in your club with your staff for a period of time. Time after time club owners have raved about the results they have obtained from the work done by the Sales Makers.

Let me put it like this. If you are not happy with the results your sales department is generating, call the Sales Makers. I can guarantee you that if you will attend the training, learn the system, adhere strictly to the system and 'inspect-what-you-expect' in regard to managing the system, you simply can't go wrong. It is just that simple. (See the opposite page #23 for more details and specific club owner testimony.)



Lyle Schuler



Tom Ficarelli

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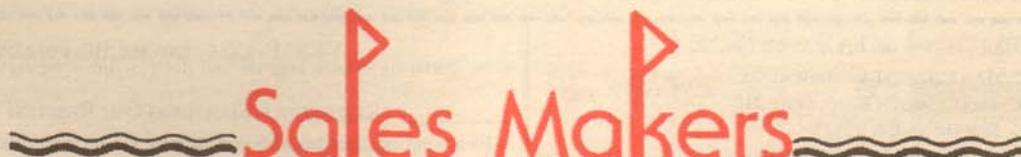
— Art Chappell, Owner
Courthouse Athletic Clubs,
 Auburn & Grass Valley, California

"Sales Makers delivered on every promise — increasing our sales dramatically without discounting our dues. We followed their procedures and dedicated ourselves to the excellent techniques and systems they implemented, with the result being a complete "turnaround" in our sales. Again — thanks for everything!"

— Ellen Koelsch, Marketing Director
Clubfit, Briarcliff & Jefferson Valley, NY

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MAKE IT FUN!

Make It Fun On The 4th of July!

By Sandy Coffman

The Fourth of July is certainly the "fun" holiday of the summer. It's festive, emotionally uplifting and for programmers it offers a veritable paradise of ideas for fun.

AEROBICS

A special Fourth of July Aerobics Team Teaching class can be offered. Encourage participants to dress in red, white and blue. Be sure the instructors do, too. You'll want to use special music for the day. For example, "Yankee Doodle," "It's a Grand Old Flag," and other parade music including the whole J.P.Sousa collection. Don't forget to include a "parade" in the choreography. Have the class 'parade' through the club and outside the club. What a show! Do you think people would talk about that for a while?

Offering red, white and

blue popsicles to the participants after the class is fun, delicious and a very inexpensive way to call attention to the event as well as making everyone feel special and important. It's also a way to say 'thanks.'

Don't forget to take a photo to put up on the bulletin board after the event.

FITNESS CENTER

The Fourth of July could be the start of an annual summer fitness center competition. Using "four" cardiovascular pieces of equipment, (1) bike, (2) stair climber, (3) treadmill, (4) rower. Run "four" minute competitions on each piece of equipment in "four" divisions (men, women, juniors, seniors, novice, intermediate, advanced, etc.) Set the level per division and go for distance in the four-minute time allotment. You could even set up teams of "four" and pit one team against the other. This kind of an

event could include an entry fee and a sponsor to cover the cost of Fourth of July T-Shirts for the participants who will continue to promote the program even after it's over.

Don't forget to take pictures!

What a "fun" way to get members into the club in the middle of the summer!

PROMOTION

First, the Red, White and Blue theme should be everywhere in the club by Monday, June 29th. My favorite flags are the little, inexpensive 3" X 5" ones-hundreds of them.

They should be used to decorate the perimeter of your bulletin boards so they will get the attention of the members for the information and promotions you are running.

Throughout the week, you could place a little flag in random lockers to award a prize—

club cash to any lucky member who gets the locker. Don't forget to take pictures of the winners.

You could send little flags in the mail with special messages or offers on them. For example, if they bring in the flag and work out during the week of June 29th and July 5th, they get a prize.

P.A. announcements during busier times will also heighten the holiday excitement and will draw attention to your various events during the week. Promotional opportunities are fun!



Sandy Coffman

(Sandy Coffman is the dean of all club programmers and the President of Programming For Profit. Sandy may be reached at: (414)782-7725).

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MAYBE YOU SHOULD CHANGE YOUR NAME...

said one of our customers at a recent trade show. Why should we do that, we asked? Well, they said, you no longer make just stairclimbers – you have these new bikes, and treadmills, innovative strength equipment lines – and even this great elliptical product – maybe you should call yourselves ProductMasters or something...

We ran this interesting suggestion up the flagpole back at headquarters. It generated a lot of spirited discussion, but in the end, it just didn't cut the mustard.

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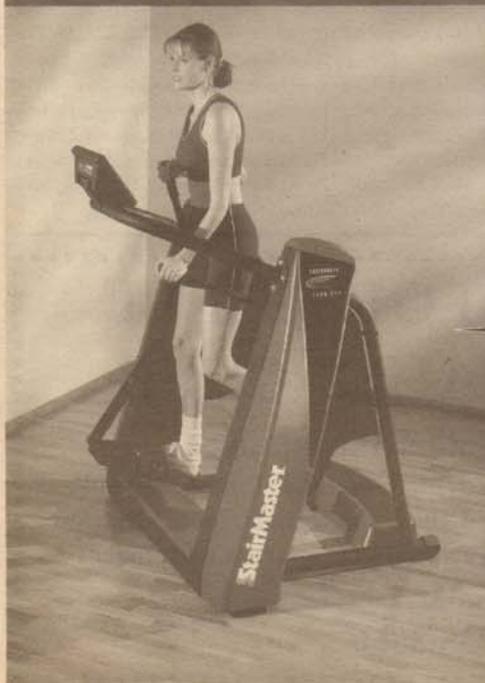
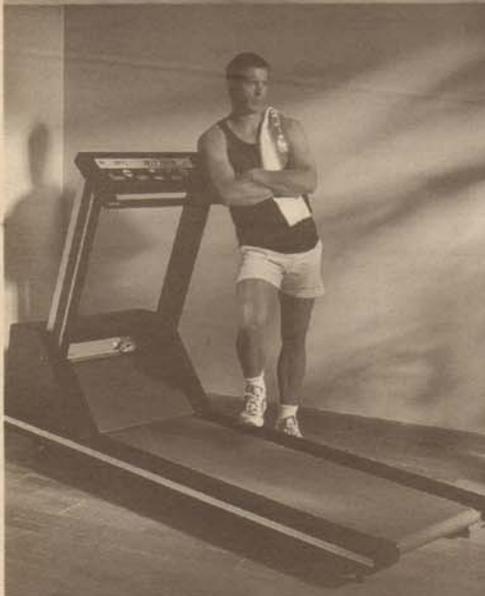
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Town Sports International Acquires Four New Jersey Clubs New York City's Largest Health Club Owner Asserts Itself In New Jersey

New York, N.Y.- Town Sports International, the leading owner and operator of health clubs in New York City, acquired four facilities in central New Jersey in April, bringing the number of its New York Sports Clubs locations to 40 and significantly enhancing its presence in the greater New York area.

"These openings reflect

the rapid pace at which TSI is moving to solidify and enhance its position in the New York area," said Mark Smith, the company's Chief Executive. "Having recently secured significant additional financing, we are very well positioned as an aggressive player in this market, growing rapidly by both acquisitions and new openings."

The four new TSI op-

erations were formerly Ovox Fitness and Sports Centers and join acquisitions in Stamford, CT. and New York as the most recent additions to the New York Sports Club chain. Also, TSI acquired the Gold's Gym at 52nd and Broadway in Manhattan in April.

"These new club openings further demonstrate our dedication to providing the high-

est level of service for our members. We must constantly provide the highest quality of service on a daily basis due to our "commitment-free" memberships. Convenience plays an extremely important role in this decision, as commuters will now be able to take full advantage of our facilities near their homes and offices," said Mr. Smith.

New York-based Town

Sports International is a leading owner and operator of fitness clubs in the Northeast and Mid-Atlantic region of the U.S. and is the largest operator of such clubs in Manhattan. The company operates fitness centers in New York, New Jersey, Connecticut, Boston, Philadelphia and Washington, D.C. areas consisting of over 50 health clubs with more than 100,000 members.

National Fitness Therapy Association Assisting Health Clubs

By Casey Purpus

The National Fitness

Therapy Association (NFTA) was formed for the primary purpose of establishing and monitoring baseline operational standards for health, fitness and wellness facilities providing pre-

ventative healthcare and post-rehabilitation fitness therapy services and programs.

For years we have heard of an impending health care crisis as a result of many factors including cost, managed health care and the Baby Boomers coming of age. The future is now. We have become painfully aware that the current system of health care is chronically ill. Dr. C. Everett Koop, the former U.S. Surgeon General, stated that "we have a sick system, not a health care system." He, as many of us recognize the need for preventive health care. NFTA sees this as an opportunity for health clubs to increase their business by enhancing their service, but first there is a challenge that must be met. Many health club owners are trying to figure out how to work in conjunction with medical professionals and the insurance industry. Currently there are a few health clubs that are experiencing some success in this area because they have achieved a level of credibility with the professionals in the health care industry. They also have stepped outside the box, taken a long hard look at things and altered their approach. Change may occur

without tomorrow's problems with yesterday's answers. Twenty years ago no one asked a personal trainer if he was certified. Today no one would dream of training with one who wasn't. Someday soon the question will be: is your health club accredited? Your answer could be the difference between sharing in the feast or going hungry. NFTA can help you increase your credibility and improve your chances of being a player when the time comes.

The bottom line is accountability. The health club industry is barely fifty years old and completely unregulated. How do we expect to do business with professionals in the health care and insurance industries that have been regulated for over three hundred years? First, there must be a single set of acceptable operational standards. This at a very minimum is demanded by the health care and insurance industries. An accreditation from NFTA will demonstrate evidence of competency to other professionals and consumers alike. It speaks of professionalism, safety and a desire to strive for higher standards. A certified facility clearly communicates a commitment to excellence through edu-

cation. By aligning yourself with NFTA you provide an assurance of quality and a sense of security to the consumer. You also will become part of a network of professionals in the health care and fitness industries who will, through training programs, educational seminar workshops and clinics on current issues, trends and programs, enhance the chances of your facility not only to survive, but to excel. NFTA is dedicated to building long term success for its members. The key that turns the lives we dream into the dreams we live isn't desire, but design.

(Casey Purpus is the Regional Director of The National Fitness Therapy Association for Washington, D.C., Virginia and Maryland. Contact him at (703) 838-3618, or (888) 880-4668 (toll free) or fax (703) 838-3681. To receive more information about NFTA, or its accrediting process contact the home office, and speak with the President, Patrick Pine. He can be reached at: (303) 399-4545 or its toll free number (888) 523-4545 or fax number: (303) 321-8156. The E-mail address is nfta@ecentral.com or visit its web site: <http://www.nfta.org>. You can write the National Fitness Therapy Association at 1141 Jersey Street, Su.101, Denver, Colorado, 8001 220-4546.)

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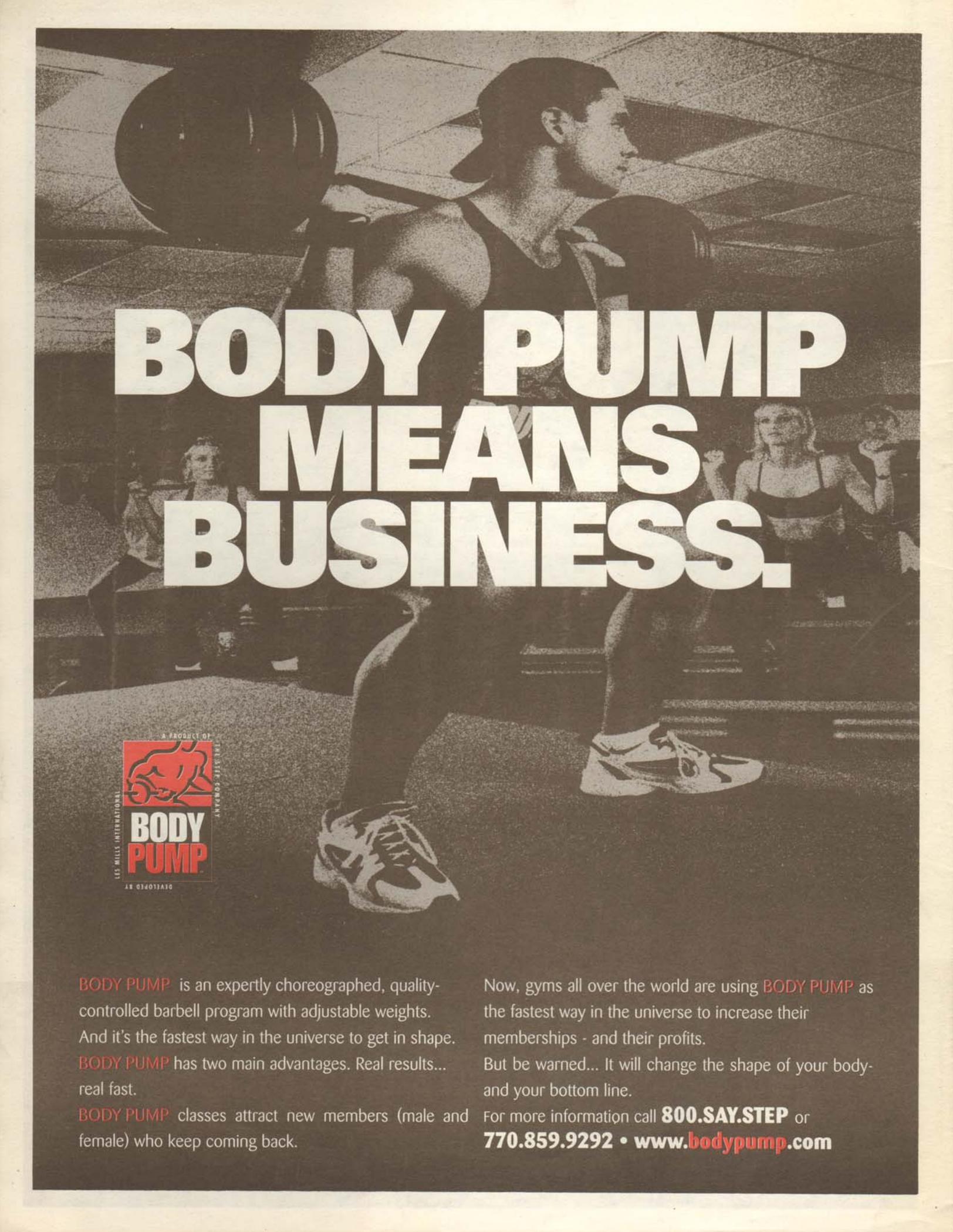


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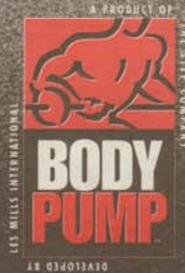
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