

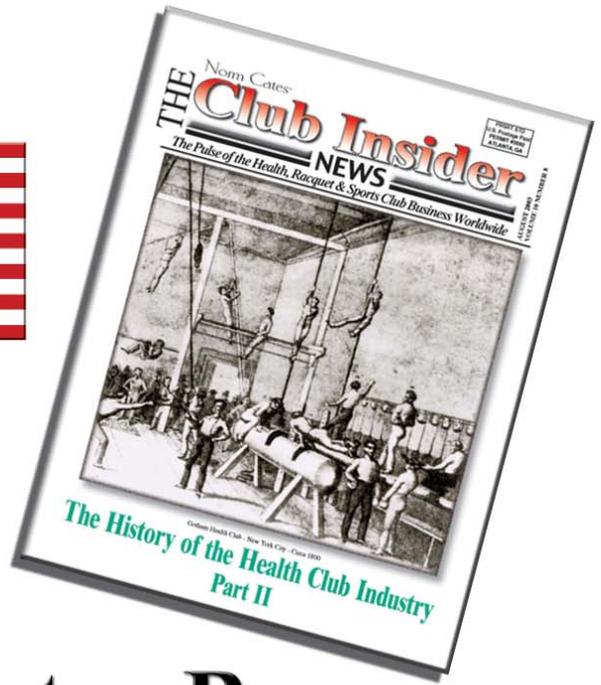
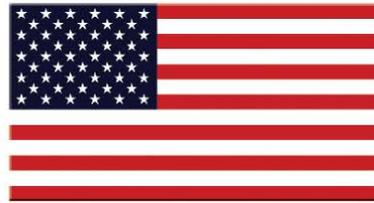
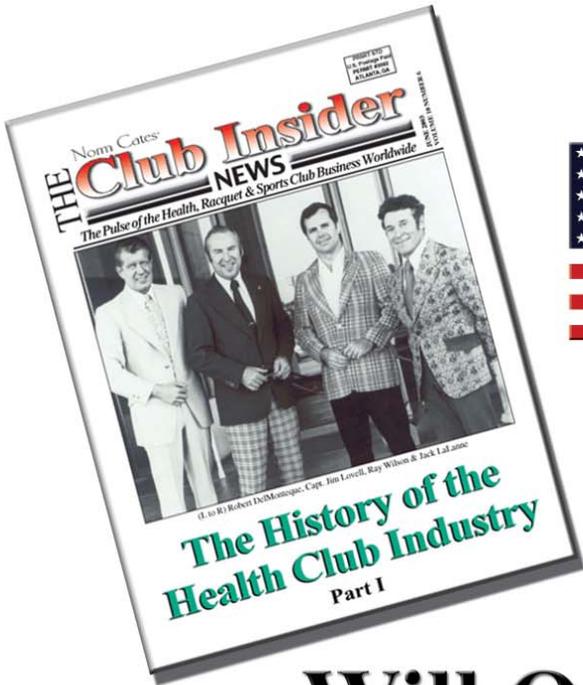
PRSR STD  
U.S. Postage Paid  
PERMIT #3592  
ATLANTA, GA

# Norm Cates' CLUB INSIDER™

JUNE 2008

The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide  
Established 1993

## A 100 Year Perspective On The Health and Fitness Club Industry



**Will Our Industry Be**

**“Just Another Brick In The Wall” of American History**

**or Will We Earn America's**

# TRUST?

# THE ABSOLUTE BEST **WORLD GYM** CONCEPT UNDER \$100,000!!!

(The all new World Gym Key Club)



## WORLD GYM

*1440 All Access*

World Gym the best brand in the fitness industry, gives you a business model that offers \$\$ and Freedom.



### Locations selling at 10 per week, HURRY IN!

Own your own fitness center!

For Franchise Information, please contact  
[info@worldgym.com](mailto:info@worldgym.com) • call 800-544-7441

[www.worldgym.com](http://www.worldgym.com)

# Norm Cates' CLUB INSIDER™

The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide  
Established 1993

## A 100 Year Perspective On The Health and Fitness Club Industry *Will Our Industry Be "Just Another Brick In The Wall" of American History or Will We Earn America's TRUST?*

By: Norm Cates, Jr.

Hmmm... How DO I say this? How DO I say what somebody needs to say, without personally offending you and your club? How do I write this without making YOU feel like I am writing negatively about you and your club, instead of writing about the history of the health/fitness club

industry and where our industry now stands with some Americans, at least partially, due to that sordid history?

How do I navigate through a tight passageway to the open light and deliver a message that I have hinted at before, but today, just come out and say IT? A message that addresses the industry membership growth

issues of: America's *lack of Trust and their Fear and Intimidation experienced when some Americans even think of a health club.* How DO I do this?

To quote Nike: "JUST DO IT!" So, I am now going to JUST DO IT and rely on your bright mind and the faith I have in your intellect to read this, process it and act in any way you can to

start the sea change I set forth here as a goal for our entire industry.

### The Sea Change That Is Needed

*That sea change?* We must all realize that we need to work together to teach Americans and Canadians and others around the world that your new era, 21st century clubs are very different

and far, far better than they may think, and they should just drop on by for a visit. We must all work together to *make them like your clubs in their minds first*, before we can convince them to go to your club and check it out... with a serious intent in their minds to join. We must all adopt this movement of nationwide (See *TRUST* Page 14)

## BTS Announces The Retention People's Revolutionary Software Coming to U.S. Clubs! *An Interview with Rich Boggs - The Step Company and Body Training Systems Founder*

Dr. Melvin Hillsdon, leading retention researcher in the United Kingdom, has been analyzing health club membership retention for several years in cooperation with The Retention People (TRP) Founder, Alistair Rollins.

The Retention People has access to 2 million member records to provide clubs in the U.K. with what could be described as a "laser beam" focused solu-

tion on "at risk" members. Clubs have the ability to interact with these "at risk" members and convert them into members who stay, exercise and pay dues longer. These members are flagged upon check in with what TRP calls the "Last visit probability factor." This revolutionary concept has proven to help club owners' lower attrition figures significantly.

I learned of TRP from Rich Boggs over a year ago. Since

then, TRP and Boggs have been in discussions about the launch of their software in the United States. Now, the Courthouse Athletic Clubs, a five-club chain in Salem, Oregon led by John Miller, will begin testing TRP software in their clubs this month.

The following comments from Rich Boggs, The Step Company and BTS Founder, give me the belief that BTS is bringing a system to America that may

solve the now 65+ year ongoing club industry mystery of how to manage and lower member attrition.

An excellent effort by Richard Ekstrom's Retention Management Company has been made and has achieved success for many clubs. And, two years ago, IHRSA endorsed Paul Brown's Face2Face retention company, but IHRSA's endorsement has since expired and will not be

renewed, according to a reliable IHRSA source.

Now, another and very significant U.S. player, Body Training Systems (BTS), is stepping even deeper into the retention fray. For the past 11 years, BTS has been teaching clubs that group exercise will increase retention dramatically. A number of clubs have experienced significant retention increases (See *BTS/Retention* Page 6)

## IHRSA Releases 2008 IHRSA Global Report: The State of the Health Club Industry Total U.S. Membership Drops to 2004 Levels - Revenue Per Member Increases

The International Health, Racquet & Sportsclub Association (IHRSA) announced the release of the 2008 IHRSA Global Report: The State of the Health Club Industry in Boston on June 3, 2008. The report contains the latest financial information on the global fitness industry, including a comprehensive industry overview

featuring analysis on the industry from 21 industry leaders from independent clubs, large club chains, leading industry suppliers, club associations and federations.

"While the health and fitness industry historically has been fairly recession-resilient, it is certainly not immune to economic factors that affect the

global fitness market. Among these factors are: the current credit crunch, increased competition and rising expenses," said Katie Rollauer, IHRSA's Senior Manager of Research. "However, effective club operators recognize the power of building strong brands and have begun to align themselves with the medical

community and health insurance companies. The fitness industry's greatest assets continue to be the people who comprise our industry: entrepreneurs, suppliers and millions of health club members. These ambassadors position the health and fitness industry for continued growth in any economy," she said.

Findings in the report indicate the total number of health clubs increased by 6% to 108,059 individual club locations worldwide, while revenues increased by 10.2% to \$61.4 billion. However, the total number of worldwide members, 106.7 million, has held steady. This (See *IHRSA* Page 6)

## Inside The Insider

- Referrals! Referrals!! Referrals!!! - By: Ray Gordon
- How Passion, Focus & Responsibility Can Empower You - By: Ed Tock
- Recession-Proof Your Business With Cash Magnets! - By: Donna Krech
- Helping When Disaster Strikes - By: Shawn Vint
- Preparing for the Downturn - By: Will Phillips

Norm's NOTES: •Pat Laus and Kevin McHugh Taking Clubs for the Cure to New Territory! Judi Sheppard Missett's Jazzercise, JCC's of America and YMCA's to Help •Ken Reinig's Association Insurance Group Merges with Thomco Insurance Enterprises •Raymond Long Sells Personal Best Lifestyle Club •Industry Veteran Ed Shelby Launches Robotic Waist Reducer •Snap Fitness Takes in Minority Investor •CDC Says Childhood Obesity Leveling Off •Dr. Ian Smith Joins with Patti LaBelle and Ebony/Jet Magazines to Fight Childhood Obesity •"Treating Obesity as Taboo is Unhealthy" •Brian Evans' American Family Fitness Centers Continue to Help Community. •"IT" is the Solution to the Rising Gas Cost Crisis •An "Oasis In The Summer" is a Terrific Way to Describe Your Club During the Hot Weather that is Now Upon Us!

- A TRUE STORY - By: Dr. Jack Scammahorn
- Creating Independent Club Value - By: Jeffrey Keller, M.S., M.B.A.
- 5 Steps to Planning a Media Event - By: Brent Sampson
- I Love A Parade! - By: Sandy Coffman
- Let the Games Begin!

# Norm's NOTES

• **Hello everybody!** This is your CLUB INSIDER Publisher Since 1993 checking it! Got scoops? Yes, we do!

• Is AMERICA a great country or what!? **Happy 4th of July!!!**

• In the news release on June 3rd (See the IHRSA Global Report on Page #3), IHRSA reported that the U.S. health club membership total **dropped to 41.5 million**. This news came at a time when I had already spent a lot of time during the past two months writing the cover story for this month. I completed my June cover story feeling an even greater sense of urgency for our industry, and I've concluded our industry needs to wake up and realize what we are missing and make some new moves. So, in this issue, I've exercised my right of free speech and **have climbed back up on my soap box yet again**, this time to address three issues that are, in my studied opinion, continuing to hurt new membership prospecting and sales in the United States. The issues are:

1. TRUST
2. FEAR
3. INTIMIDATION

So, I urge you to take the time to read my cover story this month, and don't miss our Page #3 report/interview with **The STEP Company and Body Training Systems' Founder Rich Boggs**, who announces that he is bringing the United Kingdom's "The Retention People" programs to North America. In these two articles, both beginning on Page #3, you will find solutions to both

ends of the never ending health/fitness club industry challenge of getting more new members into the top of the "funnel" of your club and *reducing the outgo of members that continually slip out of the bottom of that "funnel"* due to cancellations.

In my cover story, "A 100 Year Perspective On The Health and Fitness Club Industry", I cover some of the history of our industry, problems our industry still has from our history and how we, as a unified industry, could make a huge and positive difference in all of our futures. You will learn some things you may not know about our industry. I think you will agree with some things I say, and more importantly, just maybe, if you do disagree, you will contact me at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com) to express your important viewpoint so I may learn it and share it with our readers, if appropriate. But, most importantly... you will **THINK!** If you earn your living in this industry, it is my strong belief that you will benefit from this June, 2008 cover story. Ironically, while I have been working on this piece for several months, I did not realize until yesterday that this edition marks five years ago, in June, 2003, that I published a cover story entitled: "**The History of the Health Club Industry**" Part I.

Contained in this June, 2008 cover story, you will find three time segments: **1934 to 1981** - the "Spa Wars" Era; **1981 to 2008** - the time period I call the "IHRSA" Era; and **2008 to 2034** - The Era of the "Future".

In this writing, you will hear from me about **TRUST**... and how our industry lost it from the start, **WHY** we need the **TRUST** of the American consumer now to move forward and **HOW** we can all go about finally truly gaining the **TRUST of the American public for the first time in the history of our industry**. The period from June, 2008 until the year 2034 will complete the 100-year period I address here. The perspective for this period, 26 years into the future, will depend on you and your club(s). For this last segment, the Era of the "Future" of the 100 year perspective, I will project for you what can happen should our industry earn the trust of the American consumer and what that will do for the entire health/fitness club industry at least, nationwide.

My industry experience includes a time about 20 years ago when I was invited by **DR. JOE WILLIS** to give a lecture at **Georgia State University** in downtown Atlanta. I enjoyed two class sessions with the students. I taught the students about the difference between health club memberships during the "Spa Wars" Era and the "IHRSA" Era. Then, I sent the class of about 25 Georgia State students out into the field and challenged each of them to go and shop 3 different health clubs in the metro Atlanta area and then write a report on their visits. In their reports, I asked the students to decide whether the club was a "Spa Wars" mentality club that was a "high pressure sales" club and used a retail installment contract or if it was an

"IHRSA" mentality club operated with low key sales and month-to-month membership plans. They were asked then to summarize in essays the membership approach that was used on them in the respective clubs they visited. The results were very interesting, and I became convinced then that gaining American CONSUMER TRUST in our industry would be a major KEY to successful club operations and total membership growth in the future. I remain convinced now, especially given the fact that for four years in a row now, total U.S. health/fitness club membership growth has virtually stalled, and now, it has dropped dramatically. This calls for CHANGE, and I rally your mind today to rise up and change for the good of and future of your club(s) and the industry in general.

• **PAT LAUS** and **KEVIN McHUGH** of the **Atlantic Clubs** in New Jersey continue their **world class work** on **The Clubs for the Cure (CFTC)** program to help **Augie's Quest**. Jazzercise has been invited to join the CFTC/Augie's Quest Team! Jazzercise founder, **JUDI SHEPPARD MISSETT's** mother passed away after suffering from ALS. Judi has chosen to endorse the CFTC program in her newsletter to all her franchisees. Additionally, Pat Laus and **JOHN McCARTHY** met with the **Jewish Community Center National Chairman, STEVE BECKER**, and he immediately said yes! On top of that, Pat has gotten **IDEA** on Board with CFTC so **PETER** and **KATHIE DAVIS** are helping through their IDEA organization. Pat and Augie have also made contact with the **YMCA's of America** as well. More good news is that **GALE LANDERS**, the owner of 9 upscale **Fitness Formula Clubs** in Chicago, has committed to donate \$25 from every new full membership fee to the CFTC program! And, the Fitness Formula parent company is matching, dollar for dollar, any donations made by their staff! Gale Landers' Fitness Formula Club had a \$50,000 goal for May! We had hoped to give you numbers, but The Clubs for the Cure deadline has been extended until June 30th. So, **STAY TUNED** for 1st year totals next



Norm Cates

month! **Augie's Quest** has raised **\$14,541,255** in 28 months with a goal of **\$18 million** in 36 months. **God Bless you and Lynne and family, Augie!** Folks, please get involved with **The Clubs for the Cure!** [www.clubforthecure.com](http://www.clubforthecure.com)

• **Congratulations** to **KEN REINIG**, my friend and a great fellow, who is also known as "The Singing Insurance Guy" for his guitar playing and singing performances at club business events, has announced that effective May 1, 2008, **Association Insurance Group (AIG)** based in Lakewood, Colorado has merged with **Thomco Insurance Enterprises**, of Kennesaw, Georgia. Ken explained that the merger combines the industry expertise of his company (AIG) and the technological and logistical support of a major national insurance brokerage (Thomco). Association Insurance Group has been a leading provider of insurance products for the health club industry for over 15 years, and with the addition of Thomco, they expect to be even more competitive. Summertime is a good time to catch up on things, and for sure, your club insurance is something you always want to stay on top of. Check out the **Association Insurance Group's** ad on Page #19, and please visit them at [www.clubinsurance.com](http://www.clubinsurance.com) or [www.trainerinsurance.com](http://www.trainerinsurance.com).

• **Congratulations** to my long-time friend, and 40-year health club veteran, **RAYMOND LONG**, who has sold his 17-year running club in Central Florida, **Personal Best Lifestyles, Inc.**, to 10-year employee, **DOUG GOLDEN**. And, **congratulations** to Doug as he steps into club owner shoes. (See Norm's NOTES Page 8)

## Thank You

### To The CLUB INSIDER Contributing Author Team

- **Rick Caro** - President, Management Vision, Inc. - (212) 987 - 4300
- **John McCarthy** - 25-Year Executive Director of IHRSA
- **Ray Gordon** - Founder, Sales Makers - ray@sales-makers.com or (800) 428 - 3334
- **Bonnie Patrick Mattalian** - The Club and Spa Synergy Group - (732) 236 - 2273
- **Bruce Carter** - President, Optimal Design Systems, Intl. - (954) 385 - 9963
- **Casey Conrad** - Communications Consultants - (800) 725 - 6147
- **Dale Dibble** - Retired - dwdibble@hotmail.com
- **Donna Krech** - Founder & President, Thin & Healthy's Total Solutions - (419) 991 - 1223
- **Ed Tock** - Founder, EddieTock.com - Eddie@EddieTock.com or (845) 736 - 0307
- **Jeffrey Keller** - President, The Independent Health Club Networking Association - Jeffrey\_Keller@msn.com
- **Jeffrey Masten** - Sales Makers - (800) 428 - 3334
- **Jim Thomas** - President, Fitness Management, USA - (800) 929 - 2898
- **Karen Kirby** - President, Health Style Services - (210) 884 - 2620
- **Sandy Coffman** - President, Programming for Profit - SL.Coffman@aol.com
- **Shawn Vint** - Greenmaple Wellness, Inc. - (888) 355 - 1055
- **Will Phillips** - Roundtables for Executives - www.REXonline.org

## rev•e•nue•tionary *adj.*

of or relating to never-before-realized financial gains as a result of utilizing state-of-the-art, one-of-a-kind membership management technology;

**syn** see CheckFree Compete

Clubs of all sizes rely on the proven value and flexibility of our complete solutions approach to acquire members, grow revenues, manage costs and improve loyalty at every opportunity.

CheckFree Compete™ is a membership performance management solution that enables you to optimize resources and simplify management for improved financial performance.

Visit us at [www.checkfreecompete.com](http://www.checkfreecompete.com).

**CheckFree Compete™** – complete membership performance management.

© Copyright 2008 CheckFree Corporation. All rights reserved.

**CheckFree®**  
is now part of **Fiserv®**

[www.checkfree.com](http://www.checkfree.com)  
1.800.324.9800

## ...BTS/Retention

continued from page 3

because of regular participation in the excellent group exercise classes BTS provides for their clients.

Perhaps, we are on the precipice of discovering a way to close the bottom of the funnel, that "funnel" where our U.S. club industry sells 15 million or more new memberships a year, only to have drop-outs cause clubs to have no net growth or, in some cases, annual net losses of total members. New members join a club, work out and pay for a while... then exit at the bottom of the funnel. BTS and TRP intend to help American clubs close off or dramatically tighten the bottom of that funnel.

Success in this endeavor, combined with success in the endeavor discussed in this author's cover story this month, i.e. that it is time for our industry to deliver a huge PR campaign intended to convince the U.S. population to give our industry a look, might give total membership in the U.S. and around the world a huge boost. If we are creating new members from an untapped base of 260+ million U.S. citizens, and at the same time, utilizing the BTS/TRP system for better managing and reducing attrition, this industry could be totally different and much more financially successful in the short and long term.

## the retentionpeople



**Comments by  
 BTS Founder Rich Boggs  
 on Importing UK - Based  
 TRP Software**

**Rich Boggs** - "The concept of 'retention' and why it is a major battle unless clubs have new tools to deal with it, is what I will comment about today.

Retention is all about a member finding something they like to do in the club. If they hook onto that, whatever it is and for whatever reason, you will know by their regular participation. So, if they find something they like and they start doing it regularly, they will continue that activity until something changes, and we never know when that is. BTS clubs average 2,000 to 3,000 members, and there is no way to monitor their participation regularly because it changes every day with those people coming to the club and other people who do not come to the club. Their patterns and regularity change daily!

The Retention People have been working with the premier retention expert in the world, Dr. Melvin Hillsdon. Dr. Hillsdon has studied survival

rates, which is exactly what retention is, just like a cancer patient or a heart patient. How long do they survive as members of a club? This survival rate affects the length of membership and the amount of dues a club collects.

TRP have examined 2 million member records to determine the factors that influence retention. They have developed an algorithm that as soon as a member visits the club, the software which resides on top of your check-in software, **develops a probability that this is the member's last visit to the club.** This probability factor is generated on the spot and has been verified by Dr. Hillsdon's research. There is no way a club could do this with a large number of members. If you have several hundred members, perhaps it would be possible to accomplish. However, over that number becomes very difficult because it is dynamic and changes from day to day with each individual member.

TRP categorizes each member as Low, Medium, High and Very High risk **that this is their last visit.** It has been proven that if club personnel have an interaction with just 50% of the members in the High and Very High risk groups, the club

can add from one month up to 2.6 months revenue across the entire membership in a 12-month period.

**Note:** An interaction is more than just saying "Hello". An interaction is a conversation, but it does not have to be about fitness. It is simply letting that person know somebody cares. A club with 3,000 members will add between one and 2.6 months of additional dues. If the club charges \$50 per month, the additional revenue will be between \$150,000 and \$390,000. So, we are talking about some huge potential increases based on very small operational changes.

Plus, The Retention People software is very user friendly. It makes the calculation and assignment of the Risk Factor immediately at the front desk. Then, the interaction is recorded on drop down menus so clubs can measure the effectiveness of those interactions and the individuals who conducted those interactions. So, it has accountability and immediate identification of the high risk members.

The Retention People have just completed a study where they analyzed the last visits of the members who had subsequently dropped out. The important result

of that study was that 70% of the people who had dropped out had been shown as "High" or "Very High" risk on **their very last visit** to the club. We know that 20 - 30% of the people who drop out do so because of random events that happen. They move, get laid off or have an illness or injury. Approximately 70% of the people who drop out don't have those random events. They just have not found what they like to do. So, the software is absolutely hitting the target.

I have been privileged to see all of the studies and all of the statistics from the UK where The Retention People have done studies on all the variables that influence retention. This software really has been researched incredibility well.

We believe most operators want to do something about member retention but have not had the proper tools to identify, interact and measure the impact of the member interaction. John Miller, who heads the five Courthouse Athletic Clubs in Salem, Oregon has been working for years developing and testing systems to improve retention and shares our excitement about The Retention People software. John's clubs will be the first to test the program through Conexion, their check-in systems provider. We're testing TRP in 3 additional clubs beginning this month. Very shortly thereafter, BTS will be bringing The Retention People software to clubs across North America."

**STAY TUNED!**

Norm Cates'  
**CLUB INSIDER**<sup>TM</sup>  
The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide  
Established 1993

**15 Years and Counting!!!**  
**Established 1993**

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

**PUBLISHER AND EDITOR** - Norm Cates, Jr.  
**VICE PRESIDENT** - Justin Cates

**PRINTING AND MAILING SERVICES** - Walton Press  
[www.waltonpress.com](http://www.waltonpress.com)

**CLUB INSIDER**  
 P.O. Box 681241  
 Marietta, GA 30068  
 (O): (770) 850 - 8506  
 (F): (770) 933 - 9698

[www.clubinsideronline.com](http://www.clubinsideronline.com)

## ...IHRSA

continued from page 3

stalling of consumer demand has predominantly been observed in the U.S., where the previously projected 44.1 million U.S. health club members for 2007 has been restated based on actual data to a final total of 41.5 million members for 2007, a non-statistically significant change over 2006, 2005, and 2004. Despite the possibility that these figures suggest the industry may have begun to adjust to the slightly slower rate of growth in consumer demand, industry revenues have continued to climb, which suggests that clubs are collecting more revenue per member than ever before.

While consumer demand appears healthy in the European markets, continuing consolidation

of high-end luxury fitness chains will provide chains with greater economies of scale and increasing interest, and investment from other industries, such as: property investment companies, football (soccer) clubs, and hospital groups, will enable additional growth. Despite local operating restraints in Asia, growth in the number of clubs and members has been very strong in key countries, such as China and India.

The "Industry Research" section of the report includes information on the top ten global markets with details on industry revenue numbers, club totals, membership numbers and penetration rates, in addition to sections on the Americas, Asia Pacific and European markets. The "Company Profiles" section highlights more than 170 leading club companies from around the

world, including financial and membership information. The last section of the report includes supplier profiles, which provide clubs with useful information about products, services and software.

The 2008 IHRSA Global Report is available in both print and PDF format with member and non-member pricing on [www.ihrsastore.com](http://www.ihrsastore.com). For media inquiries, please contact [pr@ihrsas.org](mailto:pr@ihrsas.org) or (617) 951 - 0055.

The International Health, Racquet & Sportsclub Association (IHRSA) is a not-for-profit trade association representing health and fitness facilities, gyms, spas, sports clubs, and suppliers worldwide. The association's membership includes over 9,100 clubs in 75 countries, along with over 730 industry suppliers.

# Referrals! Referrals!! Referrals!!!

By: Ray Gordon

Want to decrease your cost per new member? Earn referrals. Want to increase your number of new members? Earn referrals.

Earn referrals? How do you do that? It's really very simple and may be one of the most warm, fuzzy rewards of the job.

Do the math; probably 60% to 70% of the available members in your market area are non-regular exercisers based on the industry guidelines of regular exercise. A huge percentage of these potential members have previously had a negative (or at least an unsuccessful experience) with a health club membership. Regardless of the dues they were paying, or the length of the contract they were obligated to, most of them were disappointed in the final results. Face it; these non-exercisers have failed to make exercise part of a healthy lifestyle.

The best thing a membership advisor can do for them is to be an integral part of the team that helps them succeed this time. Their accomplishment usually causes them to get all excited and go motor mouth to friends and acquaintances about all the good things that exercise has accomplished for them. They have a right to be proud as this was not an easy transition they just accomplished. You should be proud of any extra effort you invested which made a small (or large) difference in helping them succeed. Don't just sell them a membership; stay closely aware of how their club experience is going. Ask questions and motivate them to achieve their goals. Prove that, this time, the rewards will be tremendous. In turn, the rewards to the membership advisor will also be tremendous.

When you greet a new guest, don't be thinking just about one membership sale. Instead, use the dialogue sales approach to make your game plan for at

least four memberships: the new member, an emotional referral immediately and two more referrals within the first year.

It takes much more than the prospect of an attractive referral gift to kick-start the membership referral process. This is an industry which has always relied on member referrals to hit budgets, but referrals are one of the most underutilized items in the membership department's toolbox. Research shows that nearly 70% of clubs fall short of their potential. How does your club measure up? Take this simple test and see:

**Level 1 - Problem:** Membership reps are not utilizing a referral presentation form.

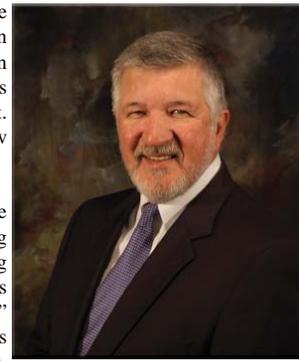
Make sure your club has such a form and that your reps are trained to use it properly. Inspect what you expect.

**Level 2 - Problem:** Reps are using referral presentation form, and they're explaining the guest

policies, but the delivery of the member referral presentation needs work. They are relying on the referral gift and guest passes as enough of an enticement. Their level of results fall below your clubs expectations.

**Level 3 -** Membership reps use the presentation form, explaining the guest policy, and providing guest passes. The key to this presentation is "dialogue selling" on the tour. Ask the right questions in order to show all the benefits. Prospects are told the referral gift is the club's way of saying "thank you." for a member referral.

**Level 4 -** The membership person has successfully completed all of the above, has made motivational calls, and has sent thank you notes for the referrals they earned, including additional guest passes. They have made sure each referring member knew their efforts were appreciated. They make sure that the new member is using the club. They are earning



Ray Gordon

their referrals!!

### Secrets of the Successful Referral Process

A club that successfully employs good membership referral techniques should meet or exceed Level 3 at least 80% of the time. If you're looking to improve your track record, here are a few tactics that can

(See Ray Gordon Page 8)



## Sales Makers

**"Membership Specialists"**

As former U.S. President Woodrow Wilson said,  
*"I not only use all the brains I have, but all that I can borrow."*

Let's put our brains together and chart a profitable course for your club!!

### Ray Gordon, Founder of Sales Makers

is available to work with your club and your staff on

### sales, retention, member referrals

And guarantees to help you get the most out of your marketing dollar.  
 Customized and developed for your style of club in your market!!

Reserve training now and receive a great summer promotion

FREE

**SalesMakers.com**

E-mail [rayg@salesmakers.info](mailto:rayg@salesmakers.info)

239-823-3769

## ...Ray Gordon

continued from page 7

prove useful:

**1. Have a professional presentation.** Design a special member nomination form if you haven't already. Change the forms and the offers to keep it fresh and exciting. If you are currently using third generation copies, do yourself a favor and create a professionally produced document.

**2. Use a tangible product as an incentive, rather than "one month's free dues."** Members will become walking and talking billboards once they're wearing a shirt or carrying a bag with the

club logo. No one standing in a line at the supermarket is likely to rave about money saved on club dues. However, a club logo may spark interest from a fellow shopper.

**3. In your Pro Shop, do not sell what you are giving away as an incentive.** Make it clear that this prestigious article of clothing must be earned. It can be noted on the sleeve or under the logo that the item is worn strictly by members who are proven experts at member referral.

**4. Track guest passes for prospects referred by club members.** Make sure to record the name and phone number of the prospect

and the expiration date. Follow up with those who do not redeem their passes. If they are on a multi-day guest membership make sure they're using it during the trial period.

**5. Make sure your new member is using the club.** Use the information that was gathered during your dialogue tour to motivate and encourage your new member. This is not just making phone calls or sending e-mails. It is making motivational and encouraging phone calls and e-mails that are pertinent to the new members' goals and previous exercise experience.

**6. Encourage your new member**

**to try different areas of the club.** Give them guest passes specific for any class or program that they enjoyed.

**7. Make sure the guests had an enjoyable experience.**

**8. Focus on the referrals success.** When their referral joins your club, make absolutely sure that you have the necessary information to really help them succeed. When a member refers someone to your club and they fail, this member will not keep referring new members. This is important if you want to earn the 3rd and 4th referral

**9. Get testimonials within**

**the first 30 to 45 days.** What a great opportunity to teach the new exerciser to brag about their successes!

What if every new member that was previously a non-exerciser felt motivated enough to give you a short testimonial of their personal benefits from starting a healthy lifestyle? That would certainly increase your member retention and your referrals. There is a goal for you!

*(Ray Gordon is the Founder of Sales Makers "membership specialists". Email Ray with any comments or questions at: [ray@salesmakers.info](mailto:ray@salesmakers.info) or call (239) 823 - 3769.)*

## ...Norm's NOTES

continued from page 4

Raymond will continue personal training selected clients at the club.

• **HERB LIPSMAN**, my friend and the extremely talented young man in Houston, Texas, has launched a grand new project called: *The Stable Wood Springs Resort*. Herb spent years with Houston's *Redstone Company* and the *Houstonian Club and Hotel*, transforming it from an unstable, failing project to a world class resort right in downtown Houston, Texas. The new Stable Wood Springs Resort is in the Texas hill country outside of Houston.

Check out: [www.stablewoodsspringsresort.com](http://www.stablewoodsspringsresort.com). Folks, Herb is one driving and busy guy. During the last three years, through his new company, [www.thehealthclubcompany.com](http://www.thehealthclubcompany.com).

com. Herb:

1. is building a fitness center at *River Oaks Country Club*

2. building a fitness center at *Lakeside Country Club*

3. completed the fitness center, pools, kid's gym and yoga studio at *Westside Tennis*

4. is developing a wellness community North of Houston, called "*Sanctuario*", and

5. is opening a line of clubs just for women called "*The Health Club for Women*" with the first location open in Houston and the next club slated for Sugar Land.

WHEW! Herb Lipsman, former IHRSA Board Member, and one of the most talented people in the entire industry, is on a production tear of diversified projects, the likes of which I don't ever recall anybody in our industry equaling. Congratulations and GO for IT Herb!

• **SNAP Fitness Founder** and

**CEO, PETER TAUNTON**, has announced a minority equity investment by **Summit Partners** that will provide capital for growth for the compact, state-of-the-art 24/7 fitness centers. Currently, SNAP Fitness has over 1,500 locations sold. Summit Partners is a private equity and venture capital firm with offices in Boston, MA, Palo Alto, CA, and London. Summit Partners has raised more than \$11 billion since its inception. Terms of the transaction were not disclosed.

• Did you know that the slogan for *America's Better Business Bureau* is: "*Start With Trust*"?

• **ED SHELBY** is a gentleman who **Co-founded Tan & Tone America** in the Oklahoma City area and now has 12 centers. This veteran has invented and is producing a new piece of equipment you may want to know about for your club and it is called: the **Robotic Waist Reducer**. The machine has multiple training applications, but efficient waist reduction is one of the best. Welcome to Mr. Shelby as he has chosen to launch his new machine sales effort in **CLUB INSIDER**. Check out the new *Robotic Waist Reducer* ad on **Page #24**.

• Welcome back to **JOHN AGLIALORO's Cybex International**. Check out the new *Cybex* ad on **Page #31**.

• **Good news!** The **Centers for Disease Control (CDC)** announced on May 28th that "It looks like its leveling off". Those words were quoted from **CYNTHIA OGDEN** of the Atlanta-based CDC in the May 28th edition of the **Atlanta Journal Constitution** in an

article by **ROB STEIN** entitled, "Kids' Rate of Obesity Didn't Rise For Once". This may be a clue for the future. It may be an early signal that your efforts in your clubs and the mass media's efforts about childhood obesity and the overall American obesity pandemic, are beginning to have an impact, even if small at first.

• **DR. IAN SMITH**, a remarkable young man whom I heard speak at **Club Industry East** in June 2006 in Orlando, has enrolled star singer **PATTI LABELLE** in the *Ebony/Jet Magazine Weight-Loss Challenge* to encourage readers To Get Fit. Music legend Patti LaBelle, 64, has partnered with the renowned Dr. Ian Smith to transform Black America's lifestyle habits through his flourishing "**50 Million Pound Challenge**". In its companion campaign, the "*Ebony/Jet Weight-Loss Challenge*", *Ebony* and *Jet* Magazines, along with *EbonyJet.com*, have kicked off this initiative to encourage readers to drop the pounds, exercise and eat right.

• **ROYCE PULLIAM**, has hired **MARTIN STEIN** to be the new **Urban Active Chief Operating Officer (COO)**. Stein is an industry veteran with lots of experience, including 20 years with **24 Hour Fitness**. (Check out story on **Page #36**). If you want to see what Pulliam is doing with his new Urban Active brand go to: [www.urbanactive.com](http://www.urbanactive.com).

• Writing this month about clubs building **TRUST** in the minds of consumers, let me tell you about **BRIAN EVANS' American Family Fitness** in Richmond, Virginia. He has partnered his 7 super-clubs with area high school

physical education programs to help students focus more on individual fitness and less on team sports. In October 2007, students from three physical education classes at **Monacan High School** in Richmond, VA began visiting American Family Fitness' *Swift Creek* location twice a month for fitness classes and programs. The curriculum for these classes (one Fit for Life class and two personal fitness classes) focuses on promoting individual fitness and healthy habits for a lifetime, as opposed to team sports. Evans' American Family Fitness Centers are one of the leading organizations I know of in America when it comes to building community trust. Congratulations to Brian Evans on his 110,000 member, 7-club AFF chain giving so much back to their community. AFF's "**Pass It Forward**" mentality and community giving year in and year out to **Boys and Girls Clubs** of Richmond, and now with high schools, gives this top-end club group a clear market identity as people who care.

• "**Treating Obesity as Taboo is Unhealthy**" is the title of an article published in the May 29th edition of the **Atlanta Journal Constitution**. The piece was written by **DR. JEREMY BROWN**, an Associate Professor of Emergency Medicine and Research Director in the Department of Emergency Medicine at **George Washington University**. He is also the author of the **Oxford American Handbook of Emergency Medicine**. Brown writes about obese people he treats in emergency rooms and how he has, for years now, *(See Norm's NOTES Page 10)*

*The*  
**STEP**  
 The Original Since 1989



[www.thestep.com](http://www.thestep.com)

800-729-7837 \* 770-989-4700(x277)

***Improve the health of  
your bottom line!***

***Affiliated Acceptance Corporation***

***1-800-233-8483 • [www.affiliated.org](http://www.affiliated.org)***



***25¢ EFT***

***45¢ MC/V***

***\$2.50 Mail-In***



**Software • Billing • Collections • Personal Training • Class Scheduling • FitTrak**

## ...Norm's NOTES

continued from page 8

been faced with the challenge of telling injured people who are coming into his emergency room that the reason their knees or backs are hurting is because they are overweight. Brown writes, "I have been doing the unthinkable, and the word is out. I am an emergency physician in Washington (D.C.), and I've started talking to my patients about their weight. For 15 years, I have broached virtually every delicate subject -- from sexual histories to the cough that is really cancer -- in the noisy, impersonal setting of a busy ER. It is expected of me. It is my job." He then declares he has no idea why he and so many doctors are skittish about discussing obesity with its sufferers. He then recounts recently treating a woman in her mid-40's who had a pain in her left knee for a month, but the pain was not due to twisting or injuring it in anyway, and there were no signs of infection. But, she wanted an X-ray.

Then he goes on, "She also weighed close to 300 pounds. That's a lot of stress on a joint. Her knees simply cannot keep supporting her weight." He explains that he normally would have ordered an X-ray, then would have reviewed it and told the patient there were no fractures, but he was seeing some changes signaling early arthritis. Then, he said he would usually prescribe something for the pain and send the patient on their merry way. Dr. Brown confesses, "Ultimately, though, this approach is wrong. When the

emergency room is crowded, it is easy to let the *preventive aspects* of medicine slip away. Obesity is not only about health risks, which include diabetes, joint pain, congestive heart failure, strokes, back pain, sleep apnea, depression, infertility and erectile dysfunction. It is also about the root causes and our society's denial of the woeful impact obesity is having on Americans' health. Let me not 'fail to see what is visible' is the line I recall from the Prayer for Physicians attributed to the great physician-philosopher of the Middle Ages, **MOSES MAIMONIDES**, a copy of which hangs over my desk. Non-traumatic knee pain is a sign that she needs dietary counseling, not radiographic imaging."

Brown then comments that there are many opinions about what one can say to overweight patients and that there is much we do not know about obesity such as: is it a lifestyle choice, a physical or mental illness or the result of some genetic trait. And, should the severely obese exercise, follow a strict diet, take anti-obesity meds, have surgery or all of the above? Dr. Brown closes with "If it is confusing to me, it must be harder for my patients. That is why we need to begin this conversation in medical school and continue it through residency and beyond. We need to prepare physicians for this *necessary conversation*."

So, folks... I ask you this: Do you know what to say in *this necessary conversation*? Do you tell your overweight members and prospects that their knees or backs most likely hurt because of the extra weight they are carrying? If not, I think

you may want to work on this verbiage so you may deliver this bad news in a manner that will educate and motivate them, not hurt their feelings and drive them away. Tall order, I know.

• **JOHN DILEMME**, an active industry motivational trainer, has announced that he's parted company with **ED and BARBARA ZIMBARDI** after a long association. In an emailed press release, DiLemme wrote: "Hi Norm, I am sure that by now, most of my associates, students and friends have guessed that strains have developed in my relationship with Ed Zimbardi. Ed and I have been working together for a number of years, but unfortunately, we have come to a parting of the ways. As a consequence, John and Christie Di Lemme of Di Lemme Development Group, Inc. will no longer be associated with Word2Net, Fulfillment Central or Ed and Brenda Zimbardi. To invest in any Di Lemme Development Group, Inc. materials, services and/or make payments on any Di Lemme Development Group, Inc. programs and/or club memberships, students must contact our office directly at 877-277-3339 or by email at **John@ChampionsAreMadeLosersAreBorn.com** or **Christie@ChampionsAreMadeLosersAreBorn.com**. If you have any questions as to any matters detailed above, please feel free to contact our office at the 877-277-3339 or us directly at the above-mentioned email addresses."

• **U.S. commercial airline ticket prices** are headed through the roof, and if you're going to any of the events stated below, now is a good time to buy tickets. For example, a ticket from Atlanta to Las Vegas or to Chicago are still available for less than \$400 round trip, but the word with the airlines is these prices, just like the cost of oil and gas, are gonna keep on going up and up. Please make plans to attend the following events:

• **IHRSA's Club Business Entrepreneur Conference and the National Fitness Journal Trade Show** in Las Vegas, **September 8-11th** at the fabulous **Rio Hotel, Conference Center and Casino**. Yes, it is ALL under one roof! This special IHRSA educational conference for independent club owners has a terrific faculty including: **KEITH FERRAZZI**,

**Founder and CEO of Ferrazzi Greenlight, Inc.**, a terrific speaker whose Keynote will be: "**Relationships for Revenue Growth**" (Sound familiar folks?); **GENE LaMOTT**, new **IHRSA Chairman of the Board**, who will Keynote with: "**Managing a Brand**"; and **DOUG LIPP**, former **Head Trainer of Walt Disney University** will present "**The Magic of Exceptional Customer Service**". Also, the following industry greats will make helpful presentations: **CASEY CONRAD, LAURIE CINGLE, LISA GORSLINE, BILL McBRIDE, DEREK BARTON, DONNA KRECH, SANDY COFFMAN, DARON ALLEN, LESLIE NOLEN, JAN SPATICCHIA, KAREN WOODARD-CHAVEZ and CAROL SCOTT**. Check out the IHRSA ad on **Page #35** and contact IHRSA at: **www.ihrsa.org** or **(800) 228.4772** for registration and hotel information. I hope to see you there!

• **Club Industry - Chicago** - always a winning event, this Conference will be highlighted by the presentation of **Fitness Business Pro/Club Industry's Lifetime Achievement Award** to **DR. KENNETH COOPER**, the "**Father of Aerobic Training**". Of course, the conference will be loaded with some of the most experienced and knowledgeable club business pros who donate their time to serve as faculty members for the event. Mark your calendar, buy your plane tickets and book your hotel for October 15-18th. Go to: **www.clubindustryshow.com** for details. My son, **JUSTIN** and I will see you there!

• You heard "**IT**" here first. "**IT**" is the solution for the gas cost crisis. "**IT**" is an idea: **Home-Based Workers**. If the corporations of America would just follow the IBM Corporation's lead on home-based workers, American citizens from sea to shining sea could save money on gas and automotive service costs, thus lowering the demand for gas, which then would cause lower gas prices and the bonus is America's commuters would have far better lifestyles than they do now by cutting 80% or more of the daily grueling, energy sapping thirty minutes to an hour commute to and from their corporate office. Think of it... Every day, millions of Americans lose an awful lot from their lives

sitting in a car every morning and evening. The job of getting to and from work has become America's second job! Working at home is truly a wonderful way of living life. I have been working hard at home for over 15 years now, and I would recommend it to anyone or any business that can work the idea into their organization. So, the solution folks... is cutting the demand for gasoline by giving some American employees the ability to work at home four out of five or even five days a week.

• **Summer has hit the ATL full blast... how about your neck of the woods?** How many of you are marketing your club as an "**Oasis In The Summer**" for your members, and especially prospective members, to come in from their "**Health Clubs Without Walls**" to the *great indoors* in order to escape the heat and humidity, and as an alternative to vacations they may have had to delay, shorten or cancel due to gas prices and the rising costs of airline tickets? How many of you have thought of creative ways to convince members to stay on board in the face of the almost daily rising cost of gasoline or have tailored marketing plans to encourage new prospective members to join and build their strength and stamina to help them produce better work and earn more money, not to mention manage the stress piling up on your SUV drivers every time they pop for about \$100 for a fill up?

• **God bless our troops, airmen and seamen** as these brave men and women risk life and limb everyday for all of us in Iraq and the Middle-East. **God bless their families** for the sacrifice they make for all of us. **God bless the citizens of IRAQ** as they deal with daily death and destruction from suicide bombers. **God bless you and your family. God bless America!**

(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sports club industry. Cates was the Founder and is now celebrating his 15th Anniversary as the Publisher of **CLUB INSIDER**. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of IHRSA's highest honors. Cates may be reached at: **(770) 850 - 8506** or email: **Norm@clubinsideronline.com** or visit our website: **www.clubinsideronline.com**)

**EWO<sub>2</sub>**  
**Exercise with Oxygen**

Be the first in your area to offer this new and exciting club service. Your customers will love burning more calories in less time.

The pilot cannula and the Oxyvital P6000, which distills oxygen from room air, make up the EWO<sub>2</sub> system.

Single User and Large Health Club Systems Available. Contact: Dr. Craig Wenborg • Oxyvital USA • 1-800-528-1026 • [www.oxyvitalusa.com](http://www.oxyvitalusa.com)



Designs to Suit Every Taste  
 Beautiful, Smart, Affordable  
 Best of All... Members Love Them

DESIGNING EXPERIENCES. INSPIRING LIFESTYLES.  
 ARCHITECTURE • INTERIOR DESIGN • CONSULTING • CONCEPT DESIGN

website: [www.fabianodesigns.com](http://www.fabianodesigns.com) • [info@fabianodesigns.com](mailto:info@fabianodesigns.com) • 973 746.5100

## How Passion, Focus & Responsibility Can Empower You To Outperform People With More Talent Than You

By: Ed Tock

Talent doesn't carry people to the top --it's **Passion**. Passion is more important than a plan. Passion creates fire; it provides fuel. As long as the passion is there, it doesn't matter if individuals fail or how many times. A passionate person with limited talent will outperform a passive person who possesses greater talent. Why? Because passionate people act with boundless enthusiasm, and they just keep on going. Passion is the first step to achievement. Loving what you do is the key that opens the door to achievement. When you don't like what you're doing, it really shows --no matter how hard you try to pretend it doesn't. Passion increases willpower. Questions need to be asked to help people discover their true passion. While everybody can possess passion, not everyone takes the time to discover it. Passion produces energy. Without passion, achievement becomes a long and difficult road. The secret of passion: *What I do makes a difference. When I do what I was made to do, I feel most alive.*

Passion is the foundation for excellence. It can transform

someone from average to excellent. When you find purpose, you find passion, and when you find passion, it energizes your talent so that you can achieve excellence. It can be the key to success. Whenever anything fires people's souls, impossibilities vanish. Passion makes a person contagious. Putting your talent plus formula into action means that if you don't possess the energy that you desire, then you need to fire up your passion!

**Focus** does not come naturally to us, yet it is essential for anyone who wants to make the most of talent. Having talent without focus is like being an octopus on roller skates. You can be sure that there will be plenty of movement, but you won't know in what direction it will be. Focus can bring tremendous power. With it, you will find that your talents and abilities gain direction and intentionality, and those qualities pay off by producing results. Focus increases your energy. If you desire to achieve something, you first need to know what your target is. Attempting everything, like attempting nothing, will exhaust you.

However, people do not

naturally remain focused --it must be intentionally sustained. Focus on the present. Just as you should keep your focus off yesterday, you shouldn't have it on tomorrow. Stay focused on results. Anytime you concentrate on the difficulty of the work at hand instead of its results or rewards, you're likely to become discouraged. By focusing on results, you will find it easier to stay positive and encouraged.

**Perseverance** is about finishing. Talent provides hope for accomplishment, but perseverance guarantees it. No matter how talented people are, there is no success without perseverance. If you desire to become a talent-plus person, you need to understand some things about perseverance. Perseverance means succeeding because you are determined to, not destined to.

**Teachability** expands your talent. Teachability is not so much about competence and mental capacity as it is about attitude. It is the desire to listen, learn and apply. A winner knows how much he still has to learn, even when he is considered an expert by others. A loser wants to be considered an expert by others before he has

learned enough to know how little he knows. Learning is meant to be a lifelong pursuit.

Learn **Responsibility's** major lessons. There are four core lessons: Recognize that gaining success means practicing self-discipline, finish what you start, know when others are depending on you, and don't expect others to step in for you. Relationships influence your talent. In his book, *My Personal Best*, John Wooden writes, "There is a choice you have to make in everything you do, so keep in mind that in the end, the choice you make makes you." Nothing will influence your talent as much as the important relationships in your life. We live in a culture that overvalues talent and undervalues relationships and responsibility.

To receive the top 10 Daily Success habits, email me at [eddie@eddietock.com](mailto:eddie@eddietock.com) or call (845) 736 - 0307.

*(Ed Tock is a top speaker for the Club Industry Shows, IHRSA Conventions and has been a faculty member for IHRSA's Institute for Professional Club Management. Ed is an industry leader as a marketing*



**Ed Tock**

*and sales training consultant, specializes in on site seminars and 90-day performance & profitability programs by delivering the highest quality of staff training, proven systems and innovative marketing programs. He has worked with over 800 clubs worldwide including 142 PRE SALES since 1983. Over the past 5 years, Ed's clients have averaged a 10 to 23 % increase in sales! Ed was formerly a partner in Sales Makers for 21 years. During that time Sales Makers was named IHRSA Associate Member of the Year! Ed can be reached at [eddie@eddietock.com](mailto:eddie@eddietock.com) or at (845)736-0307*

# Eddie Tock

## Health Club Sales and Marketing Consulting

Former 21 year senior partner with Sales Makers

- Pre-Sales Consulting
  - Sales Training
  - Sales Management
  - Marketing
  - Member Retention
  - Customer Service Training
  - Feasibility Studies
  - Personal Training Sales Training
- Education • Motivation • Results

Exceptional  
 references  
 and  
 professional  
 associations



EddieTock.com  
[Eddie@EddieTock.com](mailto:Eddie@EddieTock.com)  
**Call 845.736.0307**

Award-winning success with over 850 clubs worldwide

Faculty / Author for IHRSA and Club Industry

IHRSA Associate of the Year

# NATIONAL GYM SUPPLY



1-800-GYMPART / WWW.GYMPART.COM

*Products designed for high-use fitness environments.*



**2008 Catalog  
Available Now!**

## *You're covered!*

- BEST SELECTION
- GREAT PRICES
- FAST SERVICE
- EXPERT TECHNICAL SUPPORT

## ...TRUST

continued from page 3

consumer education about how good our new era, 21st century health/fitness club industry truly is today, in contrast to what they *THINK* it is like.

Our industry needs to reassess where we stand with American consumers and build a real plan to reach out to all Americans and Canadians with a message that convinces them that our industry is *not the same industry* that may have been described to them by someone who might have had a less than satisfactory experience in the past. This message should inform them that, in fact, the new era, 21st century health/fitness club of 2008 is vastly improved... and much better than their "Grandfather's Health Club".

I am going to rely on your mind to read this cover story, contemplate it, let the ideas incubate in your mind and realize that your author today is talking BIG PICTURE here... a 100-year big picture of our industry, a segment of which begins now.

Where our industry has been, where we are now and where we will go or could be going is the fruit of this labor.

I do not expect the sea change I advocate for our industry in this article to produce immediate results. Instead, I seek to create awareness in the minds of those that are unaware of the issues of trust, fear and intimidation and to ignite entrepreneurial fires in those who are aware.

### Trust

On some metrics... 100 years is a long time. On the metric of earning **American Consumer TRUST**, our health/fitness club industry is way behind. There. I said it again! *An even more clear statement is: our industry, because of its sordid history, is way behind in the very important area of TRUST by American consumers.*

*Why do I say our industry is not trusted by a significant portion of the American population? There are many reasons, but for the record, check this out.*

### "Grandfather's Health Clubs"

Completely to the contrary of what many Americans do think, when consumers hear the words: **health club**... they

should immediately think of the following: *YOU, the trustworthy, excellent, well-educated, caring, giving and dedicated people in our industry. But do they think about you great people? I argue... NO, they do not.*

*You folks*, by far, are the new era, 21st century health/fitness industry's greatest asset. Most of you own and work in well designed and built clubs with outstanding equipment for virtually every possible human exercise and fitness need.

*The good and true reality of the new era, 21st century health club professional does not match the bad reputation, the reputation of health clubs being like a "used car lot" in many American minds.* This "handed-down" bad reputation for our industry has been around for generations, and it has been passed on and on by family and friends of those wronged by our industry in the past.

They should know about YOU and the new era, 21st century health club and think of that positive image of you instead of a used car lot. But, that is NOT what they think about now.

What do millions of Americans think of when they hear the words: **health club**?

A large percentage of them think of their "Grandfather's Health Club", or more abundantly and clearly stated, the *negative reputation* of their "Grandfather's Health Club". That's because their Grandfather may have been the one who passed on his bad experience from a point in time long ago. Or, it could be your Aunt Tilly. Or, your Mom.

Regardless of whom they heard the bad reputation-making recollections from, they may recall and pass on to others many different stories:

- About their friend, Joe, who joined a local health club, went there twice after joining, then never went back, but kept on paying because of a retail installment contract he would be sued on to collect if he quit paying, and the bonus on the deal was... he stayed fat.

- They think of their Aunt Lucy, who had a neighbor who joined a big chain health club and got jacked around with her checking account being double EFT drafted.

- They think of their business associate who told them he had responded to a health club ad, only to be told, "that

\$19 special just expired, but we do have this \$1,200 three-year membership for you!"

- They may think about the big club chain who threw away in a dumpster hundreds of health club documents with member's credit card data on them.

- They may think of their brother, Joe, who bought a health club membership 25 years ago, when a club down the street was in the construction/pre-sales phase, but the owners never finished the club and took off into the night with his money. Brother Joe never forgot about that, and since then, has told hundreds of people, including all of his relatives each year at the annual 4th of July barbeque!

- They think of the club they read about in a newspaper story where the gym owner was heavy into steroid use and distribution and ended up in jail.

- They recall hot, bikini clad babes in newspaper ads for health clubs that they've seen during their lifetime. This recollection puts fear and intimidation into their minds whenever they even think of visiting a health club.

- They think of a club that's been in business for years finally having to close down due to so much new competition and not making arrangements for their prepaid and other members to transfer to other clubs, thus causing those *pre-paid memberships and Initiation Fees to have no further value.*

- They think about their sister, Joy, who had gone to a health club, found herself locked in a "closing room" with a high pressure salesman, a tattooed... goony guy, who just would not take NO for an answer, hid her car keys and pressured her over and over until she signed a membership contract she did not want to sign, just so she could get out of there!

- They recall a huge health club chain with over 400 locations, called Living Well Lady, closing down overnight 12 or 13 years ago.

- They have heard about Bally Total Fitness going through bankruptcy and emerging. And, they wonder now if Bally has gotten rid of their retail installment contracts, if they have cleaned up their filthy clubs, and if they have gotten rid of their goony, high pressure sales people since then.

- They think of the slogan that turns them off: "No pain... no gain!"

# "SPA WARS"

## The Saga of the Health Club Industry in America

by Norm Cates, Jr.

- They think about the ever present financial guru, Clark Howard, and his excellent and nationally syndicated WSB 750 AM Radio show, ranting over and over, usually at least every month or so with these comments.

1. "There are two types of clubs: 'the retail installment contract club' who wants nothing but the money from your wallet and really does not want you to show up at the club and the 'month-to-month membership club' who are owned and operated by ethical people who want you to come to the club on a regular basis, to get great results and not simply to pay your membership dues".

2. "Do not sign a long-term health club membership contract" and "Never, never, never, ever, ever... give your checking account number to a health club operator. If you want to pay monthly, pay with a credit card so it can be charged back if the club fails or they overcharge you".

- They think of the fear of embarrassment and possible intimidation they will experience if they point their car toward a health club, park in the lot and actually, God forbid, walk into the place they expect to be full of hard-body hotties and muscle bound juice fitness freaks everywhere they look. They truly fear embarrassment when working out in a place where they "perceive" they will be in

a room full of people who are all beautiful, in great shape and thus, will make them feel bad because of how frumpy and overweight they look and are. So, they don't go.

They think of a lot more, but club industry minds out there... do you get the picture? Do you now believe the picture I paint here that our health/fitness club industry is not pretty in the minds of millions of American consumers? Just check out the recent Consumer Reports survey results for more evidence of my argument here if you don't believe me.

However, I argue many of the people with a grudge against the health/fitness club industry in America also have friends, relatives and business associates with bad experiences and memories of our "Grandfather's Health Clubs" and no fear of expressing those memories whenever and wherever they get a chance.

This is the challenge all of us who make our living in this industry face; purely a reality, but not really a simple reality to solve.

### 14% and Stalled!

14% of the United States population are members of commercial health/fitness clubs. This 14% is the most recent calculation available using the (See **TRUST** Page 16)

# 5%

of ALL people who join a health club  
in the US visit [GymTicket.com](http://GymTicket.com) to  
help them make their decision.

## Will They See Your Club?

Call 1-888-321-GYMS to find out



## ...TRUST

continued from page 14

recently reported figure of 41.5 million, one that has been lowered after initially being reported at 44.1 million by Harvey's Laurer's American Sports Data Company. This comes during an era when the very product you sell in your clubs, terrific places to exercise and adopt healthy lifestyles, is literally touted and promoted for free by the mass media virtually every day of the year, but, without mentioning your clubs. I ask today, what's up with that?

The problem now seems to be that the American public clearly gets it... they do get that they should be involved in *regular exercise and that they should eat properly*. In fact, 93% of a nationwide group surveyed about a year ago said they realized they needed to be exercising regularly and that they should eat well.

As far as health/fitness club industry membership numbers though, that is where it seems to have stopped... with them saying they "know".

So, I ask here, "What do they *not* know?"

*The answer is a vast majority of Americans do not know of the excellence of your clubs and staff in 2008.*

Knowing it is important to exercise and eat properly and doing it are wholly different matters, and knowing it and **doing it in your clubs** appear to be separate and wholly different matters as well.

That same survey over a year ago reported that approximately 40% of the U.S. population actually does exercise regularly. The *disconnect* is that in the U.S., only 41.5 million Americans are members of commercial health/fitness clubs.

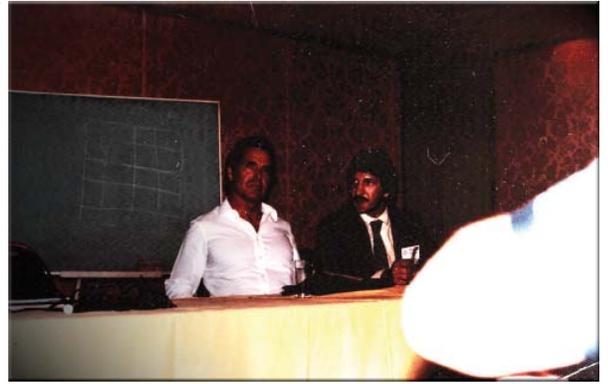
In my opinion, this low 14% penetration of just 41.5 million U.S. health/fitness club members now is *not where we all would like it to be*, and as you've read, *I believe there are clear reasons for it being this low.*

Were it not for **IHRSA** and **John McCarthy** helping our industry escape the "**Spa Wars**" era of the 50's, 60's and 70's our industry lived through, really the "*Pioneering Era*", *the penetration might be 5% or even less.* John McCarthy's long-

running leadership and mantra of the "*benefits of regular exercise*" truly changed this world with respect to awareness of those great benefits.

Above, I refer to the "Pioneering Era" being the same as the "Spa Wars Era". When you think of the word "Pioneer", don't you think of our ancestors in covered wagons heading west? Do you associate the "Pioneer" with the fact that the industry we all make our living from is just a "baby" in reality. Consider our "baby" compared to other industries such as the restaurant and hotel industry. When Jesus was born 2008 years ago, the story goes he was born in a manger because the "Inn was full". So, that should give us the idea that the hotel industry is, at the least, 2008 years old. Compare that to our 65-year-old commercial health/fitness club industry. Imagine the evolution of the hotel industry to Inns with no light bulbs, no air conditioning, no indoor bathroom, no TV's, no restaurant, no fitness center and no internet connections to what we know now.

Realize that you are



**Ray Wilson (L) and Ray Gordon Speaking at First I(H)RSA Convention in Las Vegas - 1981**

actually a pioneer too. That is because 100 years from now, our industry successors will very likely be involved in dealing with members who are living to be 150 years old! Imagine the evolution in our industry that will take place between 2008 and 2108! Imagine your role in the next 100 years. Does this not boggle your mind a bit? Does it not make you realize that my writing to you today, to you as an "*Industry Pioneer*" is intended to *engage you in making history in this industry by*

realizing the disconnect between American consumers and our industry today... *and doing something about it.*

### What can you do about it now?

1. For starters, realize and admit that my argument here has strong merit. Realize you need to go after non-members of clubs, not your competitor's members. This non-member population in the U.S. is 260+ million people. (See **TRUST** Page 18)

THINK OF IT AS YOUR

# EDUCATIONAL EDGE.

## Introducing PFT 2.0 Certification

Polar and NESTA have joined forces to provide trainers with a new level of certification. Now, for the first time ever, cardio-specific innovation and heart-rate based education will be offered to personal trainers through NESTA's PFT 2.0 certification.

## Increase Results, Retention and Sales!

PFT 2.0 integrates Polar's state-of-the-art heart rate monitoring with NESTA's comprehensive certification program to create an enhanced personal training experience for trainers and a more effective and successful gym experience for club members.

For more information on PFT 2.0 Certification, visit [www.nestacertified.com/polar](http://www.nestacertified.com/polar) or call 877.348.6692.



# Why do the most successful club owners choose ABC Financial?

"Our relationship with ABC Financial allows us to manage our business the way we've always imagined. With ABC, we enjoy so much more than quality software and billing services. In fact, our business is growing not just with ABC, but because of ABC. Problem accounts are addressed faster and more reliably than we could ever address them ourselves and ABC's collections efforts deliver more of our revenue to us. With ABC's marketing campaigns, we are communicating more with our new members, existing members and prospects, and we are doing this with less effort and for less money than we've ever invested before. We had high expectations entering our relationship with ABC, and ABC continues to exceed those expectations every month."

**Rob Bishop & Barry Klein**  
Owners of Elevations Health Clubs



EFT/BILLING SOFTWARE MARKETING SUPPORT

**800.551.9733**  
[www.abcfinancial.com](http://www.abcfinancial.com)

All aspects of ABC Financial Services were created and designed to help your business succeed.

- billing and collections
- club management software
- marketing and retention tools
- onsite training and support

We are health club people and we understand the challenges you face in your club. Our business is to focus on your business.

It all begins and ends with you.



## ...TRUST

continued from page 16

The current member population is 41.5 million. You do the math.

2. Then, upon that conclusion, begin to think about your club marketing messages. Put yourself into the mind of the American consumer and read **your club marketing messages carefully as if you were a consumer.** In your new ads, begin to **infuse TRUST, reduce consumer FEAR** and **alleviate the consumer's apprehension** about being embarrassed and intimidated when working out in your club. Realize these things:

•Print and other ads do work if you deliver the right message. If all you do is state, "Our club has 12,000 pounds of free weights, 50 cardio machines, etc.," your message will not hit your best and most desirable target: the American who is not a member of a health club now or may never have been a member of a health club in the past, but quit due to dissatisfaction, or for that matter, people who may never have even been INSIDE a health club before.

•**These people are not interested in WHAT you have inside your club, but instead, what you and your club has inside will do to help them.**

I repeat. They are not interested in all the equipment you have. *They wonder if you have educated professionals who*

*care about helping them get real results; they wonder if you have high pressure sales people; they wonder if your club requires them to sign a potentially credit damaging retail installment contract; they wonder if your club has month-to-month or quarterly membership plans and programs; they wonder if your club is full of beautiful people, those hard-body hotties and muscle bound guys that they have seen in previous advertisements for your club, prancing around. They wonder if your club has any "regular people" like them.*

If you focus only on the **FEATURES** of your club (i.e. how many cardio and strength machines you have bought or how many pounds of free weights you have), you will never really open the portals of the consumer's minds that I address attracting here.

**IF you concentrate on crafting your messages for print, direct mail, internet, radio and TV to communicate that the consumer can TRUST your club to deliver to them the benefits of the USE of your club and its equipment and amenities... you will attract the American consumer.**

In your ads, communicate to them:

The **Benefits of Regular Exercise** include, but are not limited to:

1. You will have much more energy to live life everyday

to the fullest, right from when the bell rings in the morning until your head hits the pillow at night.

2. You will sleep much better, helping you manage the stresses of our fast paced society.

3. Your clothes will fit better.

4. Your sense of humor will come to life again, and your self esteem will rise.

5. You will work and play better with people.

6. Your children and family will be proud of you and will emulate your success as their role model.

7. You will earn more money in your occupation because you will have much more strength and far more energy to produce quality work, and people will view you as a better human being to deal with in general in business, and they will naturally gravitate to you, your energy, your "aura" and your business offer.

8. You will prevent or fight off chronic diseases such as obesity, diabetes, heart conditions and stroke.

9. Your **sex life** will be far better and will provide you with the **greatest exercise of all.**

And, the list goes on and on.

**Let's all think together about the same thing: Attracting American consumers who are not health club members. From this collective thinking and resulting entrepreneurial energy, we can figure out how to mount a campaign, a nationwide thrust communicating to the 260+ million Americans who are not health/fitness club members.**

### The Fear And The Intimidation Factors

Beyond a lack of TRUST in our industry, the "fear of failure" and the "intimidation factor" in the minds of American consumers about what they may encounter in a health club when they even think about a club are two big things that are holding potential health club membership buyers back, according to a study commissioned and published by IHRSA (and, reported on by **CLUB INSIDER**).

"Fear of failure" relates to impressions held by consumers that today's health clubs still do not have truly caring, educated and qualified people to help them reach their goals. You and I know better, however. Now, it

is time that we, in a massive way, communicate what your team knows and how you will treat them.

"Fear of intimidation" goes back to the movie "Pumping Iron", circa 1977, where the 'Governator', Arnold Schwarzenegger, in his Mr. Universe days of splendor, gave millions the impression that health clubs were just for body builders. Well, you and I know that today's members are not focused body builders for the most part, but instead, are "regular people" whom anyone will encounter in any public place such as a grocery store or a movie theater. Yet, some people shy away from even thinking about going to visit a health club because of the "Intimidation Factor" and the "Pumping Iron" memory.

So, our message must be that American consumers can TRUST our clubs to take good care of them and that they have nothing to fear about failure as long as they will just show up regularly, and that they no longer need to feel intimidated by the thought of embarrassment about their soft, overweight bodies working out in a club filled with beautiful hot-bodied women and muscle-headed men. They must be taught that "normal people", just like them, are the people they will find in the new era, 21st century health clubs of America and Canada.

### The 100 Year Perspective

For this writing, I have divided the 100 years I examine in this perspective into three segments:

#### The "Spa Wars" Era 1934 to 1981

#### The "IHRSA" Era 1981 to 2008

#### The Era of the "Future" 2008 to 2034.

### Our Industry Is Way Behind In Consumer Trust For A Number of Reasons

Our industry is way behind in our quest for more American health club members for a number of reasons. Some of the reasons we can change in the future and then control. Some, we cannot. The one thing we can change, and control, once it has been changed, is the single

greatest thing that is holding the entire health/fitness club industry back in the United States: **the LACK of TRUST in our industry by the American consumer.**

The *honest truth* is the history of our industry has resulted in a collective *bad reputation* for commercial health/fitness clubs in the eyes of millions and millions of American consumers. *That bad reputation has resulted in a lack of TRUST in our industry by those consumers. The bad reputation health clubs have in America goes back to our pioneers, 50 to 60 years ago. But, this reputation has legs because people have memories and the "handed down" view of health clubs by older people today still gives millions and millions of American consumers a negative impression and clear pause when they hear the words: health club. Whether you or I like it or not, in the minds of the American consumer, the connotation that arises when Americans hear the words: health club is: used car sales.*

### The "Spa Wars" Era 1934 to 1981

This segment of the 100 year perspective began in 1934 when the one and only Jack LaLanne opened his first commercial health club in Santa Monica, California. His club was in a 9-story office building. To promote the new club's Grand Opening, Jack LaLanne went up on top of the building where a flag pole was mounted on the roof. He climbed up to the top of the flag pole and did a handstand! Hundreds of people down on the street gathered in amazement as he held that handstand on top of the flagpole. So, Jack LaLanne was off and running in one of the earliest commercial health clubs on record, and this was just one of many amazing exercise and fitness promotional stunts Mr. LaLanne pulled off during his amazing lifetime to promote the cause of exercise and fitness to Americans. He is still going strong today and teaching at the age of 93 with his lovely wife, Elaine. Clearly, Jack LaLanne is the most famous of all fitness gurus because of his TV days when he was on the tube every day exhorting America's housewives to exercise and be fit. He continues today with Elaine by his side, selling his Jack LaLanne Juicer Machine on TV, appearing in Target TV commercials and making personal appearances.

(See **TRUST** Page 20)

Norm Cates'  
**THE Club Insider**  
 NEWS  
 The Pulse of the Health, Racquet & Sports Club Business Worldwide  
 JUNE 2008 VOLUME 19 NUMBER 6  
 (L to R) Robert DeMonteque, Capt. Jim Lovell, Ray Wilson & Jack LaLanne  
**The History of the Health Club Industry**  
 Part I

# Since you need insurance, why not **SAVE MONEY** and have **PEACE of MIND?**

“ Ken Reinig and Association Insurance Group have provided us with excellent insurance protection for our clubs for over ten years. We started with Ken because he saved us money and we stay with his company because their service is the best we have ever experienced. Owning three clubs is enough of a challenge without having to worry about insurance. Using Association Insurance Group has been one of the best business decisions we have ever made. ”

*Mark and Karen Steinfield*

Gold's Gyms of Howell, Point Pleasant, and Long Branch



If You Would Like to Save Money Now and Have Peace of Mind that Your Club Is Properly Insured Call 800.985.2021 ext 10 or For A No Obligation Quote go to [www.clubinsurance.com](http://www.clubinsurance.com).



**Association Insurance Group**

## ...TRUST

continued from page 18

Ray Wilson, 80, the industry icon and legend and #1 club-building pioneer in the history of the health club industry, recently, after 60-years of experience in this business, said this about Jack LaLanne, when recalling the European Health Spa days, "In Southern California, because Jack was so well known and had his TV program, I called our clubs 'Jack LaLanne European Health Spas'. And, Jack helped out with our fitness programs and my people and got a percentage of the gross. Jack is now, and has always been, the most inspirational person in the fitness industry."

Ray Wilson, and another legendary icon, the late Vic Tanny, engaged in very intense competition back in the 1950's and 60's and Wilson admits today that was good for the fledgling industry, but bad for his company. In a recent interview with Mike Bundrant, Mr. Wilson said, "Jack LaLanne's TV program certainly made everybody aware of fitness and exercise in Southern California. Vic Tanny had opened a chain of health clubs in Southern California,

so I competed with him and we had a gym war, more or less. We both went national, and we both went kind of bananas and spent huge amounts on advertising. We tripled our advertising budgets and just really had a war. It was great for the industry because it excited everybody (American consumers and gym people) and we paid our people more. We'd steal each other's people and pay more to get them. So, it really blasted the industry and made people more aware of fitness, but it hurt both companies. I opened 270 locations nationally by the time I was 28 years old and Vic Tanny opened about 150."

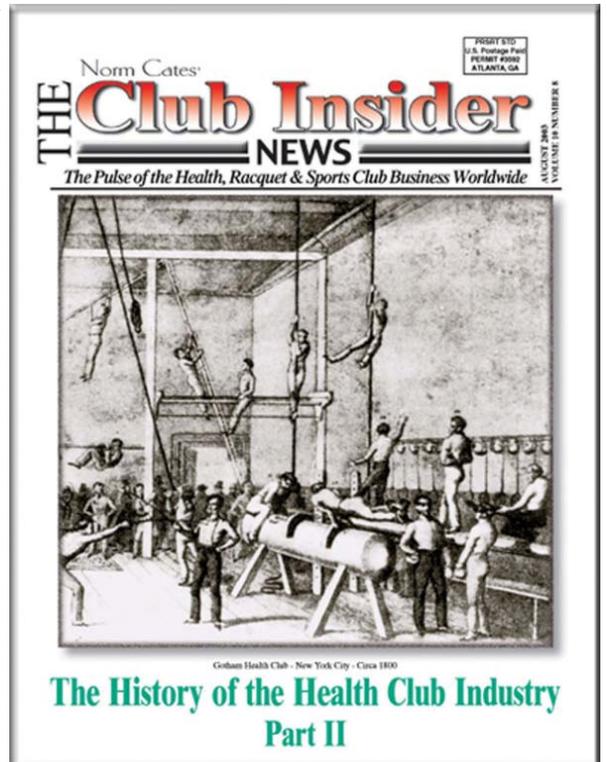
I will add here that Ray Wilson has gone full cycle. When he was about 20 years old, he was a professional wrestler and had over 600 matches over a couple of years. After that he went to work for a gym in Utah. Wilson observed that although the gym had a lot of members, few of those people would show up at the same time. Wilson convinced the gym owner to let him sell three-month memberships. After a while, he convinced the owner to move to six months and then to one year. Ray Wilson then built his own club, and after selling one-year memberships, moved

to two-year and then three-year memberships. Then, he invented something that he says saved his clubs and the industry back then, but it has not been good for the industry in the long haul and certainly not good for or even legal in the new era. His idea was the Lifetime Membership.

Completing his cycle, Wilson has since been a leader in the month-to-month membership movement with his 72 Family Fitness Centers in California in the late 80's and up until he sold the chain to Mark Mastrov's 24 Hour Fitness for \$95 million in 1995.

And now, Ray Wilson is beta testing a new club model: Ray Wilson's Fitness Center in Vista, California and considering a new, major chain for his new model.

But, Wilson says, "The health club industry was like the HBO TV show, Deadwood, when I first started. There were no laws and no rules." For those that have not seen Deadwood, it is a wild HBO series laced with profanity and showing what it was like in the 1880's in a Gold mining town called Deadwood. They had no laws and even murder was not sanctioned, until Wild Bill Hickok was murdered by a loony guy who shot him in the back while



Hickok was playing poker. But, Wilson's point is that the early pioneering days of the health club industry, an era when there were no rules because there had been no industry, did not leave everybody in America feeling good about our health/fitness clubs.

As the single most prolific health/fitness club builder in American history or better said, world history, Ray Wilson makes no bones about the fact that, during the six phases of his career, he has done things back then that he surely would not do now or recommend anyone else doing. But, he asserts that as a true pioneer, he did what it took to survive. Nobody I know has been through what Ray Wilson has been through, so I give him credit for his amazing 60-year career and acknowledge his role in our industry's history when he and others did things that still are remembered by some in our industry and some consumers today because of tales handed down.

And, I choose the term "Spa Wars" to describe the segment of time between 1934 and 1981 when Wilson and Tanny and many others were going at it. I use 1981 as the end of the "Spa Wars" Era, not because IHRSA cured the pioneer "Spa Wars" type behaviors, but because we've taken a good stab at it and began to make progress when we started the Association. But, we have a lot more work to do.

**Author's Note:** Physical culture artisans go back into the 1800's and for the best historian on the entire time spectrum of our industry, contact my friend, Mr. Bill Pearl, now age 78 and going strong. Bill Pearl, a former Mr. America and five time, Mr. Universe, stands alone as the greatest historian of our industry. Go to: [www.billpearl.com](http://www.billpearl.com) or send an email to: [support@billpearl.com](mailto:support@billpearl.com) for information about his amazing life and many books. Mr. Pearl, along with Mr. Jack LaLanne, Mr. Ray Wilson and Dr. Bob Delmonteque, represent the greatest living human resources on the complete history of our industry.

### The "IHRSA" Era 1981 to 2008

The International Racquet Sports Association, IRSA, as it was originally called, was the brain-child of Rick Caro, the Founder and CEO of Management Vision, Inc. in New York City. IRSA became IHRSA, when in 1994, the Board of Directors voted 9-0 to insert the word Health into the name, making the acronym IHRSA. IHRSA was founded by a group of folks, yours truly included, who wanted to carve out a *niche of trust in our industry* by providing *education and best practices teaching*. Early in the Association's history IRSA, be-  
 (See *TRUST* Page 22)

**City Blends**  
Smoothie Cafe

**WHAT ARE YOU WAITING FOR?**

Blend...Serve...Profit

cityblends.com • 877.525.3637



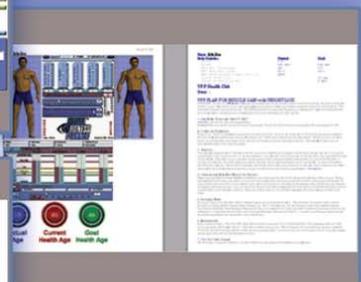
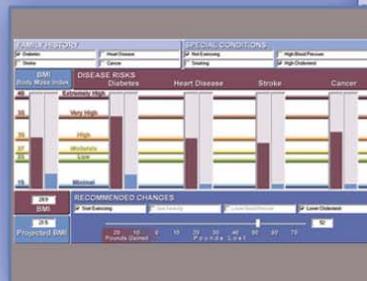
# VISUAL FITNESS PLANNER™

**YOUR SALES SYSTEMS. OUR TECHNOLOGY. GREATER PROFITS.**

*"We are extremely excited about the benefits to our customers' daily business functions that these features deliver," said Daron Allen, President/CEO of Visual Fitness Planner. "I truly believe that our technology platform sets the standard for the sales and marketing efforts of the health and fitness industry with a complete system for capturing and integrating members into a healthy lifestyle change."*



- Auto E-mail Function
- Paperless Contract Generation
- Automated Sales Summary
- Complete Fitness Assessment
- Member Education Platform
- Lifestyle Calculator
- Health Risk Assessment
- Before & After Imaging



**Call or E-mail Today!**  
**877-837-1212 info@vfp.us www.vfp.us**

## ...TRUST

continued from page 22

before Health was inserted into the name, had created a Code of Conduct for Member Clubs and took a stab at enforcing it. That "stab", however, resulted in only one case where a club owner's IRSA Membership status was suspended due to improper conduct.

The Association then, wisely I now think, decided it would not be in the standards business with respect to any enforcement, and instead would establish standards that were generic in nature and intended to focus on a broader spectrum of behaviors in club operations. I think this move has worked to some extent, but coincidentally, **CLUB INSIDER** arrived on the scene in 1993. I like to believe that this now 15-year running publication has helped expose certain operators and behaviors that have been and are bad for all of us in this industry, and actually bad for them, too. The result, I believe... has been those club operators assessing what they were doing and changing their companies and operations for the better. Actually, I think they won and our industry won. And, here's a comment to those of you whose case I have been on during these past 15 years. I won't say I am sorry to you today. I will simply say I sincerely hope **CLUB INSIDER** helped your club business by helping you identify issues that could be solved.

### The "Era of the Future" 2008 to 2034

The "Era of the Future" has started. It is staring us right in the face, and our industry is starrng back with no real plan to gain the trust of Americans, substantially reduce their fear of health clubs and convince them that they will not be intimidated in today's new era, 21st century club. We all must work together to get this meager 14% U.S. population penetration up to 30%. We all must work together to increase the U.S. member numbers from 41.5 million to 90 million. We simply must all work together to use our collective abilities and entrepreneurial talents to grow the membership numbers in our industry so that those who dedicate their lives, hearts and souls will receive the return on their investments and commitments and hard work they so richly deserve.

I believe IHRSA will be the world leading club trade Association it is for a long while, but I also hope IHRSA will seize the moment and help all club owners in North America earn the TRUST of

American and Canadian consumers and help these consumers realize they have nothing to FEAR, nor should they be intimidated in any way by going to a health club.

### Summary

#### This writing was intended to:

1. Make a compelling argument that the prospect of future success in our industry depends upon our industry finally establishing a new, 21st century relationship of **TRUST** between clubs and American consumers and convincing consumers across the land that they should not fear failure because the clubs of this new era have educated, qualified and caring people to help them establish a safe program and will assist them in achieving the goals they establish. They must be convinced that, within the walls of your club, they will see "average people" just like them, basically people like the folks they may encounter in a grocery store or a movie theater.

2. Set forth the idea for building a plan that will cause our entire industry to come together to create and employ an impactful, generic mass media Public Relations/Advertising campaign for all clubs in America. This campaign should be developed to educate the American consumers that the truth is the 21st century health clubs of today are NOT their "Grandfather's Health Clubs", they should expect much better clubs, and they will be treated well by professional people in America's clubs if they walk into a club today. It should drive home the point that they should not fear failure or intimidation because of those they THINK they will be working out with in your clubs.

3. After this message is developed and packaged and pounded home year after year, we will finally start to gain the TRUST of American consumers, and as time passes, we will increase the U.S. penetration figures from 15% to 20%, then from 20% to 25%, then from 25% to 30% and maybe even more.

To achieve this vision, our industry needs leaders who truly understand the challenge and the reasons for our failure to earn America's TRUST so far.

Success in developing real TRUST between American consumers and our industry in the future would be a "first time ever" happening and would result in much greater financial success for everyone in our industry on both sides of the score card. For the club owners and operators and for the manufacturers and service providers who serve those club owners, business will boom again.

The achievement of a goal of 90 million U.S. members would literally double the average number of members in every club in the U.S.

This is a true SEA change for our industry that I am writing about.

The last major membership growth spurt happened between 1994 and 2004, when membership grew by an estimated 20 million members, and I have credited IHRSA and John McCarthy for that club growth and membership growth boom.

It is now time to set the stage for only the second major club industry membership growth boom... growth to 90 million health club members or more in the United States. Clearly, IHRSA's stated goal of 60 million U.S. members by 2010 very likely will not happen. But, as Chris Rondeau of Planet Fitness/World Gym stated so well in a recent memo to CBI Magazine, copied to me and published last month in Norm's NOTES, Chris writes:

"Trade organization responsibility - *Got Milk?*... *GoRVing.com*... *Pork...* *The other white meat*® this list can go on... How about Florida Orange juice... is it better than orange juice grown in Georgia? I don't know, but you would think so from what we have seen on TV forever. Every week, we get blast emails from IHRSA.org with why exercise is good for you. The funny thing is you're telling your industry something they already know but still push "60 million members by 2010". What you should be doing is telling the 300 million Americans the stuff you are wasting your time telling all of us health club owners and operators. We know this stuff. That is why we are in the business! Spend your time and our dues money on telling the general public to join your local IHRSA club.

The emails IHRSA sends out should be directed to the public, not us:

- Exercise makes you sleep better... maybe tell the public they don't need Ambien®
- Exercise reduces stress... maybe you don't need Zanax®...
- Exercise gives you energy... so you don't need Red Bull® to get out of your own way and you can go on and on.

And the 60 million members thing... IHRSA preaches that, BUT it's like a General sending his troops to war without weapons or a football coach telling his players that he wants to win every game without a play book. Forget the articles on the next big group x craze or how to increase retention

with the very little of the population who has actually joined a health club. Why not try to educate and excite the 85% +/- that have not ever been to one. So I ask, where is our "Get Healthy America Campaign?"

-**Christopher Rondeau**  
Planet Fitness and  
World Gym Franchising

### TRUST

We must teach and make the American and Canadian consumers truly believe in our industry... providing:

**TRUST** that our club will be friendly and will do all that is possible to help the club member enjoy each and every experience they have there.

**TRUST** in our professional, well-educated, caring and giving health/fitness club staff to assess their needs properly, measure their current physical condition, prescribe body movements necessary to change their physical condition for a much better life, teach them to use the club's equipment and services in a manner that will allow them to adopt a new lifestyle of a moving body versus a sedentary body. Adopt a new lifestyle that proper nutritional habits are known and followed. And most importantly, teach them how to move his body on a very regular basis and to eat properly, even when he does not feel like doing so.

**TRUST** our club owners to operate ethical clubs that treat customers fairly and squarely in all shape, manner and forms of business relations. This trust would include trusting the club owner to provide a club environment where high pressure sales methods will not be employed or tolerated, where the club provides a membership agreement that is NOT potentially credit damaging and is as good for the member as it is as good for the club owner, where the club provides methods of membership dues payments and collections that are secure because of the excellent systems the club uses and the real care of the club's back office and provides an environment where any issue the member may have will be handled immediately and efficiently by an honest and caring management staff member as soon as humanly possible.

**TRUST** our clubs to be safe. Safe for deconditioned members due to the first aid training of the staff and Automatic Electronic Defibrillator being in place with the staff trained to use it. Safe for all members because the environments and the equipment are well maintained so that they

are always in excellent working condition and always safe. And, trust the club to have the equipment repaired as fast as humanly possible or replaced if not repairable.

**TRUST** that our clubs will be clean by making club cleanliness a club culture for both the staff and the members. The saying that "**Cleanliness is next to Godliness**" is a good saying for any club and its staff to live by.

**TRUST** our clubs to follow the Golden Rule... in their business dealings at all times.

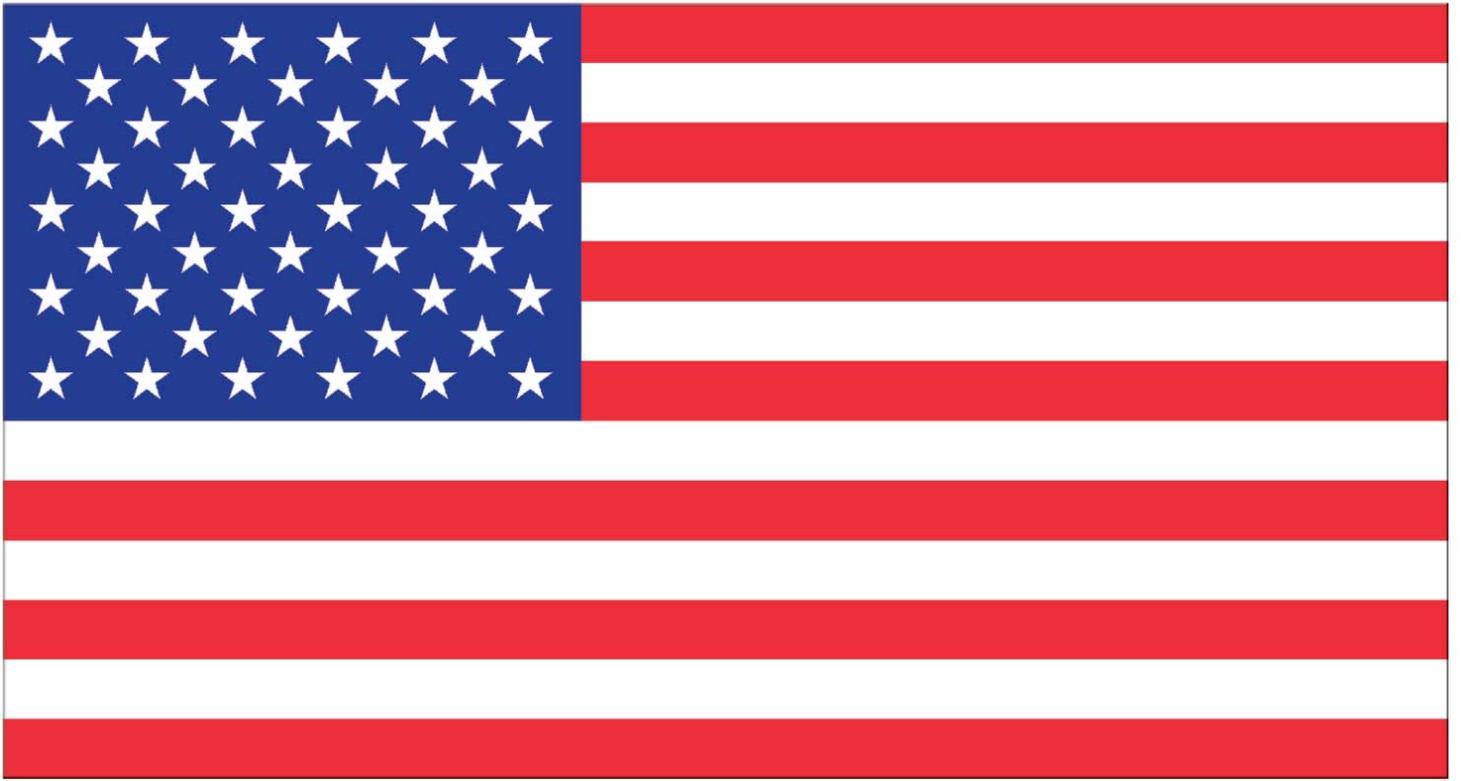
I strongly believe that it is time that our entire industry now begins to do something that my friend and current IHRSA Board Member, Tony deLeede, once said to me in an interview. Tony said, "Well mate, I believe in beating your own drum... because if you do not beat your own drum, nobody else is going to beat it for you." Selah mate!

And, in closing, let me again credit Chris Rondeau, a partner in Planet Fitness and World Gym International for letting us publish the comments he gave CBI Magazine.

But, make no mistake, Chris Rondeau is calling for the same change at IHRSA and our industry that I have advocated here. In his own words, Chris called for our IHRSA and our industry to reach out to American consumers, build TRUST in the minds of millions of Americans and like Tony deLeede, Chris called for our industry to "beat our own drum" to the American public. These are good calls, and I have echoed them here today.

If we start to "beat our own drum" to 300 million American consumers, before long, our industry will be able to finish a 100 year perspective in the black. Today, in 2008, we have 26 years to go before a full 100 years will have passed since Jack LaLanne climbed up on that flag pole in Santa Monica, California. 26 years is almost as long as IHRSA has lived. During that time, IHRSA has truly made a Sea change in our industry. Now is the time for another Sea change... a Sea change to **TRUST**.

(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sports club industry. Cates was the Founder and is now celebrating his 15th Anniversary as the Publisher of **CLUB INSIDER**. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: (770) 850 - 8506 or email: [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com) or visit our website: [www.clubinsideronline.com](http://www.clubinsideronline.com))



● Relax ● Enjoy

**TRUST**

**Join**

**America's Health Clubs Today!**

**[www.americanhealthclubs.org](http://www.americanhealthclubs.org)**

# Recession-Proof Your Business With Cash Magnets!

By: Donna Krech

Unless you have been hibernating in a cave, you are aware that many businesses see our economy as limping along like a hippopotamus with bunions. The "experts" tell us that it will in all likelihood get worse, and some of them say it will get much worse. Just the gas prices skyrocketing, alone, is fast becoming a major burden on us all (think about dropping an elephant on our already-sick hippo).

If you know me at all, you know my style isn't one of sharing "doom and gloom", nor is this article meant to do that. I simply needed to address the fact that for too many folks, the reality is that these are not prosperous times. But, they can be for your club! You simply need to take extra measures if you want to survive and even thrive in the next twelve months.

Fear not, there is a silver lining in every dark cloud. Yes, even a giant one like a bunion-coated hippopotamus recession. I personally believe that this time

in life and business can be the most profit-producing time we have seen in ages!

Difficult times bring incredible opportunities if you understand what is happening and you know what to look for. The typical chain of events goes something like this:

- People feel a financial pinch
- They cut back on spending
- Businesses feel a financial pinch
- Businesses cut back on spending
- Around and around it goes.

So, what can you do to end this vicious cycle and start your own economic boom?

## GROW A GREAT STATE OF MIND

For starters, rid yourself of negative thinking and excuses about how the economy stinks and why people won't spend money. The fact is, while they may spend less, they are always spending. Keep in mind that someone is getting rich and living life to the fullest in every economy so why shouldn't it be you?

## FOCUS ON AN EVERGREEN MARKET

Fitness is a great market but, as we all know, the weight loss industry is huge! As a matter of fact, it's FIVE TIMES the size of the fitness market. Only 14 out of 100 Americans is a member of a fitness facility, while 67 out of 100 are overweight. You could keep working on attracting the same fitness members or you could attract the ones you haven't attracted yet. Besides that, even your current members will buy weight loss. The fact is that 50% of your members will invest in weight loss. The weight loss concept is more than a one-time profit center; it is a residual income producer that can double your dues... WOWZER!!!

## USE MARKETING WITH HUGE ROI

Once you have your sights set on the right marketplace, it's time to set up your cash magnets. What are cash magnets? Cash magnets are proven and predictable marketing promotions

that bring in customers and money. These promotions can be radio spots, newspaper ads, flyers, community/business/charity feeds, internet campaigns or any combination where you know that every dollar that goes out brings in several dollars of business.

When you have a proven campaign, you are able to do things your competition can't (or won't) and you can increase your marketing budget. Please notice I didn't say advertising. The way most clubs advertise is a big waste of money, and wasting money when there isn't much just is not smart.

I'll pull back the curtain and show you the inner workings of a couple of the promotions we provide our Thin&Healthy Licensees:

### Example 1 - Chocolate Lovers Promo

- Imagine offering a program based on being a chocolate lover! We've offered a month of free chocolate and given bars we normally sell so the person can taste how great our product is and sample our outstanding service. We simply spread the word that the chocolate program was available and calls came in. I'd strongly suggest doing a great visual campaign with this one. People talked about it for MONTHS after this campaign ran! The bottom line is that it brought in LEADS!

### Example 2 - Thinner Thighs in 30 Days

- This is an ancillary sale that every woman wants! We traditionally market this one right off the floor. Members purchase it to get better results and we benefit from the up-sell. We've also used it as a buddy enticement. It works there too. Have the staff participate and everyone gets excited. And when everyone is excited, success is the result!

### Example 3 - No More Beer Gut

- Do I need to say more? Offer a free visit or a free week and sell a full program.

I'll stop for a moment because you need to understand what I just shared. It may be just a small part of the training and tools we give our licensees so they can be successful in their businesses, but it is an important part. If you were to attempt to duplicate any of the above programs, you'd spend thousands of dollars just



on the creative part, and it would be money well spent. Shouldn't every business endeavor to create cash magnets so they can generate all the leads the want and need?

Should you choose to start developing your own such programs, do NOT use an ad agency to create them for you. Their incentive is to spend as much of your money as possible. They get paid a percentage of your ad budget, so the more you spend, the more they make. Also, it's not in their best interest to have their materials held accountable, which is why they refer to concepts like exposure, getting your name out there and branding.

What I'm about to say will make or break you at all times, but especially in what the world is perceiving as a down economy. "Getting your name out there" does not pay the mortgage. If you can't measure it, don't do it. Instead, you want to use copywriters who understand that the purpose of your promotion is to get a response (either a phone call or walk in). Yes, it'll cost money, but there is a big difference between merely spending money and investing it to get business. By the way, you may be the best copywriter you have! When you write ads, if they get the results you want, you're the right person for the job!

Now, I don't have time to cover what happens after we get a response (that leads into our conversion systems, which is a whole topic onto itself) but you have enough to get started. Besides, I suspect when you have people walking through your doors clutching cash in their hands that you'll know what to do next.

What should you get from this article? The media is telling us the economy is bad, so that's the perception, but people (See Donna Krech Page 26)

WAISTS WILL COME DOWN

# ROBOTIC

## WAIST REDUCER

200 side bends in  
4 minutes with resistance



Be the first in your market to offer this equipment.

call Ed Shelby  
(405)720-9213



advice, etc.

**“Since adding Thin&Healthy’s Total Solution we’ve quadrupled our business, tripled our EFT’s and increased our product sales by over 200%!”**

**A**fter being in the club business for 20 years, we were able to attract some of the more overweight clientele. But we realized we needed to get into the weight loss industry to attract the 67% of the population that were not interested in joining a fitness club.

While researching different weight loss models we found Thin&Healthy’s Total Solution and we were very impressed with the Life Success part of the program as well as the Metabolism Retraining part of the program that encourages movement. Some of the weight loss brands don’t encourage movement at all (which we really believe in, being in the club industry for so long) so it was good to find a program that knows the importance of movement. We were also impressed with the Thin&Healthy Kids program, so we decided to try out the Total Solution.

Since adding Thin&Healthy’s Total Solution to our club we’ve seen amazing results in our members and in our business.

Some of our members that have been coming to our club for the past 5 or 10 years may have lost the normal 5 or 10 pounds here and there, but they never reached

their goal of losing 30 or 40 pounds. Most of them have participated in other weight loss programs without seeing results, and now, in just a few months on the Thin&Healthy program, they have reached their goals! They can’t believe the results they are getting with the Total Solution. They tried it all before and nothing worked, but now they’re seeing it; they are happy, they are excited, they are spreading the news and it has been great.

Our members are seeing great results, which has a huge, positive impact on referrals for not only Thin&Healthy’s Total Solution, but for our club memberships as well. Adding the Total Solution has energized the atmosphere and people who would NEVER have walked through the club door are in here and loving it!

One of the newest offerings from Thin&Healthy’s Total Solution is the Never Ending Motivation Coaching Certification. The Total Solution isn’t just about eating healthy and regular movement; it’s about the motivation. The Total Solution helps people handle the life stress that causes them to make unhealthy choices about their physical health. Helping people on such a deep level is very exciting and rewarding.

As club owners we didn’t deal with the emotional aspects like we are with weight loss. After going through the Never Ending Motivation Coaching Certification, we are so much better at helping people without making any mistakes, without giving bad advice. We are not just coaching, we are doing it right and we feel very confident with that. Plus, a Never Ending Motivation Coaching Certification provides another

business model for an additional revenue source in our club.

Since adding Thin&Healthy’s Total Solution we’ve quadrupled our business, tripled our EFT’s and increased our product sales by 200%!

As club owners in the industry for 20 years, we have tried every program you could put into a club, from group fitness to mixed martial arts to cafés and juice bars to chiropractic to personal training, and we have not seen results like we have with the Thin&Healthy program. It has absolutely saved our club. We took a chance, evicted some tenants out of our building, occupied that space with a Thin&Healthy, and our EFTs tripled.

Another great component of the Thin&Healthy program is the business systems. We were doing our best to manage our club and we were just getting along. When we brought in the Total Solution we learned valuable sales and marketing techniques as well as awesome accounting procedures. It’s not just the name and the products they offer that make this so worthwhile; the systems they already have in place are 100% guaranteed to work if you apply them correctly.

If you are thinking about adding weight loss to your facility, my advice is to go with Thin&Healthy’s Total Solution. It’s the motivation component that makes it successful and there is no other program out there that brings that motivation component. It truly is amazing. It’s an unbelievable program. ✕

## MAYRA & DENNIS CICCONES,

*In our 20 years of experience in the fitness industry we’ve tried everything from group fitness, mixed martial arts, cafés and juice bars to chiropractic and personal training. Nothing has provided results like the Thin&Healthy program. It saved our club!*

THIN&HEALTHY  
**TOTAL**  
SOLUTION  
WEIGHT LOSS • MOVEMENT • MOTIVATION

JUNE 2008

CALL MARCIA BIGLER TOLL FREE

**(866)260-8446**

[www.thinandhealthy.com](http://www.thinandhealthy.com)

# Helping When Disaster Strikes

By: Shawn Vint

There can be a feeling of hopelessness when disaster strikes. Hopeless feelings certainly engulf the person struck by the calamity. These feelings also come to those who view scene after scene of devastation on their TV or computer monitor. This sense of helplessness is normal. After all, how can one individual, especially an individual on the other side of the globe, make a difference when faced with such overwhelming heartache?

If you are fortunate enough to live in a country of relative affluence and have been blessed to be in an area of the globe that sees relatively few disasters, count yourself in the minority. As everyone reading this article most likely is aware, there has recently been an increased number and scope of natural disasters adding to the ongoing financial need that relief organizations have.

Relief organizations have been spread increasingly thin in recent years as political and religious fomented strife have greatly added to the already heavy burden placed on them by the unpredictable fury that nature periodically brings.

The result is a need for assistance from those who can give. In most cases, if you are reading this story, then we are talking to you.

This article wasn't scheduled for this month. But sometimes, life has a way of 'un-

scheduling' our best laid plans in a way that asks us to step up to the plate in a way we have never before anticipated. Such is this time.

Our world has recently experienced two natural disasters that stretch the scope of our imaginations. By the time you read this, with the ever quickening pace of a news cycle that relegates yesterday's disasters to the dustbin to make way for the next cycle of news, the next news story has a way of fading yesterday's tragedies from memory. With hundreds of thousands dead from the double slam of a cyclone (hurricane) in Myanmar (Burma) and a magnitude 7.9 earthquake in China, and the hundreds of thousands of families and children in these areas that are homeless, destitute, and mourning the loss of loved ones, it would be a third tragedy if, as a collective group, we do not find within us the soul needed to reach across cultural, political and social boundaries to help our fellow man.

Don't be myopic in your worldview. Realize that the unprecedented need of others, 'elsewhere', often goes unheeded. Don't think your government is going to step up to the plate either, because most governments in the Western world are living on borrowed money and having a difficult enough time trying to meet the so-called 'needs' of a public that doesn't know the meaning of the word. This may sound overly critical, but I don't

intend that.

My intention is that, as individuals, we take a good, long look at the sacrifice generations before us have made. Sacrifices made, not so that we could be free to become an entertainment obsessed culture with a blatant disregard for anything other than that which will make us the next dollar. Those sacrifices were made by our forefathers so that generations after them would be free from tyranny, in the hope that they would take that hard fought freedom and responsibly and live within their means, giving a portion of their blessings to others less fortunate.

My hope is that, when we look in the mirror, the reflection looking back is a man or woman that sees the greatness within them... full of hope for a fallen world; where the best testimony they can give to the world of that greatness is a part of themselves.

There are many ways to help, and many myths regarding that giving. Below is an excerpt from Today's Christian magazine:

## Top Myths of Disaster Relief

*Here's what Christian aid workers want you to know.*

As they fight to save lives in the wake of the Asia tsunami disaster, aid workers also must address myths about disaster relief among the American public. Rich Moseanko, a relief director for World Vision, the Christian relief and development organization, explains the truth behind the top 9 myths of disaster relief.

**1. Americans can help by collecting blankets, shoes and clothing.**

The cost of shipping these items, let alone the time it takes to sort, pack and ship them, is prohibitive. Often, those items are manufactured for export to the

U.S. from these same countries. It is far more efficient to purchase them locally. Cash is the better solution.

**2. Helping the living always has priority over burying the dead.**

In refugee camps and epidemic situations where people die of diseases, it is essential to dispose of the bodies within a short period of time. If they died of other causes such as drowning, they are less of a health risk but pose an impediment to relief efforts and delay the mourning process.

**3. The United States must airlift food and medicines to the disaster site**

Food is virtually always available within a day's drive of the disaster site. Purchasing the food locally is more cost-efficient, and it ensures that the food is appropriate to local residents' tastes and religious requirements. Medicines are often available within the country, too. India, for example, has a large pharmaceutical industry. Because medicines are high-value, low-weight commodities, in some cases they can and must be airlifted in to save lives. In massive disasters, it sometimes is necessary to airlift other supplies as well.

**4. If I send cash, my help won't get there.**

Reputable agencies send 80 percent or more of cash donations to the disaster site; the rest goes for administration, operating expenses and monitoring the efficiency of their own operations. Donors have a right and a responsibility to ask aid groups how they will be using those donations, and what will be done with donations raised in excess of the need.

**5. Once someone survives the immediate disaster, he or she is safe.**

The immediate catas-



rophe kills quickly; survivors can face a slower death from hunger, disease and even criminal predators. While emergency medical teams certainly are needed for people injured in a disaster, the best way to keep survivors healthy is to provide clean water and adequate sanitation. Cholera and dysentery can result from drinking contaminated water; malaria-spreading mosquitoes breed in standing water.

**6. Developing countries depend on foreign expertise.**

While specialized assistance is always welcome, local aid groups, police, firefighters and neighbours accomplish most relief and recovery efforts before international teams arrive. Also, in recent years most governments have established disaster preparedness plans.

**7. Relief needs are so intense that almost anyone can fly to the scene to offer help**

Professionals with specialized skills and overseas disaster experience are often deployed to disaster sites. Volunteers without those skills can do more harm than good, and siphon off critical logistics and translations services. Hiring qualified disaster survivors is much more cost efficient and provides much needed employment.

**8. Survivors feel lucky**  
*(See Shawn Vint Page 30)*

# CLUB BROKER

"I specialize in selling clubs"

Todd D. Lipton

## 480-821-8993

HealthClubBroker.com

## ...Donna Krech

continued from page 24

will still spend. Your competition is feeling the pinch the same way you are. Your competition will cut their ad budget and chances are so will you. If you do nothing else, you have no reason to expect anything different than everyone else in your market...

and hopefully survive.

OR, if you are like the smart players in this market, you are using this time as an opportunity to leap frog over your competition. You CAN thrive by implementing tried and proven marketing promotions that appeal to a wide audience. Create your own or for more information, please call **1-866-260-8446** and

ask for Marcia. She's at extension 110. Or, email her at [mbigler@thinandhealthy.com](mailto:mbigler@thinandhealthy.com). We can also be found on the web at [www.thinandhealthy.com](http://www.thinandhealthy.com).

*(Donna Krech is the Founder and CEO of Thin&Healthy Total Solutions™ and may be reached at: [Donna@DonnaKrech.com](mailto:Donna@DonnaKrech.com))*



"As an educational resource for our members and an outreach tool for our community, we have found the Greenmaple Wellness services to be second to none in terms of cost effectiveness and relationship building results. Our salespeople find it quite easy to use, which has made all the difference in actual implementation. We would rate these services 'top-notch'!

Nigel Teedson  
General Manager  
Swindon Fitness  
U.K

## *It's About the Relationship*



- ✓ ARE WE A WELLNESS AMBASSADOR WITHIN OUR COMMUNITY?
- ✓ DO WE CONNECT WITH OUR MEMBERS EVERY MONTH IN A COST EFFECTIVE WAY?
- ✓ DO WE CONTINUOUSLY RAISE OUR CLUB'S 'WELLNESS CREDENTIALS'?
- ✓ DO WE PROVIDE OUR TEAM THE RIGHT TOOLS FOR CLOSING THE SALE?
- ✓ DO OUR TRAINERS HAVE THE RIGHT RESOURCES TO BUILD BETTER RELATIONSHIPS?



- ✓ DO OUR SALES STAFF PERSONALLY AND EFFECTIVELY BUILD RELATIONSHIPS, CONVERTING MORE PROSPECTS TO MEMBERS?
- ✓ ARE WE PROVIDING TARGETED OUTREACH, SAVING OUR BUDGET?
- ✓ DO WE HAVE A CUSTOMIZED, PROFESSIONALLY WRITTEN LETTER SERIES FOR EFFECTIVE FOLLOW-UP?
- ✓ DO WE CONTINUOUSLY BUILD BETTER RELATIONSHIPS WITH OUR PROSPECTS?



- ✓ DO WE HAVE AN EFFECTIVE WAY TO COMMUNICATE ANY MESSAGE IMMEDIATELY TO OUR MEMBERS AND MEMBER GROUPS?
- ✓ DO WE HAVE AN EMAIL TEMPLATE DESIGNED EXCLUSIVELY FOR US, ENSURING THE MOST PROFESSIONAL OUTREACH POSSIBLE?



- ✓ ARE THE PERSONAL TRAINERS ON THE FLOOR TRAINING AND GENERATING REVENUE?
- ✓ DO THEY HAVE UP TO DATE, INTERNET BASED TOOLS TO ENSURE SUCCESS?
- ✓ DO WE PROVIDE OUR TRAINERS WITH BRIDGE-BUILDING PROGRAMS AND RESOURCES DESIGNED TO BUILD BETTER RELATIONSHIPS WITH THE ENTIRE MEMBERSHIP BASE?
- ✓ DO WE PROVIDE THE MOST EFFECTIVE INTRODUCTORY PROGRAM TO ENSURE BETTER RETENTION?

*Greenmaple Wellness. Member Relationships made meaningful...bottom line results delivered.*

# Preparing for the Downturn

By: Will Phillips

## THE RECESSION IS REAL

The experts disagree on whether we are in a recession or not, but the public is convinced. In a recent USA Today survey, over 50% said "times are worse". Club owners are convinced. Several of the strongest operators of high end, family clubs are worried about fall sales for the first time in years. For the first time in decades, small sedans sold better than pickups. Pickups sold well because they did not have to meet passenger car standards so the purchase price was low. Now, the cost of gas makes the small sedan much more attractive than a pickup. Many middle class SUV owners are downsizing due to gas costs. Families are deciding not to eat out and what else to cut. How will you drive strong sales and retention during the rest of 2008? It will be harder, much harder. For many of you, the recession is real.

Right now, you have members considering where to cut their expenses. Many potential prospects are dropping off your lead list due to financial stress. This is unlikely to go away quickly. What can you do?

I have already raised several red flags for my clients about the impending and potentially accelerating downturn in the economy. I am now going to share with you a summary of a recent article from Fortune Magazine

"February 18, 2008 (written by Ram Charan)." He is the World's management consultant par excellence. Although his office is in Dallas, in his recent interview, he stated that he had not been to his office for several years since he consults 24/7 around the world. He simply has his office FedEx the latest fresh clothes to him as he travels around the world consulting.

## MULTIPLE FACTORS MAKE FOR A PERFECT STORM

It seems that a number of factors have converged to make a potential perfect storm in this downturn. The federally induced housing bubble with too much cheap money for too long combined with exotic financial instruments which collateralized debt obligations to disperse the risk among people who really did not understand what the risk was, and finally, all of these converged with a great deal of poor quality in highly rated debt.

As a sailor, we always take to heart the guideline that a storm that comes quickly leaves quickly, and when bad weather takes a long time to build, it takes a long time to go. I think the same is true with economic conditions. It seems that over two years ago, there was a change in the housing market in San Diego and many feel that the bottom has not yet been hit. If you read a recent set of articles I sent to clients, they point

out that the bond market, which is tied into the housing market, is not even on the radar screen with the negative impacts resulting from the declining housing market. So, slow to arrive; slow to leave. Potentially a long down turn.

## RAM CHARAN'S RULES FOR RECESSION

To the extent that you think your business depends upon the housing market, you are in for the worst of times. So, here are several of Ram Charan's "rules" to think about as you prepare your business to be successful and healthy in the long run, in spite of changes in the current economic weather.

1. Keep investing. Continue to explore and invest in new product and service development. Continue to look at innovation and continue to invest in building your brand. These are the three areas that will give you the greatest strength for coming back strong when the weather changes. Do not short change these now so that you come out of the current recession weakened. Because this is a paradoxical choice and many small business owners will choose to sacrifice these long-term investments to make the downturn easier. The more disciplined leader, who invests in the future now, has a chance to really make huge gains on competitors. This is particularly true if any of your competition are publicly held businesses. The publicly held business will most likely receive the strongest pressure to cut back on everything during a slowdown. They will be under pressure during a downturn to cut all costs, particularly those which do not seem necessary, to produce this quarter's or this year's bottom-line. So this gives you an opportunity to move ahead while they lose focus.

2. Invest in your people. This is a time, even if profits do get a little thin, to continue to support your people and reward excellent behavior... even though you are not getting the very best performance out of the organization. Reward their behavior through new challenges, public recognition and money. This will build the strongest management team/staff with the most loyalty. A slowdown

is also just the right time to see whom you might attract from your competitors. They may not be rewarding their best people or giving them opportunities to do new interesting and challenging things.

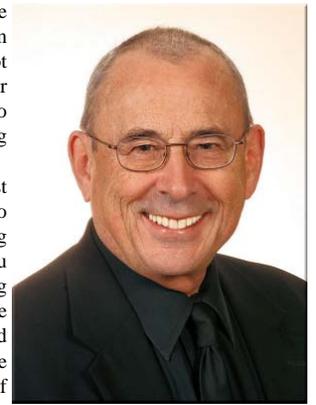
Of course, in the worst of recessions, you will have to lay off people, hopefully laying off your B's and C's, before you lay off your A's. Try reducing your labor costs so that you have a little kitty left to invest, and taking even better care of those you want to keep. Of course, if there are cuts to be had in salaries, it is also important that everyone knows that you and other top managers are taking a cut also. If you have to let anyone go who is a great performer, give them an unsigned check made out to them with a \$1,000 to \$3,000 payout. Tell them you will sign it as soon as you can afford to rehire them. This conveys a very positive message and primes the pump for rehiring.

3. Do not forget to communicate frequently, intensively and honestly. Employees appreciate candor, particularly during difficult times. Seek their input on how to address the difficult times.

4. Bring your key thinkers together, whether that is two of you or a dozen, and start making plans on how you would react over the next 24 months... if revenue drops, if new business declines, if current customers or members are not upgrading as much as usual. Sit and think together about what you will do if demand declines. The research shows over and over again that when a strong group of people think through their reactions to a high-stressed situation, they are much more likely to survive it successfully.

5. Ram Charan comments that in good times, companies manage their P & L, and in bad times, they manage their cash and receivables. So, make sure to switch some of your attention to these latter two financial areas keeping on top of them and not letting them get you into trouble.

6. In the worst of times, some of us have a great predilection to deny reality. We know things are not right, we know they are not going the way we want and we just refuse to



Will Phillips

look carefully at what needs to be looked at, so that we can deal with it. We even know in our minds that we should be looking there, but somehow in us, there is a fear of opening that dark corner even though we can hear the cage rattling on a fairly regular basis. One of the best ways to get in trouble is not looking into that dark corner. When you do look and turn the light on, then you will always have better ideas on how to respond. If you do not look at all... you won't.

7. Seriously consider creating a plan to help your members if they are experiencing financial distress. What kind of recession programs can you offer them that will help reduce financial pressure on their budgets? Even if this does not make a huge difference, the intention to help and the care that is expressed in such intentions, can have a beneficial impact on customer loyalty when they are choosing what they may have to cut out of their budget.

8. Cut back and prune selectively. Do not use across the board budget cuts to balance your budget. Look at those things that your business is doing that have low benefits and high costs to you. Which products or programs or services are more expensive than others? Cut them back and take the saved money and time to invest in those parts of the organization that seem a bit stronger at this point.

This kind of work is never fun, but it is where the real winners may be determined. Simply reducing costs is about the worst way to respond to a business downturn because it does not  
 (See Will Phillips Page 30)

## Achieve EXcellence in Business and Life

**The most powerful success and achievement experience offering extraordinary peer support and profound professional growth.**

“My 7 years on the REX Roundtable has been the single most important professional growth experience of my career. It taught me to push myself to be better professionally and personally.” ~Casey Conrad

**Roundtables  
for EXECUTIVES**  
Affiliated with Qm<sup>2</sup>

**To learn more about becoming  
a REX Roundtable member  
Call 858.513.7835 REXonline.org**

OUR WEIGHTS ARE BUILT TO LAST.  
JUST LIKE OUR CUSTOMER RELATIONSHIPS.



More than fourteen years ago, Iron Grip began with a revolutionary product idea and a commitment to our customers' business growth. As we've grown, so have they—24 Hour Fitness, Life Time Fitness and Bally Total Fitness to name a few. We've earned their trust and we'll earn yours, too. While other manufacturers may strive to match our quality, they'll never match our ability to help your business succeed. So get more than just the world's best strength equipment—get a long-term partner dedicated to helping you build your business. Call 800-664-4766 or visit [www.iron grip.com](http://www.iron grip.com) for more information.



**IRON GRIP**  
BARBELL COMPANY

# Let The Games Begin!

**Princeton, NJ. - May 29, 2008**

The Robert Wood Johnson Foundation (RWJF) announced today, during a telenews conference, the first round of grants awarded through its Health Games Research national program. More than \$2 million in grants will enable 12 research teams to help strengthen the evidence base that supports the development and use of digital interactive games to improve players' health behaviors and outcomes. Funded studies explore topics ranging from how motion-based games may help stroke patients progress faster in physical therapy to how people in substance abuse treatment can practice skills and behaviors in

the virtual world of a game to prevent real-world relapses.

Awards have been provided to researchers in California, Florida, Indiana, Maine, North Carolina, New York, South Carolina, Vermont and Washington. The \$12 million grant is intended to fund studies to explore how games can increase physical activity, enhance prevention and self-management of health conditions

The 12 grantees, awarded up to \$200,000 each, are leading one to two-year studies of games that engage players --ranging in age from eight to 98-- in physical activity and/or games that motivate them to improve

their self-care (e.g., healthy lifestyle choices, prevention behaviors, chronic disease self-management and/or adherence to medical treatment plans).

Health Games Research is headquartered at the University of California, Santa Barbara. The program is directed by Debra Lieberman, Ph.D., communication researcher in the University's Institute for Social, Behavioral, and Economic Research, Lecturer in the Department of Communication and a leading expert in the research and design of interactive media for learning and health behavior change. Health Games Research is funded by an \$8.25 million grant from

RWJF's Pioneer Portfolio, which supports innovative projects that may lead to breakthrough improvements in the future of health and health care.

"Health Games Research gives us a tremendous opportunity to advance the field," said Lieberman. "Previous studies and clinical trials have shown that well-designed interactive games can significantly improve players' health-related knowledge, skills, behaviors and outcomes. The 12 new studies will give us deeper insights into how and why certain game designs are compelling, fun and effective, and for which types of people. This work will yield a broad spectrum of validated

game design principles that game designers will be able to use to enhance the effectiveness of future health games and game technologies."

"Games and game technologies offer unique solutions to a wide variety of health and health care challenges," said Chinwe Onyekere, M.P.H., RWJF program officer. "Health Games Research and this impressive set of grantees will help build the strongest possible evidence to support the growing field of games and health, and maximize its potential to improve the health and health care of all Americans."

## ...Shawn Vint

continued from page 26

### to be alive.

Shock, trauma and the mourning for loved ones who died are common among disaster survivors. Often, they wish it were they who died instead of their loved ones. Treating these emotional needs is an essential component of relief efforts.

### 9. Insurance and governments can cover losses.

The vast majority of the world's population has never heard of an insurance policy. Further, governments of poor countries can barely meet ongoing social service needs, let alone provide a safety net. Disaster survivors must bear these costs alone.

Although specifically written for the American reader, everyone across the globe can learn from these valuable giving tips. Two reputable organizations with a history of the kind of assistance needed worldwide today are [www.redcross.org](http://www.redcross.org) and [www.salvationarmy.org](http://www.salvationarmy.org). If you are able... Please Give.

*(Author Shawn Vint provided permission to publish this article, published in the June issue of Greenmaple Wellness' E-Zine, and credits Today's Christian Magazine for the Top Myths of Disaster Relief article. Shawn Vint is a former fireman and is now the key man for Greenmaple Wellness. [shawn@greenmaplewellness.net](mailto:shawn@greenmaplewellness.net))*

## ...Will Phillips

continued from page 28

put you ahead of your competitors in any way. Wise business leaders invariably make wise choices during downturns, choices which position them to come roaring out and leap ahead of their competitors when the tide turns.

Are you wondering what the worst thing to do in a recession is? I mentioned it already. It is called: *denial*. The next worst thing to do is knowing what to do, the 8 guidelines above, for example, and not having the courage or discipline to do them. These 8 guidelines are derived from actually reviewing what methods and strategies have really worked well in past slowdowns. They are not theory, but rather, practical rules of thumbs that work.

Now, of course, I may be entirely wrong. Maybe there will be no slow down for your club, but it will not hurt to be prepared. It will seriously hurt, though, if you have a slow down, and you are not prepared.

*(Will Phillips Chairs eight REX Roundtables for club executives. Two of these are exclusively for NEHRSA members. Roundtable clubs average double digit growth year after year. For information on joining a round table contact: Will@REXonline.org or Jan Woodman at NEHRSA by email: [jw@ihrsa.org](mailto:jw@ihrsa.org) or phone #: (800) 228-4772.)*

## FD-Group Changing Environments At Health Clubs To Drive Membership

The FD-Group ([www.fd-group.com](http://www.fd-group.com)) is a design-build firm that handles interior design and construction projects from concept to completion.

The company originated in 1997 distributing carpet, lockers and other interior hospitality items and has operated as a project manager from architecture to interior design to construction for approximately two and a half years, during which, it has completed 529 jobs.

"We project-manage everything from space planning, interior design, construction and logistics --along with being a liaison between industry-leading architects and clients-- to provide a simple, pain-free solution," said Brett Waits, the President of FD-Group. "As a one-stop shop, we provide comfort zones for customers and are wholly committed to completing jobs on time and on budget to exceed expectations."

### Unique Philosophy and Comprehensive Capabilities

What guides every process at FD-Group is the firm's design philosophy: **Environment Matters**, and it should make people want to return. Design makes a difference, and health clubs ideally should make people comfortable, motivate them while they are there and inspire them to

come back.

"We're about creating an experience and tapping into emotions, and we work with our clients' vision to produce an environment that is both inspirational and functional," added Waits. "We aim to give health club members a more memorable, pleasant visit --not only to improve retention but also to encourage more of the population to join gyms."

As a design-build firm, FD-Group serves as the onsite construction manager with the ability to manage all contractors, specifications and logistics and precisely budget and cost-control every aspect of a job --whether it is ground-up construction or a remodel. Also, this enables the company to preserve the architectural integrity of the project while saving clients money by purchasing direct. In addition, FD-Group manages all interior finish work, such as furniture, flooring, lighting, millwork, glass walls and all architectural specialty finishes.

The company's expertise includes 30 years of construction experience, along with more than a decade in the fitness industry. Based in Atlanta, FD-Group specializes in health club and fitness center design and construction management for any size facility in commercial, corporate and hospitality settings.

# Make It Fun Everyday!



imagine

a treadmill  
that will change  
the way you think  
about treadmills

## CYBEX 750T

The CYBEX 750T sets a new standard for treadmills. Its closed-section welded steel frame and 6hp brushless motor provide unparalleled durability. Additionally, its IS3 Intelligent Suspension system combines a large, stable running surface that your members need with the smaller overall footprint your gym demands. So if you've ever thought that all treadmills are created equal — it's time to think again.

**CYBEX**<sup>®</sup>  
[www.cybexintl.com](http://www.cybexintl.com)

Call us at +1.774.324.8000 to learn more about the equipment that's making the world healthier!

© 2008 CYBEX International. All rights reserved. CYBEX is a registered trademark of CYBEX International.

# A TRUE STORY

By: Dr. Jack Scammahorn and  
 Jim Scammahorn

**Foreword:** This is the second article of a three-part series produced by *Symmetrical Fitness, LLC*.

In our first article, **The Hidden Agenda**, we portrayed what all too often happens in commercial fitness centers: The guest or client is toured around a beautiful, well equipped fitness center. During the tour the sales associate establishes a positive relationship with the guest and at the same time, establishes why the guest is looking at joining this club. After the tour, all that remains is to establish the affordability of the club and to convince the client that this fitness center has everything that anyone could ever want to meet or exceed their fitness goals.

**The Cathartic Moment** - *an intense emotional experience:* Something happened that changed how I perceived what the client is looking for, and it occurred during one of my evaluation visits at one of our clubs. At this particular club, the main area of interest was on the circuit weight training --20 machines and a timing tape guiding the members through their workout. On that particular evening, the club was very busy, and it was obvious the instructors needed some extra help. So, with pen in hand, I asked the person next in line about the level of intensity she was at and what her EHR (Exercise Heart Rate) was during exercise. She told me her lower body exercises were



**Dr. Jack Scammahorn**

on moderate to high levels of intensity while her upper body exercises were at the beginning levels of intensity. And for good measure she added, she also went through the lower body workout twice!

I recorded this data on her card and then looked up at her. I was immediately puzzled at the different intensity levels and the additional frequency for just her lower body. What I saw surprised me. Standing in front of me was a very attractive woman, somewhere in her late 30's to early 40's, and slim. I asked the obvious question: "Why are you doing that kind of an exercise program?" Her response was one that I'll never forget. She exclaimed with total conviction, "Look at these thighs! I call them 'Thunder Thighs!'" She went on to add that the reason she worked her lower body so hard was to make her thighs smaller, "They're too big!" she proclaimed.

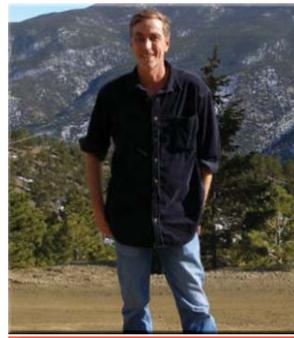
At that particular point, I told her it appeared to me her thighs were in proportion to her

calves and hips, and I went on to add that if she would like, I would measure her to see if her proportions were in acceptable range for her body type.

How I came up with this offer at that particular moment can only be explained by a recent assignment I had in working with a female body builder our organization was sponsoring. Through that experience, I had extensively reviewed body morphology and had visited with judges about what they looked for in body building contests. That knowledge, coupled with my college course work on somatotyping allowed me to easily discuss body proportions. I quickly drew up a body which resembled a lot of upside-down triangles and mentioned that her body appeared to fall mainly in the ectomorph body type category. From there I discussed the range of inches she should expect from her measurements.

It was easy to see she was captivated. She immediately wanted to be measured to see if her body was in *proportion*. With tape in hand, I measured her thigh to calf and hip to chest and chest to waist measurements. Next, I diplomatically explained her thighs were perfectly proportioned to her calves, but that her upper body measurements were in need of some work. The end result was a conversation focused on her body proportions, her appearance, and what kind of intensity she should be doing to reach her "ideal" measurements.

Our conversation should have ended there, but in about



**Jim Scammahorn**

5 minutes, I looked up from the manager's office to see a line of females stretching from the office to the exercise floor, all of them wanting me to determine their individual proportions and to check their exercise program to see if they are doing the "right" thing to reach those measurement proportions; just like I had done for the first lady.

What in the world had just happened? I was floored with the kind of response I was getting from these women. It wasn't until I was away from the club that I had time to reflect on what had happened that day. Was it the measurements? We already did those, primarily to determine body composition, along with determining the client's desire to lose inches, and our circuit weight training was a mirror of the original study conducted at Dr. Kenneth Cooper's clinic in Dallas, Texas. We also used bioimpedance measurements to determine body composition --lean mass compared to fat mass, expressed this measurement in percentages and tied it to a health index. In other words, we approached measurements primarily from a health perspective, but what I had just witnessed reeducated me. To these women, the primary motivator of exercise and diet is to change the way they appear to others. If health was the issue, it was a distant second.

**The application of knowledge:** Not too exciting you might say, but what this true story does say is that we, at the typical health club, have rarely, if ever truly, addressed the need of an individual to see what their body proportions can be from a commercial perspective. Those of us who have spent hours working with skin folds, bone lengths, body morphology, etc.,

have never really thought about applying that knowledge in a way that will help an individual determine realistic measurement goals and to design a fitness program that will focus on those specific goals. What most men and women are left with are their own self-diagnosed goals, usually based on magazine articles, or on some height to weight chart, or from some historic recollection of their body dimensions shortly after reaching puberty. I am confident that body-typing data has rarely, if ever, been discussed with them.

Through the process of determining body type and range of proportions:

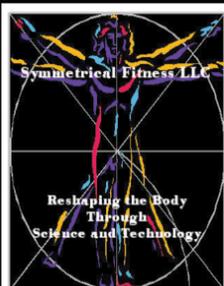
1. Do something which truly excites an individual about exercise which will motivate them to adhere to their exercise regimen, and

2. Utilize that excitement and enthusiasm of changing the way the individual appears as a tool toward helping them become a more healthy and energetic person. In essence, "killing two birds with one stone."

**The end result:** To be able to accomplish what I had done in one club for about fifteen women by applying this technique to all of our clubs, created a challenge which I could not master. At that time, our organization had 28 clubs spread over five states, and even training key personnel using training-the-trainers model would not work due to a lack of consistency. The only way this concept could possibly work was through a carefully designed model that allowed the average fitness employee to use this application in a step-by-step manner.

**Stay tuned to our next article:**  
**The Construction of Symmetrical Fitness**

(Jack Scammahorn has worked extensively in the commercial fitness center sector, having owned and operated several fitness centers and has worked administratively with a large fitness center corporation. Jim Scammahorn's education is concentrated in physics, science, and math and his vocational knowledge and experience is in computer programming. Contact Jack at: [jack@symmetricalfitness.com](mailto:jack@symmetricalfitness.com) or by calling: 913-708-0550)



## Energize and Revitalize Your Club's Offerings...

Do you want/need a Systematic approach to the fitness programs you offer?  
 Are your clients excited about Renewing?  
 Do they bring in Referrals?  
 Can they reach their Goals?

Signup for free information at: [www.SymmetricalFitness.com](http://www.SymmetricalFitness.com)

The Symmetrical Fitness Program is a complete package that has everything a fitness professional needs to generate \$\$\$ quickly and at low cost, including:

- > A step-by-step guide to evaluating physical and fitness measurements, exercise abilities, and a person's general health risk, including all of the forms and information your club needs.
- > All of the information needed for a safe and effective exercise program for your members.
- > A complete how-to on setting up The Symmetrical Fitness Program in your club.
- > Tips on turning The Symmetrical Fitness Program into sales resulting in \$\$\$.
- > Volume Pricing Available - Personal Trainer Program Available

**Introductory Offer: Use coupon code "ci10" at checkout to receive 10% off your first order!**

# TIRED OF PULLING YOUR HAIR OUT RUNNING YOUR CLUB!



- Are low cost club competitors moving into your market and impacting your business?
- Are you looking for new ways to drive guest traffic necessary to reach your sales goals and ensure membership growth?
- Do you need a marketing plan that will grab attention, brand your club and generate the inquiry that will fulfill your sales objectives for 2008?

## IF YOU ANSWERED YES TO ANY OF THESE QUESTIONS, WE NEED TO MEET!

New Paradigm Partners, LLC. has over 75 years cumulative experience and has the reputation for successfully assisting health and fitness clubs.



Call now to schedule a complimentary phone consultation.  
**800-840-0705**  
[www.newparadigmpartners.com](http://www.newparadigmpartners.com)

"For our ten years, I have worked with New Paradigm Partners, which has helped us turn a struggling gym into a state-of-the art successful fitness facility. We have adapted new systems that allow us to give our members great service and, in turn, set a platform for increased membership and profits. It is an evolving and changing process that keeps us three steps ahead of our competitors."

*Barry Field - Club Owner, Gold's Gym, Pawtucket and East Greenwich, Rhode Island*

### New Paradigm Partners Provides:

- Consulting
- Management
- Brokerage Services

### Six Points of Service

- Business & Financial Development
- Staff Development & Training
- Membership Sales Training
- Marketing Plans
- Programming Services
- Member Services & Retention

## 6th Annual IHRSA Legislative Summit Pumps Prevention to Curb Weighty Health Care Costs

Washington, D.C. May 21-22, 2008 - More than 140 health and fitness industry leaders from 26 states gathered in Washington, DC, at the International Health, Racquet & Sportsclub Association's 6th Annual Legislative Summit in a coordinated effort to remove federal barriers to exercise and focus legislators' attention on the need to transform our current health care system from one that focuses on "sick" care to one that focuses on "prevention and wellness". During the two-day Summit, fitness advocates attended 133 meetings with their Members of Congress and encouraged support of two health promotion bills: the Personal Health Investment Today (PHIT) Act (H.R. 245) and the Workforce Health Improvement Program (WHIP) Act (H.R. 1748 and S. 1038).

"The unchecked increase in America's waistline comes at a high a price," says Joe Moore, IHRSA President and CEO. "Not only does it compromise the health of individuals, but it increases the nation's health care costs and lowers our overall productivity. The government can play a life-saving role by passing legislation that supports Americans' own personal efforts to preserve their health."

The Personal Health Investment Today (PHIT) Act (H.R. 245) would allow people to pay for exercise and physical fitness programs, certain exercise equipment, and children's sports league fees with pre-tax dollars through their Flexible Spending Account (FSA), Medical Savings Account (MSA), or Health Savings Account (HSA). That means Americans could save 20 to 30 percent a year on their fitness-related costs because they wouldn't be paid for with taxable income.

"We all know the research on the benefits of exercise is piled high," says Jonathan Ross, American Council on Exercise's (ACE) "Personal Trainer of the Year" and spokesperson, Exercise TV's "2008 Best Personal Trainer", Discovery

Health's "2008 National Body Challenge Fitness Expert," one of Men's Journal magazine's "Top 100 Trainers in America," and a leading fitness advocate who is making his voice heard as a participant at the IHRSA Summit. "What we need to do --and what this legislation does-- is to take measures to make it easier for people to stay active in their lives."

The Workforce Health Improvement Program (WHIP) Act (H.R. 1748 and S. 1038) promotes wellness in the workforce by balancing current law and allowing for off-site fitness center memberships as a tax-free benefit for employees. Current law allows employees to use on-site fitness facilities free of any tax implications, but when a business needs to outsource this health benefit, employees who receive off-site fitness center subsidies are required to pay income tax on the benefits. Their employers then bear the associated administrative costs of complying with IRS rules. The WHIP Act eliminates this tax on off-site fitness center subsidies, making it easier for all employers to offer important exercise incentives for their workers.

According to a national public opinion poll commissioned by IHRSA, seven in ten Americans say they'd encourage their Member of Congress to pass PHIT, and three-quarters of Americans say they'd encourage WHIP. Concerned Americans can exercise their rights and encourage Members of Congress to pass PHIT and WHIP by visiting [www.healthclubs.com](http://www.healthclubs.com) and clicking on "Take Action!" under "Exercise Your Rights!"

IHRSA's 6th Annual Legislative Summit was sponsored this year by CYBEX, the American Council on Exercise (ACE), CheckFree --now part of Fiserv, FITOUR, GOJO, HyperStrike, IdeaCast, International Fitness Club Network (IFCN), Matrix Fitness Systems, SPRI, and STOTT PILATES®.



# Creating Independent Club Value

## Part 2 in a Series of 3 on Building Value In Independent Clubs

By: Jeffrey Keller, M.S., M.B.A.

Last month, I made the argument that independent clubs actually have an advantage over larger club corporations. Independents have a number of advantages over large club chains, and as we move through Part 2 this month and Part 3 next month, you will begin to see that my message last month was not just sunshine and roses. You will begin to realize that there are *advantages* that will help your independent club compete better.

But first, we need to take a closer look at what *value*

actually is and how the notion of *value* pertains to the health club industry.

### Understanding Value

The simplest definition for value is "what you get for what you spend". However, this definition can actually be put into an equation that club managers can understand. Instead of "what you get", we are going to use the term "customer benefit". Instead of "what you spend", we are going to use the term "customer cost". So, the equation would look like this:

$$\text{VALUE} = \frac{\text{Customer Benefit}}{\text{Customer Cost}}$$

From the formula, one can easily see that as benefit goes up, value does as well. One can also see that as cost goes up, value goes down. It's simple enough, but benefit and cost differ from industry to industry. The common misconception in the health club industry is that the superficial idea of benefit and cost applies, but to truly create *value* that attracts new customers and retains current ones, you have to fully understand

the components of "customer benefit" and "customer cost" as it pertains to our industry.

Customer Benefit includes two variables: *Results* and *Process Quality*.

Customer Cost includes two variables as well: *Price* and *Customer Access Cost*. So, if you now substitute those variables for Customer Benefit and Customer Cost, the equation would look like this:

$$\text{Customer VALUE} = \frac{\text{Customer Benefit}}{\text{Customer Cost}} = \frac{\text{Results} + \text{Process Quality}}{\text{Price} + \text{Customer Access Cost}}$$

So now, there is an equation that has a little more depth to it than just benefit and cost. It's still a fairly simple equation, but each of the variables require a little thought when it comes to determining the *value* provided. To accurately determine how each impacts *value*, you need to understand each.

### Results

Results are often thought of as what a customer buys when he or she makes the purchase. The fatal mistake that most clubs make is that they think that a customer is buying a membership from the club or personal training from their fitness staff or a smoothie from their smoothie bars. This could not be further from the truth. Customers are buying what comes from that product or service, not the product or

service itself. Let me repeat that. *Customers are buying what comes from that product or service, not the product or service itself.* For example, if a customer is coming in to purchase a membership, he or she could be buying weight loss or increased muscle mass or a social atmosphere or continuation of medical rehabilitation or stress reduction or any number of combined results. How many clubs have a New Customer Profile form that they give to their prospects when they come in the door? How many General Managers have ever looked at those forms, consolidated the responses and closely examined WHY customers were joining their club? I bet you less than 5% of the clubs out there do this. It's because they have completely convinced themselves that they are selling "memberships", not what comes from those memberships.

The first step to creating *value* is understanding *this premise and learning what the customer is actually buying.* Then, design a club strategy to provide those *results.* That's truly endeavoring for *value.*

### Process Quality

Process Quality is the relationship a customer has with the club. It describes the characteristics associated with how easy it is to be a customer of the club. Those characteristics are:

- *Dependability* - Did you deliver the expected result?
- *Responsiveness* - Was the result delivered in a *timely manner*?
- *Authority* - Does the club deliver the result with *credibility and believability*?
- *Empathy* - Does the club listen to the customer's point of view to deliver the result?
- *Tangible evidence* - Does the club provide evidence that the result was delivered?

Often, this variable is thought of as customer service, but notice how *results* are definitely linked to *process quality.* As club managers, it is often thought that a smile, a hello, a good-bye or similar niceties are what is necessary to deliver quality customer service. Again, this could not be further from the truth. *Process Quality*, or customer service, is fulfilling all of those above listed characteristics along with a smile, a hello, a good-bye, and similar niceties. *Process quality* is the biggest opportunity for independents to distinguish themselves, but that will be discussed later in Part 3.

### Price Refers to Two Things

1. The monetary compensation that a customer gives the club.
2. The relationship of that price to what the customer has to give up in order to purchase what the club offers.

Too often, health clubs think this variable is the only way to create *value.* They think low price is the answer. They think that offering their services as cheaply as possible is what the customer wants. To a degree, there is a market segment out there that is looking for exactly this, but if

that was the description for the entire buying public, then Saks Fifth Avenue and similar high-end retailers would be out of business. Quite the contrary, even during the current difficult economic times, Saks is flourishing while its distant, low-cost cousins, Sears and K-Mart, are struggling. It can be seen from the *value* equation above, and the Saks Fifth Avenue example, that if *results* and *process quality* are high enough, then the *price* can be high as well. *Do not automatically think that you have to discount to provide value.* This is completely and utterly *false.*

### Customer Access Cost

Health clubs can simply think of this variable as convenience. However, they need to also expand their view on what convenience is. Convenience includes the hours of operation, ease of the sign-up process, location of the facility and payment options for a membership. It also includes the building's configuration, both inside and out. Anything that could make the club more or less convenient would be considered a *customer access cost.* And what is considered convenient will vary from region to region.

### Unique Value Proposition (UVP)

By using the *value* equation, a club can now deliver on a Unique Value Proposition (UVP). A UVP is just a cool way of describing how a club is going to distinguish itself from its competitors. Is the club going to be a low cost provider? If so, then *results* and *process quality* do not need to be nearly as high to maintain *value* in comparison to a club charging a premium for services and membership. Is the club located in an inconvenient location? If so, then there needs to be an appropriate increase in *results* and *process quality* to allow the club to continue charging what it wants. Whichever way a club wishes to distinguish itself, the *value* equation can help guide the appropriate changes to maximize *value* and obviously, maximizing *value* is the secret to success.

But, even more important for independent clubs than merely distinguishing themselves from competitors, using a *UVP* and the



Jeffrey Keller, M.S., M.B.A.

*value* equation as both relate to a fluctuating economic environment is the advantage they have over their corporate counterparts. As the economic winds change, independents have the ability to change their UVP quickly, with little cost to themselves, and deliver the *value* that their specific marketplace demands.

By listening to their customers' *results* expectations, services can be added or subtracted to meet those expectations. If customers are watching Biggest Loser and are on the weight loss bandwagon, add a service that addresses this desired *result.* If a retirement facility is built in the immediate vicinity and a new customer base desiring medically-based fitness becomes the most popular characteristic of customers coming in the door, then change the fitness assessment process, the membership offerings and some of the equipment to take advantage of this. A club cannot be everything to everyone, but to survive in a very competitive marketplace, a club has to be willing to adapt and change itself when the marketplace dictates it. Using the *value* equation in this way allows independents to use their innate flexibility to their advantage, rather than just discounting in an effort to compete.

Next month, Part 3 will address how to sustain this newfound value as well as take a club beyond providing customer value to providing customer loyalty. Stay tuned and be successful.

(Jeffrey Keller is the Founder and President of The Independent Health Club Networking Association. Jeff may be contacted at: [Jeffrey\\_keller@msn.com](mailto:Jeffrey_keller@msn.com))

# Take the Road to *Powerful Profits!*



## 4th Annual IHRSA Profitability Conference and 27th Annual National Fitness Trade Show

*In conjunction with the American Council on Exercise 2008 Fitness Symposium*



**Rio All-Suite Hotel | Las Vegas, Nevada | September 8-11, 2008**

## When You're Profitable, You're Powerful!

The **4th Annual IHRSA Profitability Conference** brings many of the nation's leading club owners together for four days of education and inspiration, led by a roster of the industry's top club experts.

The **27th Annual National Fitness Trade Show** features top fitness equipment from the leading manufacturers, along with the products and services you need to make your business more successful. This Trade Show is unique, offering a warm and inviting environment where every exhibitor is committed to working with you and ensure your needs are fulfilled.

### ***Can your club benefit from more profits?***

Of course it can. That's why you need to attend the 4th Annual IHRSA Profitability Conference and 27th Annual National Fitness Trade Show. *It's sure to be a powerful Event!*

### **REGISTER TODAY FOR BEST SAVINGS!**

Register for this important conference and trade show at the best rate available. IHRSA members pay only \$300 per four day registration, but only through June 30. Take advantage of this tremendous value at [ihrsa.org/conference](http://ihrsa.org/conference) or call 1-800-228-4772 (US/Canada) or +1-617-951-0055 (international).



# 5 Steps to Planning a Media Event

## (And How They Can Boost Your Business)

By: Brent Sampson

What is a media event and how can it help your business?

The term "media event" defines many marketing and selling venues, including a book signing at a local bookstore, a seminar at a local hotel or a luncheon at a fancy restaurant. Whether you are a club owner, author, speaker, or consultant, media events can be used to grab attention and put your club or product in front of hundreds or even thousands.

Think of that blockbuster movie, that best-selling novel or the latest tech gadget that has captured everyone's attention. Chances are, these products or services have created their stellar reputations through the media, and they all had media events to get the publicity rolling. Movies have "world premieres," novels have "publication parties" and gizmos or services have "unveilings" followed by "training seminars".

Media events and public appearances can fall into any number of categories and include a variety of venues such as radio interviews, television interviews, podcasts, presentations, chat room interviews, online book tours, public forums, catered luncheons, speaking engagements and more.

So, how can a media event help your club? Well, if you're opening a new club, a media event can expose you to a large audience of potential members. The same holds true for your products or services. Media events are a wonderfully effective method of client/customer acquisition because it opens up

a new tier of people who are still uncomfortably conducting business impersonally online.

If you've never thought about using media events to boost your club, think again. With some research, creativity and follow-through, you can use a media event to boost business, sales and even credibility. Here are a few tips to get started:

**1. Brainstorm event ideas and investigate how to best showcase your club.** A good event idea matches its venue. You wouldn't have a catered luncheon at a bookstore, for example. A good idea to identify possible media event spots in your club is to walk it. In fact, it's a good idea to attend some of these events to see what they're like and to scope out possible ideas for your venue/event. Another place to look is your local bookstore. Most bookstores carry event calendars or maintain a list of contact people who hold that information.

Browse the calendar listings for venues to see if a promotion fits with their upcoming plans or works within their availability. Sometimes it might be necessary to tailor a planned event for a particular occasion or holiday. If there is contact information available, make a note of it so you can pitch the appropriate person about your event idea.

In addition, the Internet is another great way to find events. Use any search engine to look up local, state and national events that you can tie into your product, service or expertise.

**2. Plan and schedule**

your event. Decide upon the topic or theme of your event by examining cost and applicability to your club. Next, you need to invite members of the media. After all, one of the main purposes of a media event is to generate follow-up within the media by the people who attended your event. It's that "free publicity" that can pay for your event's cost. You may be able to kill two birds with one stone by inviting attendees and coordinating some promotion in advance (see #4).

However, it's important to be persistent without being annoying. Start with a complimentary membership right from the beginning. If, after three or four attempts with a particular media contact, you are still unsuccessful, it's time to move on to another prospect or media outlet.

**3. Prepare for your event thoroughly in advance.** Double-check your dates, products and materials. People who attend your events are participating because the advertisement or announcement struck a chord with them, so be sure to deliver what they came to see or hear. Don't be shy about letting them know how to join. After all, that's the reason you're involved in the event in the first place.

**4. Promote your media event aggressively.** You need a positive, outgoing attitude to deal with the media. When promoting your event, you may have to contact the media several times to get a mention in the paper or on the radio. Selling yourself and

your club is a numbers game. As any salesperson will tell you, the amount of contact is directly proportional to the amount of sales.

Invite your colleagues, friends and family to your event. If it's within the scope of your marketing budget, advertise in the local paper. Smaller papers may choose to write an article about your event, particularly if they know you are an advertiser. Many papers may even promote your event for free within their "Events" or "Calendar" pages.

Whatever the venue, it is your responsibility to attract the crowd. The venue is just that... a venue. To have a truly successful media event, you want the audience there, so do what you can to promote it. Send out e-mails and invitations to your contacts, and be sure to promote it within your company, so your colleagues and employees can come out and show their support.

**5. Thank those involved once the event is complete.** The vendors, stores, event organizers and volunteers will appreciate your thoughtfulness. A simple acknowledgement or heartfelt thank you sent through the mail or through email will make more of an impression than you can imagine. If you make the right kind of impression with them, it could lead to more media events in your future, and if nothing else, you get to mention your club, product, or service one last time. Repetition is important.

Media events are helpful for many businesses, including clubs, authors, consultants and



**Brent Sampson**

experts. Just be creative and open-minded! There are opportunities to promote yourself, your club and your product or service everywhere.

*(Brent Sampson is president and CEO of Outskirts Press, a publishing company that offers full-service on-demand book publishing & marketing services to authors seeking a fast, cost-effective way to publish and distribute their books worldwide. Brent is also the best-selling author of "Sell Your Book on Amazon" and the award-winning, "Self-Publishing Simplified". Through Outskirts Press, he has helped thousands of authors with writing, editing, marketing and entrepreneurship. Brent is also a member of the board for the Education & Literacy Foundation. For more information, call 888-672-6657 or visit [www.outskirtspress.com](http://www.outskirtspress.com).)*

**And, Make It Fun!**

## Global Fitness Holdings Appoints Martin Stein as Chief Operating Officer for Urban Active Fitness

**Lexington, Kentucky** - Global Fitness Holdings (GFH), ranking in the top 25 Fitness Companies in North America, that owns and operates 29 Urban Active Health and Fitness Clubs throughout Kentucky, Ohio and Tennessee markets, named Martin Stein its Chief Operating Officer, effective May 15, 2008. Stein is now responsible for the strategic and operational leadership of all Urban Active's sales, marketing and management divisions. Stein most recently served as Senior Vice President of Marketing where he was responsible for the company's global direction of Urban Active's strategic marketing, brand management and sustained growth that continues to

solidify market leadership. Among the key functions, reporting to Martin will be Bill Robinson, Senior Vice President of Sales and KT Remus, Senior Director of Marketing.

"I am extremely excited to have Marty assume the role as our Chief Operating Officer, where we will benefit immensely from his impressive proven track record of success in the health and fitness business", stated Royce Pulliam, CEO of Global Fitness Holdings. "Marty's leadership in global sales, marketing and services will help ensure we utilize this potential and fully realize the growth opportunities we have on the table."

"This major organization

change will allow Urban Active to coordinate and leverage salient strengths in sales and marketing to better position itself for continuing rapid growth," said Stein. "I appreciate this great opportunity to partake in expanding this company by leaps and bounds."

"The company is fortunate to have a strong management core in each of these functions which supports our mission of 'Building Active Communities through Innovative Fitness' while we expand our club offerings and operations. Marty's leadership in his new role adds remarkably to this position," said Glenn Gordon, President of Global Fitness Holdings.

Martin possesses over 25 years of extensive experience in establishing market leadership in the fitness industry with an exceptional track record working with fast paced growth enterprises. Prior to joining Urban Active, in early 2008, as its Senior Vice President of Marketing, Stein was the Senior Vice President of Sales and Operations for the newly formed Vancouver Bay Clubs, Ltd., based in Vancouver, Canada. Before that, Stein spent over 20 years with 24 Hour Fitness, the world's largest privately held fitness company, serving in key roles spanning from Regional Manager, Regional Vice President and Division President as the company grew from 10 clubs in

1986 to over 340 clubs in 2006.

Urban Active is one of the Hottest Names In Fitness with 29 Health & Fitness Lifestyle Clubs in the tri-state region of Kentucky, Ohio and Tennessee, with aggressive plans to develop 50 more facilities in the next 3-4 years, mainly in the Mid-South, Midwest and Eastern Seaboard markets.

Urban Active's mission statement is: "to create active communities through innovative fitness by offering a combination of the latest in fitness, innovation and passion for wellness that takes the concept of 'Health Club' to the next level." For more information, visit: [www.urbanactive.com](http://www.urbanactive.com).

**PRESENT:**

# The More Competition You Have, The Better You Have to Be!

**A 2 DAY WORKSHOP AND EXHIBITOR SHOWCASE**

*featuring our Key Note Speaker, Thomas Plummer*

*Also featuring industry experts: Mike Campetelle, and Roger Sargent.*



● **Who is the National Fitness Business Alliance?**

National Fitness Business Alliance was created with help from independent club owners who were looking for information and ideas that will help them reach financial success. The National Fitness Business Alliance believes you can make money ethically without the negative sales images. We can attract new members without offensive ads. We can make money by charging a fair price for the product we sell. Most importantly, we can learn to compete as independent club owners and operators against any club or chain in the country.

● **How our workshops can help you!**

The National Fitness Business Alliance and IHRSA have formed a partnership along with our elite team of industry leaders, to provide owners a variety of information, tools and products that will provide you financial success for today and the future. We can help you with almost any problem you encounter in your fitness business. Our workshops features an exhibitor showcase that will provide you the tools to overcome your staffing issues and network with other owners and managers who experience the same difficulties as you.

**UPCOMING TOUR DATES**

**January 23-24** – Charleston, SC

**February 13-14** – Pittsburgh, PA

**March 26-27** – Chicago, IL

**April 23-24** – Seattle, WA

**May 14-15** – Minneapolis, MN

**June 18-19** – Denver, CO

**July 30-31** – Baltimore, MD

**August 27-28** – Birmingham, AL

**September 24-25** – St. Louis, MO

**October 22-23** – Stamford, CT

**November 12-13** – Austin, TX

**December 10-11** – San Francisco, CA

**Call today 800-726-3506 or log on to [www.totalclubsupport.com](http://www.totalclubsupport.com) to register for the workshop in your area!**

**LOOK WHO'LL BE THERE....**



**OTHER UPCOMING WORKSHOPS**

**April 10-11** – Philadelphia, PA

**August 14-15** – Des Moines, IA

**November 6-7** – Phoenix, AZ

\*National Fitness Business Alliance reserves the right to change dates and locations as availability dictates. Workshop presenters are subject to change based on workshop subjects and dates.

# Programming Tip of the Month:

## *I Love a Parade! - Profitable Programming Ideas for YOU*

By: Sandy Coffman

A good, old-fashioned parade is an excellent way to promote a variety of fitness activities. It can appeal to persons of every interest, skill level, and personality, age, and gender. The

marketing advantages are endless. It certainly will attract the potential member and the inactive member while focusing on the existing member and getting the new member comfortably integrated. A parade takes the stress and seriousness out of fitness.

The purpose of a parade is to portray different programs and groups of people who share the fun experience of exercising at your club. It will inspire activity and probably increase your revenues by adding more members and retaining existing members. A parade makes fitness fun for EVERYONE. If you let your creative juices run a parade can include your court sport program, fitness center enthusiasts, aquatics participants, and the group exercise classes. And guess what else! It's a perfect program for family fun, children, and, of course, children of "all" ages!

### C'MON! IT'S ALMOST THE 4th OF JULY!!!

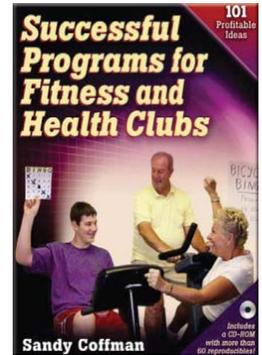
Here are a few tips to guarantee your PARADE is an ear shattering, exciting, fun, friendly and fit program for summer fun at your club.

1. The leader must be energetic, organized, and willing to participate in the parade. Every program department must be involved in the parade.
2. Choosing a theme, such as the Fourth of July will encourage creativity and excitement. (St. Patrick's Day, Easter, Flag Day, or even an Anniversary Event works too.)
3. Costumes can be used that reflect the theme. When dressing alike, participants get a sense of belonging.
4. Each group can choose its own music for the march down the street, and everyone will be in a festive mood.
5. There is seldom a parade that wouldn't include a picnic. The events following the parade can bring the various groups together, such as a Frisbee toss or a bean bag toss. This is also an opportunity to recognize individual performances and give recognition to people. T-shirts, ribbons, water bottles, and towels are all inexpensive prizes that are appreciated at an event such as a parade or a picnic.
6. Pictures say a thousand words. Any follow-up program will be easily promoted with pictures of your participants. Not only will all the members who participated in the first parade want to participate in the follow-up activity, but any spectator or anyone seeing the fun had by everyone in the pictures will want to get involved the next time. Pictures will market your programs.
7. Have staff involved in the parade --each group should be represented by staff.
8. Tell the media about

the parade. You are sure to get coverage from the newspaper, radio and probably TV.

9. Have all the participants invite relatives, neighbors, and friends to the parade and to the picnic to make this event intergenerational.

10. Make this an annual event.



(To order Sandy's great new programming book: "Successful Programs for Fitness and Health Clubs" 101 Profitable Ideas go to: [www.humankinetics.com](http://www.humankinetics.com) Contact Sandy: [SLCoffman@aol.com](mailto:SLCoffman@aol.com) or [www.sandycoffman.com](http://www.sandycoffman.com))

10. Make this an annual event.

(To order Sandy's great new programming book: "Successful Programs for Fitness and Health Clubs" 101 Profitable Ideas go to: [www.humankinetics.com](http://www.humankinetics.com) Contact Sandy: [SLCoffman@aol.com](mailto:SLCoffman@aol.com) or [www.sandycoffman.com](http://www.sandycoffman.com))



### INFORMATION REQUEST

If you would like to receive information from or be contacted by advertisers in this issue, just clip or photocopy this form, mark the block(s) of the respective companies, include the information requested in the blanks and fax to (770) - 933 - 9698.

\_\_\_ Please mail information to me.

\_\_\_ Please contact me by (check one) \_\_\_ Phone \_\_\_ Email.

Your Name: \_\_\_\_\_

Club or Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

### Our Advertising Team

- |   |  |
|---|--|
| ___ CheckFree Corporation - Pg 5        | <a href="http://www.checkfree.com">www.checkfree.com</a>                     |
| ___ Affiliated Acceptance - Pg 9        | <a href="http://www.affiliated.org">www.affiliated.org</a>                   |
| ___ ABC Financial Services - Pg 17      | <a href="http://www.abcfinancial.com">www.abcfinancial.com</a>               |
| ___ Sales Makers - Pg 7                 | <a href="http://www.sales-makers.com">www.sales-makers.com</a>               |
| ___ Body Training Systems - Pg 39       | <a href="http://www.bodytrainingsystems.com">www.bodytrainingsystems.com</a> |
| ___ National Gym Supply - Pg 13         | <a href="http://www.gympart.com">www.gympart.com</a>                         |
| ___ Visual Fitness Planner - Pg 21      | <a href="http://www.myvfp.com">www.myvfp.com</a>                             |
| ___ NFBA - Pg 37 & 38                   | <a href="http://www.totalclubsupport.com">www.totalclubsupport.com</a>       |
| ___ Greenmaple Wellness - Pg 27         | <a href="http://www.greenmaplewellness.net">www.greenmaplewellness.net</a>   |
| ___ REX Roundtables - Pg 28             | <a href="http://www.rexonline.org">www.rexonline.org</a>                     |
| ___ Association Insurance Group - Pg 19 | <a href="http://www.clubinsurance.com">www.clubinsurance.com</a>             |
| ___ Thin & Healthy - Pg 25              | <a href="http://www.thinandhealthy.com">www.thinandhealthy.com</a>           |
| ___ The STEP Company - Pg 8             | <a href="http://www.thestep.com">www.thestep.com</a>                         |
| ___ InTek Strength                      | <a href="http://www.intekstrength.com">www.intekstrength.com</a>             |
| ___ JLR Associates                      | <a href="http://www.jlrassoc.com">www.jlrassoc.com</a>                       |
| ___ Oxyvital - Pg 10                    | <a href="http://www.oxyvitalusa.com">www.oxyvitalusa.com</a>                 |
| ___ Iron Grip - Pg 29                   | <a href="http://www.ironrip.com">www.ironrip.com</a>                         |
| ___ Fabiano Designs - Pg 11             | <a href="http://www.fabianodesign.com">www.fabianodesign.com</a>             |
| ___ Sports & Fitness Insurance          | <a href="http://www.sportsfitness.com">www.sportsfitness.com</a>             |
| ___ Susan K. Bailey Advertising         | <a href="http://www.clubads.com">www.clubads.com</a>                         |
| ___ fitRewards!                         | <a href="http://www.fitrewards.com">www.fitrewards.com</a>                   |
| ___ Club Broker - Pg 26                 | <a href="http://www.healthclubbroker.com">www.healthclubbroker.com</a>       |
| ___ World Gym 1440 Access - Pg 2        | <a href="http://www.worldgym.com">www.worldgym.com</a>                       |
| ___ GymTicket.com - Pg 15               | <a href="http://www.gymticket.com">www.gymticket.com</a>                     |
| ___ Polar USA - Pg 16                   | <a href="http://www.polarUSA.com">www.polarUSA.com</a>                       |
| ___ New Paradigm Partners - Pg 33       | <a href="http://newparadigmpartners.com">newparadigmpartners.com</a>         |
| ___ Fitness Club Success                | <a href="http://www.fitnessclubsuccess.com">www.fitnessclubsuccess.com</a>   |
| ___ City Blends - Pg 20                 | <a href="http://www.cityblends.com">www.cityblends.com</a>                   |
| ___ CLUB INSIDER Online                 | <a href="http://www.clubinsideronline.com">www.clubinsideronline.com</a>     |
| ___ Symmetrical Fitness - Pg 32         | <a href="http://www.symmetricalfitness.com">www.symmetricalfitness.com</a>   |
| ___ Strive Fitness - Outside Back Page  | <a href="http://www.strivefit.com">www.strivefit.com</a>                     |
| ___ EddieTock.com - Pg 12               | <a href="http://www.eddietock.com">www.eddietock.com</a>                     |
| ___ Robotic Waist Reducer - Pg 24       | Call (405) 720 - 9213  |
| ___ Cybex International - Pg 31         | <a href="http://www.cybexintl.com">www.cybexintl.com</a>                     |
| ___ IHRSA/NFTJ - Pg 35                  | <a href="http://www.ihrsa.org">www.ihrsa.org</a>                             |

## New and Improved

### Contributing Author Benefits Package

In Our Printed Edition: On Our Website:

- Byline (Included in article)
- Photo (Included in article)
- Directory Listing
- Full Bio & Photo
- Article Archive
- Online Store Listing

For more information, Contact Norm Cates Today!

Norm@clubinsideronline.com or (770) 850 - 8506

To Subscribe to CLUB INSIDER, Goto: [www.clubinsideronline.com](http://www.clubinsideronline.com)

### Sincere Thanks and Great Appreciation to:

All who have advertised, purchased subscriptions, read and pitched in as Contributing Authors. We are now in our 15th year of publication! All of you are on the "Team" that makes CLUB INSIDER, and we will be grateful to you forever.

I appreciate and LOVE 'Ya!

Very Sincerely, Norm Cates, Jr.

• 360 Fitness • All Sport Club • Fishkill • Bayshore Fitness and Wellness Center Hazlet • Bayshore Fitness and Wellness Center Parlin • Body Shapes for Women • Body Works Studio • Bodyworks 24 Hour • Bodyworks 50th Street • Bodyworks Family Sports Center • Carolina Woman • Cascade Athletic Club East Gresham • Cascade Athletic Club Gresham • Cascade Athletic Club Portland • CentraState Fitness & Wellness Center • Club Fitness • ClubSport of Oregon • Courthouse Athletic Club Battle Creek • Courthouse Athletic Club Keizer • Courthouse Athletic Club Lancaster • Courthouse Athletic Club South • Courthouse Athletic Club West • Dana's Body Zone • Dynamic Dimensions Moss Bluff • Dynamic Dimensions Sulphur • Expert Fitness Health Club • Extreme Fitness Dunfield Club • Exygon • Firehouse Gym • Fitness Factory Atlanta • Form & Fitness • Galter Lifecenter • Gettysburg Health & Fitness • Global Fitness Center Fitchburg • Global Fitness Center Leominster • Global Fitness Center Tyngsboro • Global Fitness Stow • Gold's Gym Chapel Hill • Gold's Gym Conyers • Gold's Gym Dewitt • Gold's Gym Eagle's Landing • Gold's Gym Elite • Gold's Gym Ellenwood • Gold's Gym Ellijay • Gold's Gym Eugene • Gold's Gym Hamilton Mill • Gold's Gym Hospital Drive • Gold's Gym Lawrenceville • Gold's Gym Lilburn • Gold's Gym Liverpool • Gold's Gym McDonough • Gold's Gym Newnan • Gold's Gym Norcross • Gold's Gym Regina • Gold's Gym Snellville • Gold's Gym Springfield • Gold's Gym Suwanee • Gold's Gym West Cobb • Gold's Gym Worcester • Highland Park Hospital • Highline Athletic Club • Impact Sports & Fitness • In Shape Fitness Center Branford • In Shape Fitness Center North Haven • Kennedy Club Fitness Arroyo Grande • Kennedy Club Fitness Atascadero • Kennedy Club Fitness Paso Robles • Kennedy Club Fitness San Luis Obispo • Kent Women's Spa & Fitness Center • Ladies Fitness & Health • Ladies World Health & Fitness • Lady Wellness Fitness & Spa • Leader Health & Fitness • Matrix Fitness • Mawson Health & Fitness • Mid Town Athletic Club Willowbrook • Midtown Athletic Club Forest Grove • Mike Arteaga's Health & Fitness Centers Highland • Mike Arteaga's Health & Fitness Centers Poughkeepsie • Miramont Lifestyle Fitness North • Miramont Lifestyle Fitness South • Mount Wachusett Community College • NCH Dr. John Briggs Wellness Center • NCH Whitaker Wellness Center • Nike Lance Armstrong Fitness Center • Peak Fitness Spartanburg Peak • Physiques Inc. • Powerhouse Gym Webster • Princeton Fitness and Wellness Center • Quantum Fitness • Riverside Health Club • RWJ Hamilton Center for Health and Fitness • RWJ Rahway Fitness & Wellness Center • Shapes Fitness Centre Pembina • Shapes Fitness Centre McPhillips • Shapes Fitness Centre Narin • Sims Health And Racquet • Spartanburg Athletic Club • Suburban Athletic Club • Superior Athletic Club • Superior Athletic Club II • The Edge • The Sports Center • Thoreau Club Of Concord • Transformations Fitness for Women • Women's Fitness Company • World Class Women Fitness & Nutrition • World Gym Fayetteville • World Gym Fitness Center • World Gym Highway 54 • World Gym Peachtree City • WOW! Brick • WOW! East Brunswick • WOW! Fitness Corvallis • WOW! Fitness Lebanon • WOW! Freehold • WOW! Middletown • WOW! North Brunswick • WOW! Ocean • Yang's Fitness Center • Yorktowne Racquet & Fitness Club



These "elite" operators are driving their business through branded programming and producing record results for group visits and profitability. The BTS team has 30+ years experience to ensure your success. **And we guarantee it!**

**CALL 1-800-729-7837**

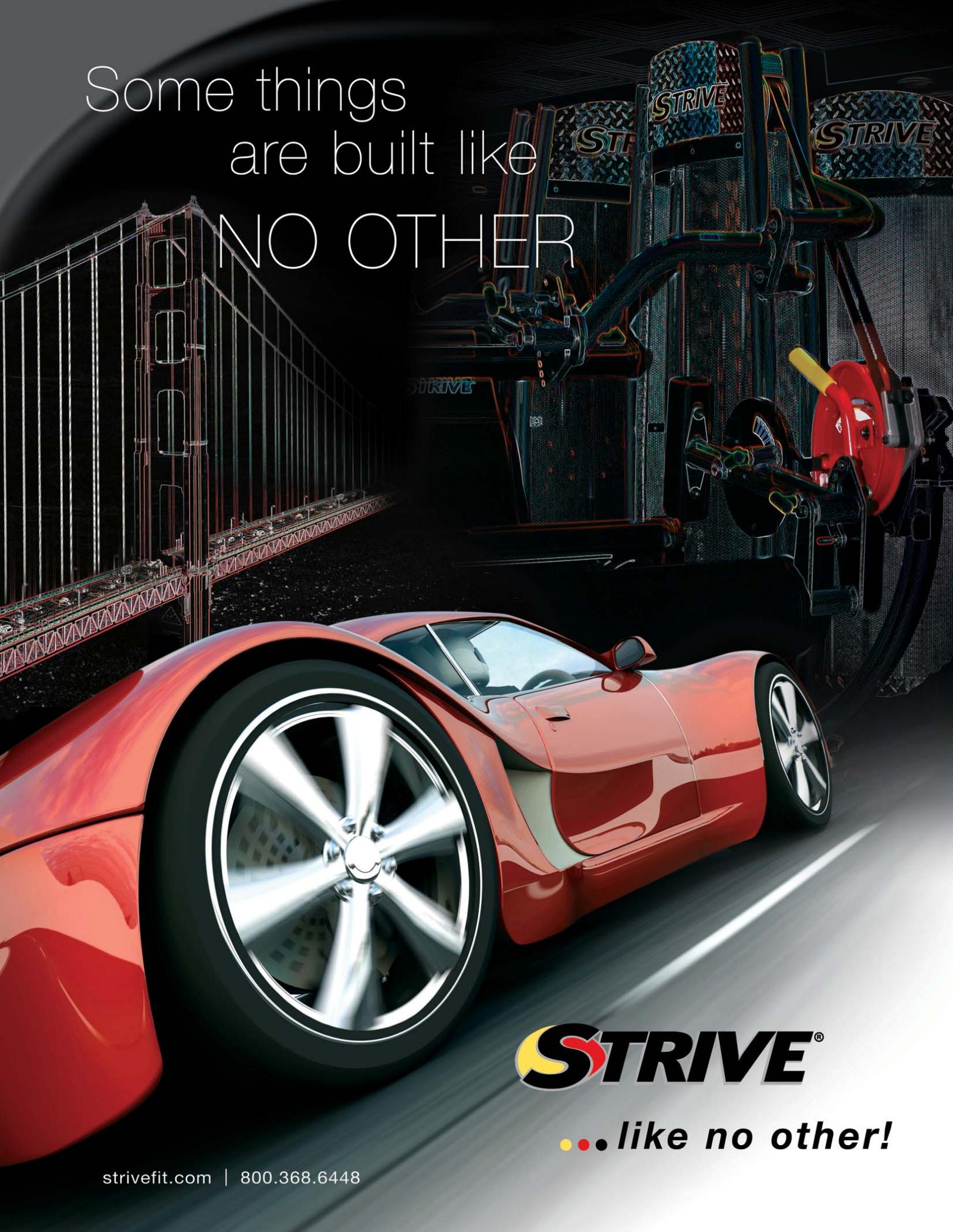
TO SEE IF YOUR CLUB QUALIFIES FOR OUR

**ONE YEAR GUARANTEE!**

*What have you got to lose?*



Some things  
are built like  
**NO OTHER**



**STRIVE**<sup>®</sup>

...like no other!

strivefit.com | 800.368.6448