

Norm Cates'

THE Club Insider[®]

NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

LATE BREAKING NEWS

HEALTH DEVELOPMENT CORPORATION ACQUIRED BY TOWN SPORTS INTERNATIONAL

Owner Of Over 100 East Coast Fitness Clubs Purchases Boston's Largest Chain

WAKEFIELD, MA, July 13, 2000 - Health Development Corporation (HDC) and its Greater Boston Fitness Advantage Clubs have been acquired by Town Sports International (TSI), New York, New York. TSI now operates more than 100 fitness clubs on the East Coast, including six Boston Sports Clubs in Greater Boston, as well as New York Sports Clubs, Philadelphia Sports Clubs, and Washington Sports Clubs. In addition, TSI currently has eleven clubs under development.

Since 1983, HDC has grown

into one of greater Boston's leading independent providers of health and fitness. Similarly, TSI has become the premier provider of health and fitness along the East Coast.

"The combination of HDC and TSI will bring significant benefits to our nearly 25,000 members and 750 staff," said Paul Couturier, President and CEO of HDC. "When we began to talk to senior management at TSI, it was clear that we had common goals to exceed the accepted standards in health and fitness. By bringing our companies together, we can

achieve the synergies necessary to reach those goals. Our combined resources and experience will enable us to move to the next level of quality fitness and expand our opportunities throughout Greater Boston and to other parts of New England," added Couturier.

According to Mark Smith, CEO of TSI, "We have recognized a kindred company philosophy and vision as well as a similar culture that will be easy to integrate into the TSI network. We look forward in unison to providing an outstanding service to a vi-

brant and growing clientele. We have become the dominant player in the New York, New Jersey and Connecticut tri-state market with over 70 clubs and we anticipate similar success in Greater Boston."

HDC's Fitness Advantage Clubs—including Sky Club, Boston; The Colonial Club, Lynnfield; The Ferncroft Club, Danvers; The Framingham Club; The Franklin Club; The Lexington Club; The Wellesley Center; and The Royal Ridge Club, Nashua, NH—will be renamed Boston Sports Clubs. Addition-

ally, TSI will undertake a major renovation of the Rolling Green Tennis Center in Andover and anticipates opening it as a new Boston Sports Club in the late Fall. Several other club sites are under consideration. "We eventually expect to have in excess of thirty clubs in the Greater Boston market," remarked Smith.

With over 25 years of experience, Town Sports International currently has more than 250,000 members in facilities from Washington, DC North through New England, as well as two Sports Clubs in Switzerland, one in Zurich the other in Basel.

Life Fitness Names Kevin Grodski As New Company President

President and Founder Augie Nieto Becomes Chairman

FRANKLIN PARK, ILL. - July 10, 2000 - Life Fitness, the leading manufacturer of a full line of cardiovascular and strength training equipment for commercial and consumer use, today announced the appointment of Kevin S. Grodski as President. Effective immediately, Grodski assumes the worldwide day-to-day operations of the business for both the commercial and consumer divisions, while Life Fitness Founder and former President Augie Nieto becomes Chairman, serving in a strate-

gic capacity.

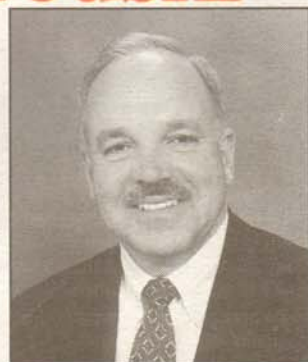
"I have had the privilege of building this company and occupying my present position for 23 years, and I am thrilled to transition to a role in which I can really focus on the company's long-term overall strategic direction," said Nieto. "Historically, our business has grown at twice the industry rate, and I am confident that Kevin's leadership will enhance our growth even more as we move forward."

We contacted Kevin Grodski to ask several questions and here is what he had to say.

Q. "What are the top 3 areas of focus for you in the near future as you move forward?"

A. "I plan to spend the majority of the time in the next few months learning about this business. There is a lot to be gained from the knowledge and experience of the people in this organization here. There are a lot of people with outstanding insight that I'm going to be tapping as we go forward. My #1 personal objective is to tap into the knowledge, skill

and experience of the organization to learn more about our customers, more about our marketplace and about our competitors. Clearly, one of the critical tasks is being able to maintain the very significant momentum of the organization going forward. The growth has been phenomenal and unprecedented and we've got to find ways to continue to fuel that going forward. Identifying the new products and new offerings that are going to fuel the next wave of



Kevin Grodski

growth is certainly high on the list. And, dedicating the engineering and resources to get there is important. (See Life Fitness page 4)

Bel Air Athletic Club Acquired By The Wellbridge Company

Wellbridge, Formerly Club Sports International, Continues Aggressive Growth

DENVER, Colo., July 11, 2000 — The Wellbridge Company announced on July 11th, their acquisition of the Bel Air Athletic Club, a privately-owned athletic

complex located in Bel Air, Maryland. With the acquisition of Bel Air, Wellbridge now owns or manages more than 50 upscale athletic clubs and spas across the country, making it the nation's fourth large-

est club operator.

"In acquiring the Bel Air Athletic Club, we have invested in one of the most successful clubs in the country," stated Wellbridge CEO (See Bel Air page 26)

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UPCOMING IHRSA EVENTS SHOULD BE ON YOUR DON'T MISS LIST!

Now is the time to make plans to attend two very important club business events.

In Orlando, November 29-December 2, 2000, IHRSA will hold the first ever industry-specific Internet Technology Conference. Keynote speakers will include Dr. James Canton, recognized Futurist and Digital Entrepreneur, and Don Shula, NFL Hall of Famer and the winningest Coach in NFL history. Coach Shula's presentation will be entitled: "Inspire Anyone To Be A Winner."

The agenda for this landmark convention is literally packed with terrific learning opportunities. Check out some of the titles of the upcoming presentations:

"Red Hot Sales On The Internet"-Paul Golder, President, Sales & Performance Group

"How You Can Use the Internet To Flood Your Club With New Prospects and New Cash

Flow!"-Pat Nocerato, President, Success-ercise

"Member Retention: Harness the Power of Email"-Shannon Entin- Publisher and Editor, Fitness Link, Inc.

"Using the Internet to Add Muscle to the Marketing & Management of Your Club"-Paul Graeve, Pres.iSign UpNOW.com

"Forging the Right Internet Partnerships to Position Your Website and Club as a Fitness Leader"-Erik Christoffersen, V.P. of Business Development, Asimba.com

The event will present approximately 40 different speakers during the three days and the IHRSA/Athletic Business Trade Show will provide a terrific opportunity for you to see and try the latest equipment, products and services to hit the market. Don't miss this one!

IHRSA CELEBRATES TWENTY YEARS!

Association Rolls Back Registration Prices to 1981 For Anniversary Convention and Trade Show!

The International Health, Racquet and Sportsclub Association (IHRSA) will celebrate its twentieth anniversary at its Annual International Convention and Trade Show, March 21-24th, 2001, in San Francisco, CA. To celebrate this milestone in its history, the Association has rolled back registration prices for its Annual Convention to the rates charged to attend IHRSA's very first convention in 1981.

"For two decades IHRSA has worked to promote the development of the club industry and throughout those years many of its members have consistently supported the Association," explains IHRSA President, Joe Cirulli. "In

celebration of that history and looking forward to the next twenty years, IHRSA has rolled back the cost of attending our 20th Anniversary Celebration to \$250, the cost to attend the very first meeting in Las Vegas twenty years ago."

"Today's IHRSA is a truly international organization that will draw thousands of club professionals from around the world to attend what has become one of the world's largest industry events," continues Cirulli. "We hope this special rate of \$250 will make it affordable for more people than ever to join us in San Francisco and be part of what promises to be an industry extravaganza."

Clubs must register for the convention before September 30, 2000, to take advantage of this \$250 per person rate.

Growing from just 30 exhibitors in 1981, IHRSA anticipates some 10,600 club industry professionals will walk a

trade show floor of over 1,300 booths representing 400 exhibiting companies. IHRSA also expects 3,300 attendees to take advantage of a significantly expanded educational program that will include the Spa Business Conference sponsored by Declor, Inc. and Sage Management & Development Group, the Fitness Business Conference sponsored by the American Council On Exercise, and the first annual Corporate Business Conference.

IHRSA is a non-profit Association dedicated to the growth, protection and promotion of the health club industry and represents over 5,400 clubs worldwide. IHRSA is an international leader in health club industry education, research and advocacy.

For IHRSA Membership and Conference Registration information, call: (800)228-4772.

Gold's Gym And ClubCom Announce Formation Of Gold's Gym Broadcasting Network

FALLS CHURCH, Va., and VENICE, Calif. - Gold's Gym International, Inc. (GGI), the world's largest chain of health clubs with more than 550 locations and over 200 million annual visits, and ClubCom, Inc., a pioneer

in television microcasting, announced on June 29th, the formation of the "Gold's Gym Broadcasting Network," a cooperative venture that will represent one of the largest private television networks in the United States.

The network, launching this fall, will bring custom-

ized ambient entertainment to approximately two million Gold's Gym members through a closed circuit entertainment network. The network utilizes ClubCom's patent-pending "microcast" technologies enabling each Gold's Gym facility to completely customize its entertainment on an hour-by-hour basis. Selecting from one of the world's largest music video libraries, individual facilities categorically define the type of music video entertainment played at different times of the day based upon the preferences of its membership base.

ClubCom's proprietary process even provides Gold's Gym members the opportunity to define their preferences via the Internet and provide input back to facility operators.

"The integration of ClubCom's revolutionary technologies and entertainment programming into our network reinforces our commitment to provide the best member experience possible," said John Galiani, President of Corporate Development for



Tom Lapcevic ClubCom CEO

Gold's Gym International. "It's reflective of our dedication to the advancement of the health club industry and the success of our franchisees."

The network also empowers each Gold's Gym facility with ClubCom's patent-pending internal advertising programs that

enable facility operators to activate their own promotional television commercials via the Internet and broadcast them within their respective facilities.

"Individual Gold's Gym facilities are provided the opportunity to drive profit centers, en-

(See Gold's Gym page 6)

THE Club Insider

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PUBLISHER AND EDITOR: Norm Cates, Jr.
COMPUTER LAYOUT DIRECTOR: Cathy Brown
COMPUTER OPERATIONS DIRECTOR: Justin Cates
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Box 681241, Marietta, GA 30068-0021 • (770) 850-8506
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• NORM'S NOTES •

•Thanks to **GALE LANDERS, ANNBETH ESCHBACH, MIKE MYERS** and **NESTOR FERNANDEZ** for their service to IHRSA. Also, Congratulations to **JOE CIRULLI**, who officially took office as IHRSA President with new Board Members **DEAN WALLACE, SANDY FRANCO** and **TOM BEHAN**. Gale will continue to serve the Association as Ex-Officio President for one year.

•**CORRECTION** and **CONGRATULATIONS!** Last month when I reported that **MICHAEL LEVY** had received IHRSA Canada's "Lifetime Achievement Award" I reported that **Michael** won the Award, but I thought that **JAY KELL**, Michael's partner, deserved recognition also. Well, it turned out that I made an error. Actually both **MICHAEL** and **JAY** received the honor. Jay was just out of town on business during the award event. Thanks Michael for setting me straight.

•Congratulations to **ROGER** and **ELAINE RALPH** and to **BURNETT DONOHUE** and **ED WILLIAMS** of the **Wellbridge Company** (formerly Club Sports International) as the Ralphs have sold their wonderful **Bel Air Athletic Club** in Bel Air, Maryland, to **Wellbridge**. I say congratulations to **Burnett** and **Ed** because in my opinion, they have just acquired one of the best clubs in the world in the 116,000 square foot **Bel Air A.C.**

•Big **JOHN MCCARTHY**, Executive Director of IHRSA, will be the Keynote Speaker at the upcoming **eHealth & Fitness Conference** to be held in San Francisco, August 14 and 15th. For information call (800) 882-8684.

•Best Wishes to my high school football and track teammate, **TOM MYSLINSKI** and his lovely wife **DEBBIE**, as they embark on re-

irement. Tom was recently honored upon his retirement after 31 years of coaching high school football and track and field coach at **Rome Free Academy** in Rome, New York. Check out the story on page #18. The surprise event attended by over 250 people was amazing and it was very emotionally moving.

•God Bless my good friend, **JIM WAGNER** and kudos to **DOMINIC PAVELL, ROGER PISANECHI** and **KEVIN FLYTHE**, members of the staff at the **Sporting Club At Windy Hill** here in my home town, as their swift action saved Jim's life. Also, congratulations to the team from the local fire station on their swift arrival at the club. On Monday afternoon, July 10th, Jim was exercising at the club when he suffered a massive heart attack. He fell to the floor unconscious and within 15 seconds, he was receiving CPR by the staff members. Fortunately, there was a fire station with Emergency Medical Care capabilities just a block away so more help arrived quickly. Jim has been in intensive care for five days now, but they have taken him off of the life support system and he has gained consciousness with his eyes opening and responds to his family by his side. Please say a prayer for him. Thanks.

•**TIM** and **LIZ RHODE**, owners of the incredibly well performing **Maryland Athletic Club and Wellness** in Baltimore, have named 17 of Maryland's most knowledgeable medical professionals to its newly created **Medical Advisory Committee**. The purpose of the Medical Advisory Committee is to provide relevant medical insight and direction to staff members and the public, resulting in safe and effective lifestyles.

Great move **Tim** and **Liz!**

•**LYNN HOGGAN**, the veteran President of **Hoggan Health Industries** in Draper, Utah, has announced an Exclusive Distribution agreement with **InStyle of England**, adding **Studio Aerobiking** to their cardio equipment line.

•**KATHY MISSETT**, has been named the **Marketing Director** for **Jazzercise**, the 30+ year dance/fitness organization with classes provided in 38 countries. Congratulations **Kathy!**

•**DOUG LEVINE** and **Crunch Fitness** have announced that they have closed on \$5 million of follow-up financing from **Marlin Associates**, L.P. **Marlin Capital** had originally invested in **Crunch** in 1997 and **MARTIN FRANKLIN**, Managing Partner of **Marlin Capital** and **Marlin Associates** states that "We have been extremely satisfied with the performance of the business over the last three years."

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•**PAT PINE**, the Founder of the **National Fitness Therapy Association** in Denver, Colorado, has announced **EDUCATION 2000 - "Raising the Standards for Personal Training,"** to be held at the **Radisson Stapleton Plaza** in Denver on August 11, 2000. For info call: (303) 321-3500.

•**GEOFF DYER**, the President of **Lifestyles Family**, tells me that he has two more new clubs under construction in the Tampa area. Geoff just secured (see June **CLUB INSIDER** News) \$5 million in financing and plans to build 12 more clubs in the Tampa Bay/St. Petersburg area in the next year to two years. Goodday **Mate!**

•**DAVE PATCHEL**-**EVANS** owns 50 **Goodlife Fitness Centers** in the Ontario, Canada area and is building 10 more within a year. Yet, he still has time to steer the **Canadian Association of Fitness Professionals**. **CAN-FIT-PRO**

has a big Convention and Trade Show scheduled for August 18, 19 and 20 at the **Metro Toronto Convention Center**. For information call: (800) 667-5622 OR LOCAL: (905) 305-8450.

•**BAHRAM AKRADI**, the CEO and President of **Life Time Fitness** has signed an agreement with **Stockwalk.com, Inc.** of Minneapolis, to offer online brokerage services on its web site <http://www.lifetimefitness.com>

•Congratulations to **JIM EVANS** and his team at the **Peninsula Athletic Club** in San Diego, as the 546-acre former Naval Training Center where the **PAC** is located, has been conveyed to the City of San Diego. The former base is on the edge of downtown and now the city is preparing to embark on a major development with a mix of retail, residential and commercial areas. The **PAC** sits right in the middle of it all! (See photo below)

•**STAY TUNED!**



(L to R) Susan Golding, San Diego Mayor, William Cassidy, Navy Secretary, Jim Evans, PAC President and Jacquie Evans, PAC Vice President

...Life Fitness

continued from cover

That is something the organization has been very good at in the past. A third area of focus will be to see what we can do about cultivating the export market to a large degree. I think there is a tremendous opportunity there to take existing and new products to the export marketplace and to continue to fuel our growth through penetrating new markets outside the U.S."

Q. "Do you plan to make any significant other changes in the Life Fitness organization?"

A. "Not that I can see at this point in time. Over the last couple of days, I've had the opportunity to meet

the people and basically it is a sound organization that works very, very well. It is lean. It is fast from the standpoint of how the how well networked the groups are, particularly between engineering, manufacturing and sales. Those are areas I've been particularly impressed with. One of the things I don't want to do is make any large scale changes. There will always be fine tuning in the organization, but I don't foresee any major changes.

Q. "What is your top challenge?"

A. "Without being redundant, it is to continue to fuel the double digit growth that the organization has experienced in the past."

Kevin Grotski closed his comments with, "As the industry

leader, Life Fitness consistently has delivered excellent results, exceeding its plan with double-digit growth each year. Working together with Augie, I am looking forward to capitalizing on additional opportunities that will successfully accelerate and best manage this phenomenal growth."

The combination of Nieto and Grodzki creates a powerhouse of entrepreneurial skills and business operations acumen. Adding even greater depth to the management team are several industry veterans who will continue to serve as senior advisors to Life Fitness, including Allen Fuller, Life Fitness' former Executive Vice President of Manufacturing and Engineering, Andy Maduza, who recently served as Life Fitness' Chief (See *Life Fitness* page 5)

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Trial Closes to Affirm Enthusiasm Or Uncover Concerns

By Karen D. Woodard, President - Premium Performance Training

Trial closes are a terrific little tool for Membership Representatives (MRs) to "test the water" and be able to monitor the interest level of the Prospective Member (PM). There seems to be a bit of confusion out there as to what the purpose is of the trial close. Let's clear that confusion up right here. The purpose of the trial close is the following:

* To affirm the buyer's enthusiasm

* To uncover any remaining concerns he may have

* To handle those concerns/objections

* Gives you perfect entrance to ask the PM to join

All four of these points are critical in the sales process, however, most MRs give a club tour and forget to ask any trial closes at all. Therefore, when they ask the PM to join, the MR has no idea what they might be dealing with in terms of enthusiasm level or concerns. By asking trial closes, you end up expediting the entire sales process because you know exactly what the PM is thinking and feeling at the time and dealing with it at the time. That is the monitoring aspect of trial closes. In short, trial closes allow you to continually and confidently move forward.

When asking trial close

questions, how many should you ask? Depending on the size of your club - you can use a range of five to nine. No less than five. It is important when you ask trial close questions that you vary the questions you ask so you don't sound like a parrot repeating the same thing over and over again. When we repeat things, the people listening to us pick up on that repetition and it becomes a red flag for them. Additionally, when you ask trial close questions, you want the delivery to be soft and conversational versus confrontational. Thus, you will need to practice them so you are comfortable enough to deliver them conversationally.

The best places to ask trial closes so they come across more naturally are the following:

* As you show a part of the club: "Mary, this is our yoga studio - how does it feel to you initially?"

* As you leave a part of the club: "Bob, does it look like our free weight room has what it takes for you to get the work-out you want?"

* Hallways or transition areas: "Susan, from what you've seen in the club so far, does it feel like the club will work for you?"

As you can see, trial close questions can be open-ended or closed-ended questions. Can you see by reading the 3 prior trial close questions that they would reveal the PM's level of enthusiasm, concern, give you an opportunity to handle those concerns and give you an opportunity to ask the PM to join if the time was right? For more examples, peruse the list of trial close questions below:

"Is the club what you

expected?"

"Where do you think you'll be spending most of your time in the club?"

"Will you be spending much time in this part of the club?"

"Is this where you'll be spending most of your time in the club?"

"How does the club feel to you?"

"On a scale of 1 - 10, where is the club for you?"

"Does the club match what you're looking for?"

"Does it look like we'll be able to meet your needs?"

"Do we have what you're looking for?"

"Is this the kind of class that would work for you?"

"So do you think you'll join?"

The importance of asking the trial close questions has been presented. Of equal importance is your response to their answer. When you ask a trial close question, you want to listen for one of three answers: very enthusiastic, a lukewarm/apathetic answer or a negative answer.

If you hear an enthusiastic answer - terrific! This is a green light for both you and the PM. Acknowledge their excitement with yours. If you hear a lukewarm or apathetic answer - don't let it go - probe it. For example, if you know Mary is looking for a great yoga program and you ask: "Mary, how does the yoga studio feel to you?" and Mary responds unenthusiastically with "uh - it's nice", don't just let it go. Probe it by asking further (with a soft de-



Karen Woodard

livery): "Hmmm, Mary I thought you would be more excited about our yoga studio - tell me what you are thinking." Remember that trial closes help you to move forward - don't allow your self to stumble by not probing when you get a less than enthusiastic or even a negative answer.

When you ask the appropriate number of trial close questions throughout your tour and probe the answers to understand how the PM truly feels, you will know that it is time to invite the PM to join. Trial closes allow you to get to this step smoothly, professionally and confidently.

(Karen Woodard is the President of Premium Performance Training and a 14-year veteran of the health, racquet and sportsclub industry. Karen may be reached at: (303) 417-0653.)

...Life Fitness

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Financial Officer, and Jim Schenk, Vice President of Acquisitions for Life Fitness' parent company, Brunswick Corporation.

Background on Grodzki

Grodzki comes to Life Fitness from Crompton Corp., Greenwich, Conn., where he most recently was Vice President of the company's \$500 million Polymer Additives company. In this position, he was responsible for the development, manufacture, sale and financial performance of specialty chemical additive products and services for global vinyl and ole-

fin/styrenic markets. Customer service and financial returns improved significantly during his two-year tenure.

Before joining the Crompton Corp., Grodzki served for one year as Vice President of the company's WITCO Metal Organics, Coatings and Adhesives company based in Bergkamen, Germany, where he repositioned the business for greater success with strategic acquisitions and new distribution channel development. Grodzki spent the first 22 years of his career with E.I. DuPont DeNemours & Co. Inc., Wilmington, Del., where he held several senior positions in the company's chemical, electronics, medical and printing and publishing divisions in 11 different locations throughout North America, Europe and Asia. At DuPont, he led several

businesses that focused on the development, manufacture, sales and support of high technology equipment for medical diagnostic and electronic imaging applications.

In 1996, Grodzki was appointed Chairman of Crosfield, a joint venture between DuPont and FujiFilm of Japan that specialized in the development, manufacture and sale of high-end image capture and output devices for the printing and publishing industry. Based in London, Grodzki was responsible for developing global strategic alliances and accelerating new product development.

Grodzki, a Certified Public Accountant, earned his bachelor of science degree in accounting from St. Francis College, Loretto, Pa.

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CHARLEY SWAYNE ANNOUNCES IPO *Respected 25-Year Club Owner Seeks Investors*

LA CROSSE, Wis.—Charley Swayne, the owner of the Valley View Fitness and The Life Fitness Center in La Crosse, Wisconsin announced on July 1st a \$5 million Initial Public Offering over the Internet that will finance a new health club in the greater La Crosse area called "Valley View Fitness North".

This will be a ground-breaking financial offering on the Internet.

"People are making sure they live longer and healthier by exercising on a regular basis. Our mission is to make the area the healthiest place in the world while making a profit. This is the kind of business we can do good, by doing good," said Swayne.

"We intend to build a first class club."

Valley View Fitness North will purchase land, build and then operate a 30,000 square-foot club with cardiovascular machines, resistance machines, free weights, lap and exercise pool, running track, locker rooms, showers, day care and parking. In addition, the company believes it can lease some of the space to other businesses for physical therapy, a day spa, and a retail fitness store" said Charley Swayne.

Investing \$250,000 so far, Swayne will seek \$5 million from public investors with a minimum investment in the IPO of one Unit or \$1,000. "The offering is available to residents of over 35 states."

"The Internet will add an exciting element to the Initial Public Offering. To most brokers a \$5 million offering seems like a small



Charley Swayne

offering — but this is an exciting time for our business", said, Swayne. He believes that the company provides an unusual investment opportunity because:

*The Company has five directors — each experienced in the health and fitness club industry.

*The business will be operated as a limited liability company — an organization which can provide tax benefits for investors.

*A marketing study was conducted by a club feasibility study firm.

For further information or to receive a copy of the Offering Circular, contact Charley Swayne, Valley View Fitness, 3939 CTHB, La Crosse, WI 54601. 608-781-4614 or fax 608-781-6730. The Offering Circular may be viewed on the Web at <http://www.valleyviewfitnessnorth.com>.

...Gold's Gym

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hance member retention and promote member referral programs. It's like having an Internet integrated advertising agency, production studio and broadcasting network always available at your fingertips - at any time, from anywhere," explained Jeff Esswein, ClubCom's Vice President of Business Development. "We're in the business of constructing and operating customized television networks for our customers and providing them with services that were never before available."

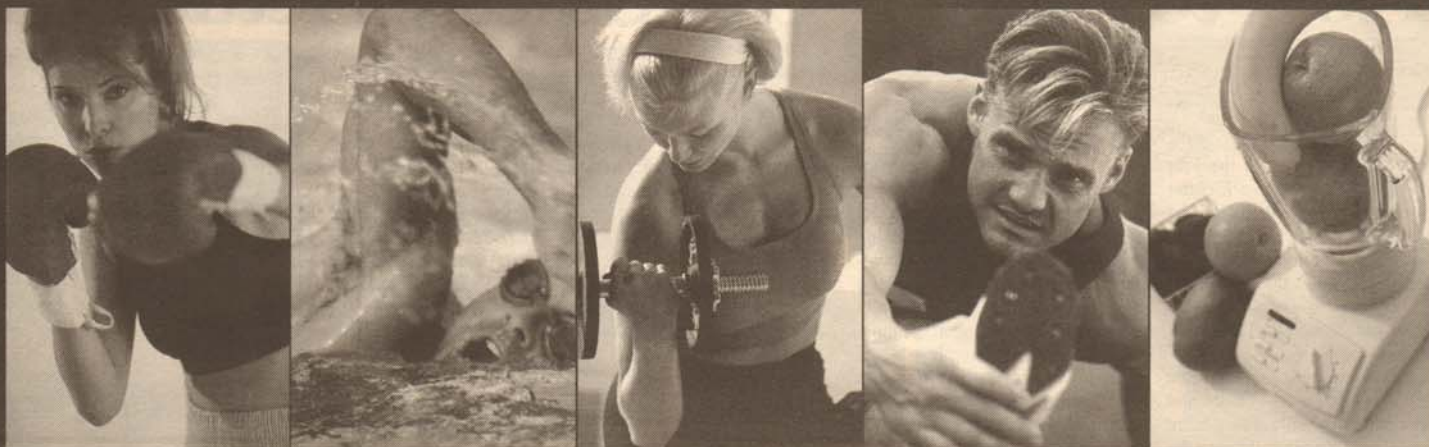
The venture also positions Gold's Gym operators to earn significant advertising revenues through high quality advertisements targeting a significantly pre-qualified audience. Facilities earn commissions through advertisements broadcast over the network.

"Overall, the network will generate approximately four billion, highly-qualified television advertising impressions per

year," said Matt Hamill, ClubCom's Vice President of National Advertising sales. "It presents a significant advertising opportunity for advertisers who want to place their products in front of high income, focused decision makers - while reaching these consumers during a heightened state-of-awareness due to the endorphins released during exercise."

"Our franchise owners and their members will benefit from this network partnership," said GGI Chief Operating Officer Kirk Galiani. "Franchise owners can promote and up-sell their existing services and enhance the member experience all while earning significant advertising revenues. Our members can now enjoy an overall ambient entertainment environment that is tailored to their preferences."

"We're fortunate to be associated with the powerful mystique of Gold's Gym and the world class organization of people driving it into the future," said Tom Lapevich, Chief Executive Officer of ClubCom. "The potential of the Gold's Gym Broadcasting Network is phenomenal."



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A Brief History of ISSA

The International Sports Sciences Association (ISSA) was founded in 1988 by Sal A. Arria, D.C., MSS, and Frederick C. Hatfield, Ph.D., MSS. These two pioneers in the field of fitness and sports medicine sought to build a solid foundation for health and fitness education that would standardize knowledge, techniques, and philosophy both nationally and internationally. ISSA then formed an advisory board culled from the elite ranks of research, coaching, sports medicine, and other branches of sport and fitness science. The majority of ISSA professors and advisors are both world class athletes and Masters or Ph.D.s—people who have extraordinary academic backgrounds, and also practical “in the trenches” fitness training experience.

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International Sports Sciences Association

How to Flatten-Out Sales Fluctuations

By Casey Conrad

If you are like most clubs there are certain times of the year where your club's sales are better than others. You have the first quarter of the year, which is traditionally a strong sales period, given New Year's resolutions. Of course, the winter months in general tend to drive people through the club doors to exercise away from the cold elements. Although you will often see a decline in sales in late March and April, springtime will usually bring a burst of new members through the doors in search of better swimsuit bodies. Then you have the dreaded summer months where clubs find themselves starving for membership sales. Kids' returning to school, however, gets things back on track, only to be disturbed by the holiday season (which in the US starts the third week in November with

Thanksgiving!).

In fact, if you look at the average club's sales figures graphically, you will usually see this up and down fluctuation, like rolling hills. Although club operators seem to accept these sales fluctuations as par for the course, such drops can make cash flow difficult. Aside from financial difficulties, fluctuations in sales make managing a sales team more challenging, especially when they are working off commission. Unable to discipline themselves to save during the peak months, they struggle during the slower months, often getting frustrated and leave for a "steadier" paycheck.

The question then becomes "What can you do to help maintain membership sales at a net gain every month and flatten-out 'traditional' sales fluctuations? The first and most important key to maintaining consistent monthly membership sales is controlling your belief systems. Specifically,

you can't buy into the belief that sales automatically suffer because of certain dates or times of the year. In fact, if you went and studied your sales statistics, you will find that "sales"—i.e. the ability to close a membership—on average isn't slower at one time of the year over another. **WHAT IS SLOWER IS THE WALK-IN TRAFFIC!** It is that drop in guest walk-in traffic that results in fewer membership sales, not the closing skills of the salesperson.

Self-Generating Traffic!

The key to maintaining steadier sales throughout the year is to create and implement a guerrilla marketing plan of action that will get salespeople self-generating prospects. Now, if you are a club operator saying, "Sounds good but I've tried it and they don't do it," you are not alone. In fact, when you look at most clubs, their statistics show they are heavily relying on two sources for new business. The first is reputation—i.e. a prospect walks through the doors because they heard about the club from someone (Not because the salespeople are being pro-active asking for referrals). The second is external advertising, which as you know, is very expensive.

Clubs whose salespeople are obtaining a high number of self-generated prospects follow a few important sales management "rules."

1. Salespeople are hired with the understanding that their self-generated sales must stay within a 35-50% average at all times.
2. Salespeople **MUST** ask for referrals at the point of sale AND a copy of the member-signed-off referral form is turned in with the paperwork.
3. Salespeople are required to have a minimum number of guerrilla marketing mediums throughout the entire year.
4. Management consistently monitors each salesperson on a daily or weekly basis to ensure compliance with the rules.
5. Finally, and most importantly, there are consequences for not following rules, which are strictly adhered to—no exceptions—in order to create true accountability.

Create A Plan to Generate Guest Traffic Year-Round

With the rules of creating a sales team of self-generating prospectors, let's now turn to the specific ideas that can be followed by your sales team to actually generate the leads. Although it is by no means a complete list, below are four simple-to-do marketing efforts that any salesperson can successfully implement.

1. POS Referrals. You

have heard it before and you'll hear it again. Referrals are the best source of leads available to a salesperson. The point of sale is the most optimal time to obtain those referrals from new members. For one, they are most excited about their purchase. Two, at the unconscious level they want to justify spending their money; what better way to get justification than to get someone you know to buy the same thing! And third, we know that people who exercise with friends are 150% more likely to stick with an exercise program than those that go it alone are. Don't be afraid to tell new members this! Remember that they have come to you for help. Getting their friends to join them at the club will help them and you.

In order for any point of sales referral program to be effective it must have a number of different components. First of all, the program must look systematic and professional. Having attractive referral forms and guest passes is a must. Giving the salespeople a structured and scripted referral presentation to follow will further ensure consistency and success. As far as the program itself, it must have three elements.

* One, it must have value to the member. You can do this by placing a value on the guest passes given as well as offering an incentive for the new member to receive in the event one of their friends enrolls.

* Two, it must have scarcity—i.e. the member must believe that they are only going to get a limited number of these special referral passes.

* Finally, the program must have urgency in that the member must know they have to take advantage of the program now or in the very immediate future or else lose the privilege.

Now, if your club currently has a referral program but you are unsure of its success, make sure you begin having your salespeople accurately source referrals in two separate categories; self-generated and club-generated. Therefore, if a guest walks through the doors and says "I was referred by my friend who is a member, that is a club-generated referral because the salesperson did not pro-actively reach out to this person. In addition to tracking referral sources, begin following up with each salesperson in two areas. One, how many leads are they getting from each new member (you should know their average). And, two, how many referrals are they successfully contacting and converting into scheduled appointments.



Casey Conrad

Knowing this latter statistic allows a salesperson to know on average how many leads they will need to have in their possession to schedule a certain number of appointments.

2. Lead Boxes. Laugh at them and call them "salesie" if you want, but the fact of the matter is lead boxes are an excellent source of new prospects, especially during slower months of the year. For anyone not familiar with the term lead box, it refers to a small acrylic raffle-like box that displays an advertisement for the club in a back panel that stands upright. With these boxes are small slips for people to fill out their name, address, phone numbers and, in some cases, indicate their current exercise program or fitness needs. These boxes are placed in local retail shops and entice individuals to fill out a registration slip, entering to win some sort of trial membership to the club.

Some club operators dislike lead boxes because they say the quality of lead is poor, resulting in a low closing percentage. Sure, the closing percentage might not be what a walk-in or a referral source is, but obviously, working with lesser quality prospects is better than NO prospects! Further, lead boxes are an excellent source of prospects for new employees, giving them a chance to become excellent with both their phone skills and their touring skills—all on prospects who wouldn't have otherwise come into the facility.

When setting up a lead box program a club should follow some guidelines to obtain maximum results.

* No fewer than 10 lead boxes should be out in the community at any given time. Any less and it just isn't going to produce the numbers needed.

* The boxes need to be attractive and well maintained. I suggest spending the extra money and going for the plexi-glass models, unless you have multiple clubs and can justify getting the cardboard ones (See Casey Conrad page 20)



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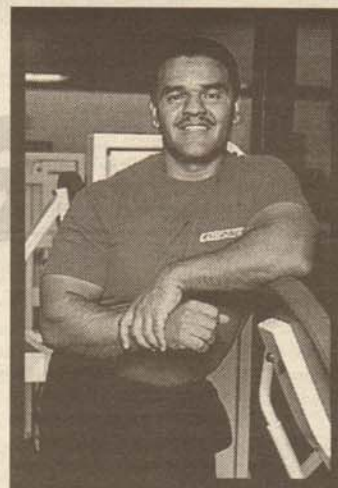
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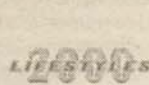
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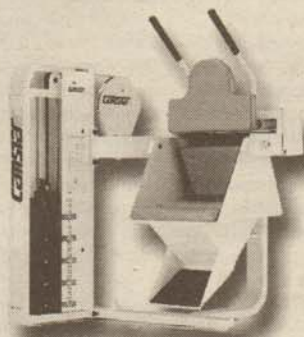


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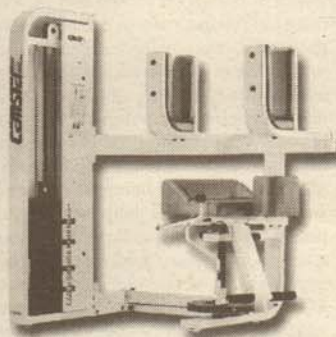


they keep coming back!"

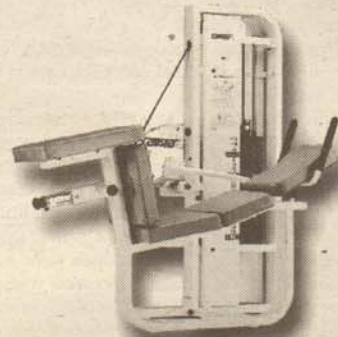
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Six Easy Steps To Building A Successful Website

By Kim Donovan

Have you ever thought, "How can a website help a health club?" "What does surfing the Net have to do with working out?" "Why would my members be interested in a health club website?" Believe it or not, incorporating a web site into your health club is an excellent way to obtain and retain members. Although it may take months, sometimes even years to get your website where you want it to be, in the long run it is well worth the effort. Commonly what happens is that your site will start off small and over time as you realize the potential the Internet offers, your site will grow to become a major part of your organization. The key? Make it a valuable tool for your club, your existing members and future members.

Here are Six Easy Steps to Building a Successful Web-Site:

1. Decide exactly what you want from your web site. Whether it be used to inform new users about your health club, obtain membership leads, as an health information site, as a reference for current members or all of the above, the first step when building a successful website is knowing what you want. Even if you aren't familiar with the Internet, picturing your clubs perfect website in your mind and putting it down on paper will get you started in the right direction. Having a bulleted list of what you expect from your site will have you in the right mind-set for the next step. Also, remember to have a list of ideas for your website name. Bear in mind that your club name, believe it or not, may be taken. So to be safe, have a few other names just in case. As a different approach, you can use hyphenations (www.brick-bodies.com) or health club related words such as health, nutrition, sport and athletic. There are also different endings that may be available such as .net or .org (only for non-profits). The bottom line is as long as you promote it well, it won't matter what the name is, people will visit it.

2. Find a reputable web site development company. The best companies are ones that can do a turn-key job. This includes, but is not limited to: designing your site, registering your URL, hosting & updating your site, conducting internet marketing campaigns and creating e-commerce applications. Another extremely important element is meeting with the person (or people) that are going to be in charge of your website (the "webmaster") and feeling comfortable with him. Make sure you are confident that he will get what you want finished in a time effective manner and be able to update and improve your website when needed. These days many companies have so many clients that your website can easily fall to the wayside. Another very important issue is to be certain that your webmaster can "run with an idea". If you give him an idea, he should not only be able to implement it, he should also be able to improve upon it. You will be in close contact with your webmaster, it is very important that you have faith in him and the company.

3. Create a website. This is the point where you sit down with your website development company and discuss your website. Be sure to bring all the ideas that you thought of in the beginning (Step 1). Go in with an open mind and don't be afraid to express your ideas. There are endless possibilities through the Internet. Many things can be done that you probably think are impossible. Don't go for the "cookie cutter" approach or your site will look like everyone else's. Make your site a reflection of your club. Use the same colors that are in your club,

use pictures of your members and your staff. Think about ideas of how you can implement your site so it can benefit your club, your members and attract future members. The new thing on the net is to KEEP IT SIMPLE! Internet users spot "information overload" from a mile away and turn it off as easily as it was turned on. Having too many graphics equals long download time. When users spot too much copy, they glance right over it. It is good to have pertinent information in there; just keep it short. Visitors want to be able to get information and move on. Therefore be sure to include "click here's" all through out your website. Example: "Wondering how to lose that last ten pounds? Click here for tips on how to begin!"

4. Be ready to work. Every cause needs a champion and every champion needs a cause. The best thing you can have for your website is a "website manager". One (or two) people that are in charge of, accountable and responsible for your website. Anyone on your team can take this role. Enthusiasm for the project is more important than knowledge of the Internet (although that helps too!). It is easy to learn the ins and outs of the Internet, but keeping the site fresh and always looking for ways to improve it takes a dedicated team player. Compiling all of the information for your website is a big job. You want to be sure to make it look like your club. Getting all of the pictures, information and any other special things you decide on takes time and persistence. It will seem a bit overwhelming at first, but what seems like a lot of work in the beginning, will be well worth all the extra time and effort in the end.

5. If you PROMOTE it they will come! In your club, have a count down to the first day your website goes "public". (Reminder: your website will most likely be

"public" for about three months before you actually will advertise it. This is the "infancy stage" where you work out all the bugs.) Run a print ad or a buy radio time and let everyone know that your club is on the Internet now! Hold Internet contests that will attract members and non-members to your site. Print up special Internet T-shirts and have your whole staff wear them as you count down the days and then a month after that. Many of your members may not be familiar with the Internet. A good idea, if you have the capability, is to hold monthly seminars where you teach them how to use your site. They not only will learn how to find and use your site and the Internet; they will see the seminar as an added value to their membership!

6. Market, Update, Improve, Market, Update, and Improve... If you take care of your web site, your website will take care of you. "Always", I repeat, "always" update your site. If your site gets old, visitors will stop coming. You want your visitors continually coming back for more whether it is for a revised group exercise schedule or the times childcare is open. Make sure you are changing your dated information and keeping your site fresh. You can do this by simply rearranging the pictures, adding special fitness articles or even animated graphics! More importantly, once you encourage your members to get your group exercise schedule from your web site, make sure that the schedule is ALWAYS up-to-date! Remember: Constant marketing of the website is a MUST. It should go on every single piece of literature you print. Handouts, brochures, newsletters, etc. Be sure to include it in all radio ads, TV ads, billboards, brochures, etc. It is an excellent way



Kim Donovan

for people to get more information about your health club after they see your ad, or hear your commercial. Finally, it is a good idea to dedicate part of your management meetings to discuss how the site is doing and how it can be improved. You may be surprised with what ideas your managers come up with! Once your club has a website, the possibilities are endless!

The success of your website won't happen overnight. But once you have it in place, all of the extra time, effort and money will be well worth it. The Internet is considered by many to still be in its infancy stage. Now that you are on the right path, think of the future and the possibilities that your site can offer your club, your members and potential members!

(Kim Donovan is the Director of Marketing and Advertising for Brick Bodies Health Clubs in Baltimore, MD. If you are interested in health club website consultation, Kim can be reached at 410-252-8058 or e-mailed at kim@brickbodies.com.)

Gold's Gym International Acquires Original Facility

FALLS CHURCH, Va. - Ten years ago, brothers Kirk and John Galiani opened their first Gold's Gym on Main Street in Fairfax, Va.

In 1996, the Galianis sold the Fairfax gym to friends Greg and Margie Weiss, parents of renowned figure skater Michael Weiss.

Now, as leaders of Gold's Gym International, Inc. (GGI), following the acquisition of the worldwide gym chain last year by

Brockway Moran & Partners, the Galianis are getting re-acquainted with an old friend, having re-acquired the Fairfax Gold's Gym in a transaction completed in mid-June.

"It feels real good to get back to where it all started," said John Galiani, President of Corporate Development for GGI of his memories of the gym located at 10201 Main Street. "We've come across a lot of friends we met when we opened this club 10 years ago. It's true what they say about sentiment-

tal value. It's definitely evident with Kirk (Galiani) and me and this club."

"Adding Fairfax to our group of gyms further expands our corporate presence in the metro Washington area," said Galiani.

Gold's Gym Fairfax is a 17,000 square-foot, multi-level fitness facility located in a brick schoolhouse built in the 1920s.

"It's a unique facility," said Galiani. "The building adds to the allure and personality of the

club."

Galiani stressed that he will monitor feedback from current members before incorporating any changes at the gym. "It's their facility," he said. "We have developed a club survey and we are asking members for their input. We will allocate the necessary resources to make a good facility even better."

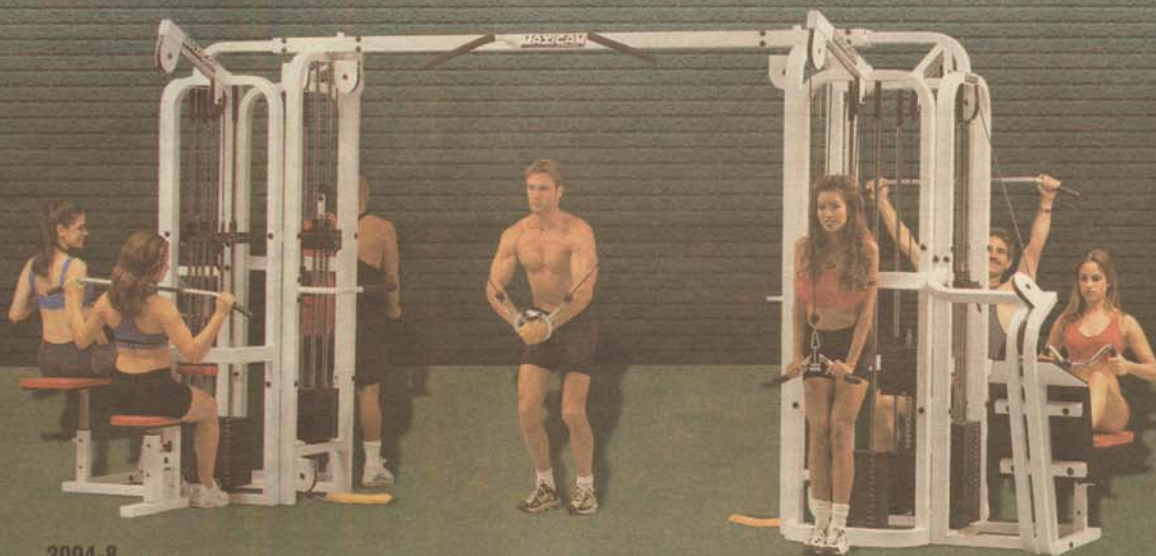
Paul Weisner has moved over from Gold's Gym Clarendon to handle General Manager duties in Fairfax. Weisner is a graduate of

Paul VI High School in Fairfax and George Mason University. He started with Gold's Gym as a member of the Fairfax club eight years ago. Weisner has been employed by Gold's Gym for the past four years.

Gold's Gym was recently recognized in the Millennium Edition of "Guinness World Records 2000" as being the largest gym chain in the world. Gold's Gym is comprised of more than 550 gyms in 47 states and 26 countries and includes more than 2 million members.

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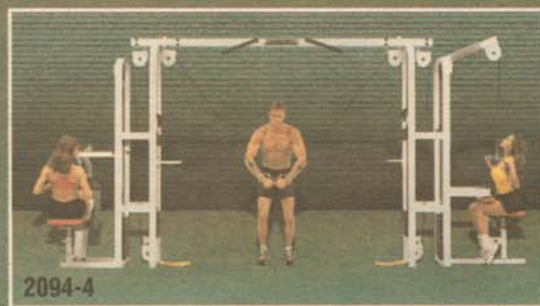
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PROACTION FOR PROFIT

By Geoff Hampton

In the club business there are plenty of misconceived ideas about what promotional outreach programming is and what it isn't. Promotional outreach, simply put, is a virtual cash cow for anyone who uses it properly.

There are several promotional outreach programs that your club can put into immediate effect. The results are completely predicated on how effectively the programs are used. They include flyer outreach programming, lead box outreach programming, corporate outreach programming, health fairs, open houses, drink coasters, tent cards and many more effective programs. This article will concentrate on precise "how to" information on the flyer outreach program.

The Flyer Promotional Outreach Program

Today there is extensive media coverage for fitness and exercise. Even the U. S. Surgeon General has released a report on the importance of exercise. This and other messages that sedentary people are being exposed to are getting them to a point where joining may finally happen. However, many are "non motivated procrastinators", so a promotional outreach program like the flyer program can serve to initiate action by many of these sedentary individuals through face-to-face contact.

Using a scale of 1 - 10 with 10 being the highest level and one being the lowest level, it would be safe to say that most sedentary people

have actually joining a club at a priority level of around three on a day-to-day basis.

However, in terms of desire to be in better physical condition, feel better about themselves or increase their energy and health, their real priority is around a nine or ten. So, these "non motivated procrastinators" are in a state of "wishing" that they could get into better shape.

Wish, wish, wish. That's all that they do. Furthermore, they've probably been doing the "wishing" for a long time.

The large majority of the sedentary American population does not usually respond to any type of advertising or marketing. They need to be personally approached in a direct sales situation. This is where the flyer program becomes a valuable tool. Now the deconditioned person also has the power of the membership representative's persuasive positive attitude to help encourage an affirmative response.

With a solid well-managed flyer outreach program each membership representative should be able to generate at least an additional 15 - 20 solid leads per week.

Using the number 15 (additional leads per week) and the number 4.3 (average number of weeks per month annualized) it is easy to see that through an average flyer program the average membership sales representative will create an additional 65 membership sales prospects per month!

So if the average membership representative can create an additional 65 membership prospects per month and they are even aver-

age in performance they will be able to motivate at least 50% of these prospects to show. That would represent an additional 33 membership sales prospects per month who show up at the club.

With an additional 33 membership sales prospects per month, even the less than average membership sales representative would produce an additional 17 sales per month. If the average annual membership costs \$500, then the below average membership representative has produced an additional \$8,500 per month of new membership sales revenues. This converts to an additional \$102,000 per year. The ROI on this type of program is dramatic.

Managing the Program

In order to effectively manage this type of program a weekly meeting is needed. At the weekly meeting each membership representative's work will be analyzed for efficiency. Each membership representative will be keeping good notes and records so each day's efforts needs to be evaluated. Have the reps prepared to proactively participate?

•What were their three best in business results during the week and why were they the best?

•What were their three worst in business results during the week. Why were they the worst and what could they have done to improve these three visits?

•What were their three best follow-up phone calls during the week and what made these three the best?

•What were their three worst follow-up phone calls during the week? Why were they the worst and in retrospect, what could they have done to improve each one?

•Where is each membership representative with respect to their personal flyer outreach program goals for the month to date?

•If they are behind, then how come?

•If they are behind, then what can they do to get back on target?

Each membership representative should be scheduled to do at least one hour of promotional outreach work per scheduled shift (full timers). The key to success is that no excuses will be tolerated. No personal or business errands may be combined with flyer work. If the program manager starts to vacillate and accept excuses for inadequate performance then the program will collapse.

Maximizing the Flyer Program

1. Membership sales staff ori-

entation.

2. Formal training program for membership sales staff.

3. Role-play training.

4. No excuses!

5. Unwavering program monitoring and management.

6. Formal implementation of program.

7. One hour of promotional outreach work per scheduled shift.

8. Keep accurate records.

9. Follow-up effectively.

10. Have weekly meetings to maintain enthusiasm and attain goals.

11. Be creative.

Implementing The Program

The membership representatives must role-play the techniques to be used before going into the field. Formal training needs to be comprehensive enough to ensure that consistent, professional, motivated efforts are made at all times.

The target of this program is a small to medium size business.

Program Procedures

As the membership representative enters the business, the approach is confident and positive. Greet the receptionist with a great smile and comfortable friendly eye contact.

"Hi. My name is Geoff Hampton and I'm here from (club name). How are you doing today?"

Some people will obviously be in the "blank look" department at first. Some may use the Saint Bernard "head tilting first to one side, then the other" look. That's okay. Just proceed with the task at hand.

Stick your hand out to shake theirs and say,

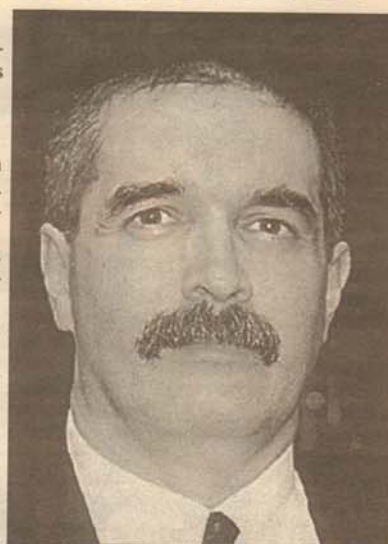
"What's your name?"

Example: Arnette

"Arnette, I was wondering if it would be okay if I left a little information about a few of our great new aerobic classes. Would that be okay?"

Aerobics or group exercise (the average sedentary person would not know what group exercise meant so the term aerobics is better for this type of person) has a universal appeal to most women. You may modify the approach and mention some new equipment or a new expansion at the club. This point isn't as critical as the approach and the technique. In most instances the receptionist will say that it's no problem.

After thanking them, the membership representative should ask exactly how many people there are in the office. Obviously if there is 100 or more then the approach would be modified to include only the people in her immediate office.



Geoff Hampton

The purpose of asking how many people there are in the office is that then the membership representative can leave exactly enough flyers for each person to get one. For some reason the receptionist feels more compelled to distribute them if the exact number is left. Otherwise if the membership representative leaves a stack, the stack just sits on her desk.

Before leaving the office the membership representative needs to thank the receptionist for her time and assistance. Ask her for her business card. The odds are she may not have a business card of her own but she may have a manager's business card. If she doesn't, she almost certainly will have a business envelope with the company name and address on it. Then the membership representative needs to get the business phone number. The receptionist's name may be written on it later so that it won't be forgotten. Be certain to write it down correctly.

As the membership representative begins to wrap up the visit a couple of low key questions can instill a sense of action for the receptionist.

"Arnette, have you ever been to the club before?"

If yes;

"How long ago were you there?"

"How did you like it?"

"What part of the club did you like the most?"

If no;

"Do you know any members of the club?"

"Our club is a great club. You'll really love it!"

At the conclusion of these brief qualifying questions and statements;

"Would you like to use the club as my personal guest?"

This friendly exchange along with the membership representative's great personality and charisma will assure at least one bona fide prospect from this office visit.

(See Geoff Hampton page 24)

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SIX CARDINAL RULES OF CUSTOMER SERVICE

By Nancy Friedman,
 The Telephone Doctor®

When I spoke at the IHRSA meeting last March, I met a lot of club owners and managers. Their questions were pretty much the same. "How, Nancy, can we improve our customer service?" Well, one of the first things a club can and should do is have a customer service training program.

I was amazed when I asked how many clubs had a program in place. Would you believe...not too many raised their hands? Well, in order to be of some help to my new found friends...here's a start. It's the Six Cardinal Rules of Customer Service.

As an avid "exerciser," I believe strongly in your mission. So much so, that I let the Publisher of this paper...put my picture in as I was exercising (I promise you, the phone was a prop...honest...my trainer wouldn't dream of letting me talk while she put me thru this routine.)

But more important, I want to help. I'd like every club to adopt

these rules. Post them where the trainers - and staff will see them every day. We'll talk about getting more sales in another issue. In the meantime, enjoy!

Six Cardinal Rules of Customer Service

1. People Before Paperwork.

How many times have you stood and waited while someone tallied up a batch of figures and then after they were done, asked "now, how can I help you"? And how many times have you waited while someone "fiddled" with a desk drawer. Or wrote up a note, before they acknowledge you? Paper can wait.... People should not. Paper won't walk away, but the customer might. Drop what you're doing and pay immediate attention to the customer.

2. Don't be too busy to be nice.

In most interviews I've held, the applicant assures me that they love to be kept busy. They tell me if they're not busy...they get bored, and unhappy. Then we hire them, and one of the first things we hear is a

complaining, "WOW I am sooooo busy". Well, being busy does not give you carte blanche to be rude. A while back I called my printing company. The executive who had always helped me in a super manner... was this time rather curt, and sharp with me. Not his jovial self. I asked if there was anything wrong? He quickly told me - "Nancy, I'm just so busy." Well, I made him less busy. I found another printer. Don't ever be too busy to be nice. I promise you, it's not worth it.

3. Rushing threatens callers.

Let's face it...most phone calls are an interruption. We're usually in the middle of something when a call comes in. How many times a day do we sit by our phones, hands clasped saying "please let 'so and so' call?" We don't. When you answer a phone call, and rush the caller, it threatens them. Quick, short answers are intimidating. So are one word answers. It makes you sound cold and unfriendly. Slow down. Smell the roses.... Stop rushing people. It threatens them.

4. Don't use military language

on civilians.

Simply put, club jargon should stay within your club. Mistakes and big time miscommunications thrive on company jargon. You'll be far more familiar and comfortable with the terms and abbreviations than your customer will. You're not impressing anyone with the knowledge of what they don't know. Some of the companies I call seem to have words and abbreviations that would make the CIA green with envy. Use simple, easy to understand words to the customer. They'll appreciate your thoughtfulness. Watch out especially for your newer members. You'll be talking over their head. Not a good thing.

5. Be friendly BEFORE you know who it is.

Have you ever called or walked some place, where you were treated in a rather average - maybe even below average, manner...and when they realized you were a friend of the boss



Nancy Friedman

or someone other than an "average" customer, they brightened right up? Why wait to be friendly? Why discriminate? If you're friendly before you (See Friedman page 22)

"It Has Come To The Point Where Buying Brand New Fitness Equipment Is A Waste Of Money!"

Buying Professional Fitness Equipment Is A BUSINESS EXPENSE!

That's why YOU need solutions to help you cut costs without sacrificing durability or name brand. You know lowering the cost of doing business directly improves bottom-line profits.

Worldwide Fitness, Inc. has a way for you to improve profits by reducing your operating costs. Without your members having any idea that you didn't buy brand new equipment and spend twice as much money as you did!

Worldwide Fitness offers fitness center products that have already depreciated in value. We provide you a consistent supply of Bank Repossessed, Refurbished, Brand New, and Factory Blemished gym fitness equipment.

We Believed Business Owners Wanted to Save Money On Operating Costs To Free Up More Capital To Grow.

If you buy your cardio equipment from Worldwide Fitness and save \$30,000. And you add this new found capital to your advertising and marketing budget, you will see exponential growth in cash flow and profits. This \$30,000 savings can bring in 200 extra members. If you get \$350 for each new member in the first year, that's a \$70,000 added to your gross sales. That's extra income over and above what you're already doing.

Could your business use an extra \$70,000?

We Invest Over \$250,000 Every Month To Assure You Save Money.

The whole operation is a huge undertaking. With over 25 employees and a monthly payroll around \$50,000. More than \$30,000 in building leases. Over \$20,000 a month is spent on replacement parts to refurbish the equipment. The cost to buy this depreciated equipment is over \$150,000. The point is we have made the necessary investments to insure a consistent and reliable product for you.

We've put ourselves in a position that forces us to perform for you or we don't make a profit. I'm not trying to impress you but I want you to see our commitment. We must satisfy you so you will buy from us on your next fitness room project and refer more customers to us. We can't service our huge overhead without repeat business.

Guaranteed To Look Like New, Work Like New, And Make Everybody Think You Paid Full Price.

When our client's come see our National headquarters in Orange, California, they're amazed. They enter our gigantic warehouse with over 1,000 machines on racks 3 stories high. It looks like 50 health clubs went out of business and we bought all their inventory. When we tour them through our state-of-the-art remanufacturing facility, they say they've never seen anything like it. When they see our finished product they think it's brand new, and after we convince them that it is not, they say they will never buy brand new fitness equipment again.



We warranty this equipment, give you a National service technician network, and give you 24 hour technical information on our award winning website. You see, the only equipment we sell is the top brands: LifeFitness, Cybex, Stairmaster, Trotter, Precor, Star Track, Paramount, Tec-trix, Quinton and others. These manufacturers have built a national service network that we have access to when our customers need service. It's as easy for us to repair a treadmill in New York as it is in California. We take care of your business.

We Have Over 1,300 Customers That You Can Speak With To Give You Buying Confidence

In today's business climate you have to protect yourself from miss-information. You can't take advertising statements as fact. We understand this, and make accessible to

you our past customers so you can make your own judgments, we don't want you to make a mistake. We want to make sure this is the right buy for your business.

"Worldwide Fitness Saved Me Over \$150,000 And My Maintenance Staff Still Thinks The Equipment Was Brand new, I Don't feel I Sacrificed Anything. I Will Do All My Future Purchases With Worldwide." (Mike Boccini is the CEO of 5 YMCA's)

"I Bought My Equipment From Worldwide For my second Club. I Saved Over \$25,000 And Used These Savings To Increase My Advertising Budget. This Extra Advertising Money Allowed me To Hit My One Year Sales Goals In My First 90 Days." Stephen Priest, MS, Fitness Health Club.

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Your time is valuable so we make the process easy. It starts with a phone call from you, to one of our customer assistants. You are asked some questions to provide us with needed information. Next, a complete packet of information is expressed out to you. This packet contains: A video tour of our facility, a customized video of the machines you need. A proposal with all your options, prices and freight charges, room layout if needed, samples of rubber flooring and other samples.

When you receive your packet you'll get a follow up call from your customer assistant to answer any questions. When all your questions are answered and your proposal looks better than any of your other options, you can get the deal started by faxing us a copy of your 50% deposit. Technology has provided a time saving payment solution called 'Checks-By-Fax'. Of course you can mail your deposit if you want. This way your order starts immediately.

You Can't Afford To Pass This Up Without At Least Getting A FREE Packet And Proposal.

The pressure to grow in today's business climate is high. Grow or die is the rule of the future. You have to look at all your options and do what gives you a competitive advantage. Your customers think the best fitness equipment is what you provide them. They like the equipment your staff trains them on. A treadmill made 2 years ago is no different than the one made yesterday. The only difference is how much money it cost YOU. How much of your operating capital had to be used to acquire the new equipment? Anybody can spend too much money. The most successful and wealthy business people are the most spend thrifty.

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 Worldwide Fitness, Inc.

P.S. It's hard to grow a business and waste money at the same time.

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IHRSA's Capitol Report

Capitol Report Reprinted Courtesy Of IHRSA

IHRSA URGES UNITED WAY NOT TO FUND YMCA HEALTH CLUBS

IHRSA has opened a dialogue with the United Way on the fair competition issue. In June, approximately 250 United Way leaders received a letter asking them not to finance YMCA health clubs. The list of recipients was developed based on the size of the local United Way, proximity to a Y health club, and previous contributions to the Y. Here is that letter:

Dear United Way Executive:

On behalf of the 3,200 tax-paying fitness clubs and their 756,000 employees that my association represents, I wish to bring to your attention an important concern about certain YMCA programs. We believe some YMCA programs do not merit consideration as tax-exempt or charitable activities. That is because they are not focused on the truly needy in our society, and therefore do not deserve United Way support.

Historically, the YMCA has provided charitable services for those in our communities with special needs: children and youth, the elderly, the handicapped, and the indigent. We applaud the efforts of Ys that sponsor such programs, and we urge you to support these activities. However, many Ys have re-directed their efforts away from clearly charitable pursuits. Many Ys now provide state-of-the-art fitness facilities that are designed, priced and marketed to attract middle and upper-income adults, people who can afford commercially available services.

The Y's upscale fitness facilities compete unfairly with thousands of independently owned, tax-paying small businesses. Ys can provide an identical commercial adult fitness service for approximately two-thirds the cost that proprietary businesses normally incur, because they (1) receive tax deductible donations for capital support, (2) avoid real estate taxes and income tax on profits, and (3) rarely pay unrelated business income tax on these profits.

Fair taxation is an issue we care deeply about, as did our nation's founding fathers. But there is another reason why your organization should carefully differentiate

between YMCA projects that serve the poor, and those that serve people who do not need charity and subsidies.

We believe it is imperative, now more than ever, to make sure charitable donations do the most good. United Ways all across the country are focusing their efforts more and more on urgent social problems, and on serving vulnerable populations. Our members look forward to working with you to raise the funds to do this. However, I hope that the Grants Committee of your United Way will agree that charitably subsidizing adult fitness services to those who can afford to pay for them is not one of our society's unmet needs.

Sincerely,
 John McCarthy
 Executive Director

IHRSA's letter has elicited several responses from United Way executive directors. All have been positive, including this one from the Executive Director of the United Way of Yavapai County in Prescott, Arizona: "I could not agree with you more and we do not fund the local YMCA. We do focus on services that really are needed by those who can't afford them."

IHRSA will continue to communicate on a regular basis with United Way leaders across the country.

During its 1998-1999 campaign, the United Way collected \$3.58 billion in contributions. For more information, visit <http://www.unitedway.org>.

IHRSA & CALIFORNIA CLUBS LOBBY TO CHANGE LAW

California IHRSA members are lobbying for passage of legislation that would provide an exemption in the current law that limits health club contracts to a \$1,000 maximum.

Assembly Bill 1744, which passed the state senate in April, would exempt clubs that maintain a surety bond from the \$1,000 contract limit. The bill is currently pending before the Assembly Committee on Consumer Protection, Governmental Efficiency and Economic Development.

While IHRSA's goal is to eliminate the \$1,000 cap altogether, this bill is a step in the right

direction. IHRSA is providing a total of \$25,000 in direct financial assistance to the lobbying effort and to club operators who are defending themselves against a legal action relating to the \$1,000 contract limitation.

California club operators should urge their Assembly members to support AB 1744. Visit <http://www.assembly.ca.gov> or e-mail IHRSA for contact information for your legislators.

CALIFORNIA YMCA FACING STATE REVIEW

The California Board of Equalization plans to review the tax-exempt status of Redding's Shasta Family YMCA, the Record Searchlight reported on May 20.

Board tax counsel Susan Scott said the State is interested in 12 aspects of the non-profit YMCA's operation, including membership dues and fees for activities such as swimming lessons and camps.

Complaints by IHRSA members Mark Lewis of Kangaroo Kourts and Jim Howard of Total Fitness, both located in Redding, led to the decision to send Board Representatives to Redding on June 15, Scott said.

"This is what we have asked all along, for this to be evaluated," Lewis said. "The YMCA should prove on a daily basis that they are deserving of a tax exemption. We feel they are not."

Susan Hinz, President of the Shasta YMCA's Board of Directors, said she welcomes the review. "It doesn't worry me. It gives me a great opportunity to provide sufficient information that we are not in competition with (private clubs)," she said.

If the YMCA were to lose its tax-exempt status, it would be required to pay property taxes, which competitors believe would put it on a more equal footing with them. The County Assessor's Office and the State Board of Equalization approve the exemption each year.

The Shasta Family YMCA's membership has grown from 800 in 1995 to 8,500 today. Its officials estimate that the club will have 13,000 members by 2005.

The Shasta YMCA has

embarked on a \$1.85 million capital campaign to accommodate those new members. An indoor pool, multipurpose gym, family picnic area and new locker rooms will be among the additions.

"They're making all this money and going out into the community to ask for money to build this Taj Majal. Where is the charity in that?" Howard asked.

The YMCA's annual revenue increased from \$577,460 in 1995 to \$1.8 million in 1998, according to tax returns.

Meanwhile, Howard said membership at Total Fitness has dropped from 2,400 in 1995 to about 1,200 today. The club earned \$430,161 in 1995 — three years later, earnings dropped to \$266,615.

Kangaroo Kourts' membership has dropped from 1,400 in 1995 to about 1,100 today. The club lost about \$100,000 during 1997 and 1998, Lewis said.

Lewis believes that catering to children should not automatically earn the YMCA tax-exempt status. "When it comes to children's activities, any business can run children's activities. That doesn't mean you're entitled to a tax break," said Lewis, whose club offers day care and youth activities.

"What we have found, in most cases, (is that) children's activities at the YMCA are for-fee," Lewis continued.

The crusade by IHRSA members in Redding to get officials to explore the YMCA's practices is just part of a campaign being played out across North America.

As a result of other efforts, YMCA's in Pennsylvania, Tennessee, Wisconsin and elsewhere are being scrutinized by local and state taxing authorities.

IHRSA will keep you posted on this and all other fair competition developments.

PROPERTY TAX EXEMPTION PROCESS FLAWED, REPORT CONCLUDES

This year, IHRSA commissioned the Civic Fed-

eration — a nonpartisan government and fiscal watchdog and research organization — to undertake a property tax exemption study in order to gain insight into the sometimes mysterious world of local tax exemptions.

In its recently released report, the Civic Federation concluded that:

- The monitoring of the ongoing eligibility of tax-exempt properties appears to be neither systematic nor rigorous;
- Local assessing officials' efforts to put exempted properties back on the tax rolls appear to be minimal;
- Most of the monitoring activity of property tax exemptions appears to be local; and
- Not every jurisdiction has monitoring capabilities.

The Civic Federation also noted that there is a growing concern regarding erroneous and questionable property tax exemptions afforded not-for-profit organizations. The concern focused on organizations that received property tax exemptions improperly, i.e. those that fail to meet the minimum standards of eligibility, as well as organizations that continued to receive property tax exemptions even though the justification for the exemption ceased to exist.

The Civic Federation conducted a basic study, focusing on property tax exemption laws in states and localities, as well as on procedures for granting and removing property tax exemptions for not-for-profit organizations. Two research methods were employed:

- Survey of Local Assessing Jurisdiction Practices; and
- Constitutional and Legislative Review.

IHRSA believes that this research will shed new light on the exemption process and identify areas in which local assessing jurisdictions can improve and strengthen existing procedures.

The executive summary of the Civic Federation study as well as the state-by-state findings are available at <http://www.ihrsa.org/auth/GR/faircomp/proptax/index.html> (IHRSA ID & password required).

PEP ACT INTRODUCED IN U.S. HOUSE

Congressmen Joseph (See *Capitol Report* page 18)

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A Tribute To Coach Tom Myslinski

By Norm Cates, Jr.

We came from far and wide to honor a great man, Coach Tom Myslinski.

On Sunday evening, June 25th, at 4:00 p.m., over 250 family and friends of Coach Tom Myslinski arrived at the beautiful Beech's Resort and Hotel in Rome, New York, to honor "Coach Miz" on the occasion of his retirement from 31 years of High School Coaching. Amazingly, Tom's lovely wife Debbie, and two sons, Tom, Jr. (Guard-Pittsburgh Steelers) and Tim (new defensive coordinator for Utica College's new football program) pulled this retirement party off as a complete surprise to Tom. He was truly stunned when he walked into a room of over 250 family and friends yelling "Surprise!" In 54 years and after attending countless numbers of banquets and parties tied to athletics, the health, racquet and sportsclub club industry and the U.S. Air Force, I can honestly say that this event was the most wonderful event imaginable. In short, it was a mystic, love-filled experience for all in attendance.

Coach Miz coached football and track and field at Rome Free Academy for 31 years, but his true tenure spanned over 39 years. Yes, I say 39 years, because Tom Myslinski was a coach as a young kid from the very beginning of his athletic career. When we were kids in high school at RFA, Tom was the leader in the weight room, on the football field and in track. He set the tone for our workouts and he wouldn't let anyone settle for less than a 100% effort. Those attributes carried Tom throughout high school football to the University of Maryland where he started as an offensive lineman for 3 years under 3 different head coaches! All of us were influenced by Tom's

amazing work ethic. In short, Tom Myslinski, as a student and as a coach, was one of the true pioneers of weight training in athletics in high school in America. And, I can tell you from my experience that he had a huge influence on all of his teammates, on and off the field. You just could not outwork the guy in the weight room or on the field of play.

This group of over 250 included his wife Debbie, sons Tom, Jr. and Tim, Tom's Father and numer-

ous other family members. It also included former RFA High School teammates, Bruce "Moose" Townsend and yours truly, Norm Cates, Jr., former Coaches, Head Coach George Flood, Coach Don Bruce and Coach Ed Weed, former professional coaches (Tom was drafted by the New York Jets out of the University of Maryland), Head Football Coaches he had coached against, Tom Hoke, the current RFA Head Coach and many men that Tom had coached in football and track over the past 31 years. The surprise event commenced with Tom's astonished arrival at about 4:45 p.m. and lasted until nearly 10:00 p.m.!

Ray Tarkowski, Tom's brother-in-law, served as the

Master of Ceremonies and introduced over 30 speakers, all of whom had speaking time limited to 2 minutes. NOT! The 2 minute speaker time limit was unsuccessfully enforced by Tom's 295 pound Pittsburgh Steeler son, Tom, Jr. who used a profanely loud airhorn which was sometimes spirited away from him. After each speaker, and in true "Roast" form, Coach Miz rose to the podium to respond personally to each individual's comments. He showed an amazing "standup-comic" ability as he responded to comments full of love and affection for him, recollections of his career and not surprisingly, a few tears from those overwhelmed while attempting to speak. But, as one speaker said, "I'm not go-

ing to shed any tears tonight because this is a celebration!"

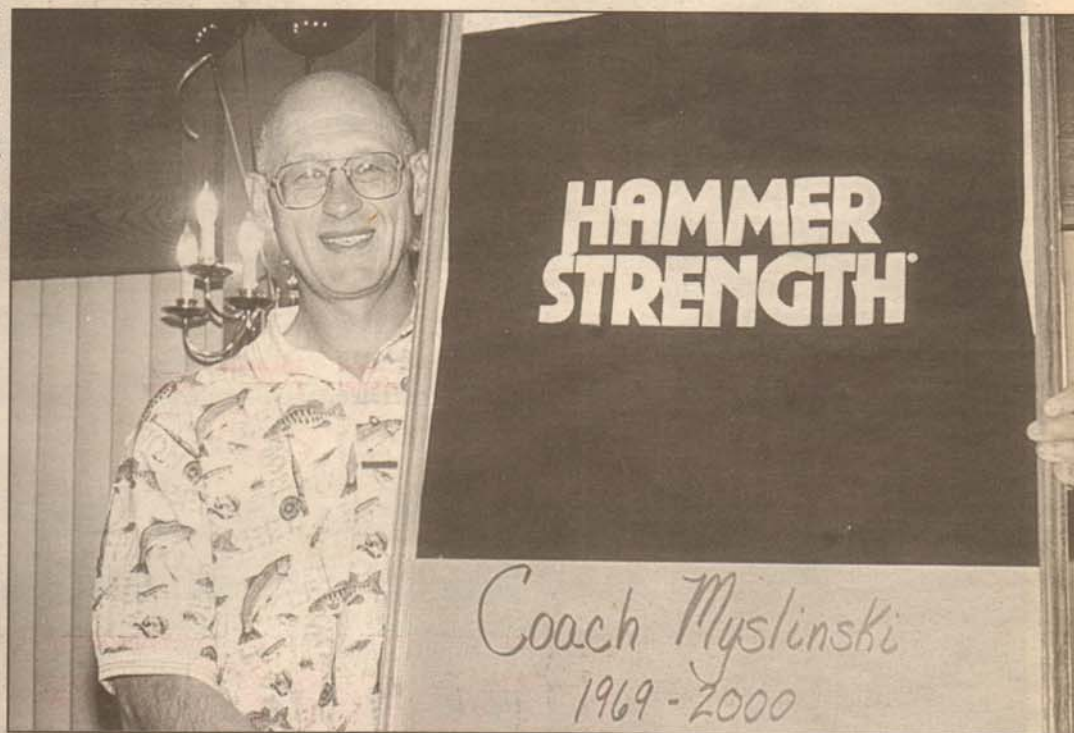
And, a celebration it was. This terrific evening began with the huge crowd giving him a five-minute standing ovation upon his arrival and it ended with another long standing ovation. Many retirement gifts were presented to Tom including a framed Hammer Strength tee-shirt (see photo on this page), round-trip airfare for two, hotel and 2 tickets to the Pittsburgh Steelers vs Nashville Titans game this fall, Season Tickets to all of next season's Steelers home games, "Big-Mouth Billy Bass" the singing fish and countless other momentos that will be priceless to Tom and his family over the years.

Tom was eloquent as he

expressed his appreciation for this tribute to this adoring crowd. He is now retired to a life of fishing, watching his son's Tom, Jr. play in the NFL and Tim coaching college football, gardening and enjoying the good life with his wife Debbie. If ever there was a couple that deserved a great life in retirement, it is Tom and Debbie Myslinski.

Coach Miz is a terrific example of those teachers and coaches across America that have such a major positive influence on our young men and women.

(Norm Cates, Jr. is the Publisher and Editor of Atlanta-based *The CLUB INSIDER* News. Cates was an RFA football and track teammate of Tom Myslinski's in the early 1960's.)



Coach Tom Myslinski

...Capitol Report

continued from page 16

Crowley (D-NY) and John Sweeney (R-NY) have introduced the Physical Education for Progress (PEP) Act into the House of Representatives. H.R. 4536 would provide \$400 million in grants to school programs that include minimum weekly requirements for physical education. The

measure already has 24 House cosponsors.

Earlier this year, Senator Ted Stevens (R-AK) introduced the PEP Act in the Senate. Thanks in part to lobbying by IHRSA and its members, 31 senators have signed on as cosponsors.

Anyone with concerns about the diminishing amount of physical education that children receive in our nation's schools — and the resulting negative impact on public health — should support the PEP Act.

If you have not already done so, please contact your U.S. representative and your two U.S. senators and ask them to cosponsor H.R. 4536 and S. 1159, respectively, by calling (202) 224-3121 or by going to <http://209.207.161.197/entry.cfm?orgcode=IHRSA>.

FIVE FAIR COMPETITION VIDEOS NOW AVAILABLE

IHRSA has developed

five new videos to help club operators address unfair competition from tax-exempt fitness centers.

The videos effectively articulate why every taxpayer should be concerned about fair competition in the fitness industry. Each video demonstrates how to explain the fair competition issue to decision makers in the community.

Earlier this year, IHRSA conducted four focus groups to test public attitudes on this important issue and incorporated what we learned in each of the new videos.

The video entitled "Unfair

Competition: Feeling the Burn" is an overview of all types of tax-exempt competitors in the fitness industry. Each of the four remaining videos addresses competition from a specific type of tax-exempt fitness center: College & University Fitness Centers, YMCA Fitness Centers, Tax-Exempt Hospital Fitness Centers, and Gov't/Park & Rec Fitness Centers.

The videos are free to IHRSA members and each is approximately five minutes long. Contact IHRSA Member Service (info@ihrsa.org) to order.



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A F F I L I A T E D A C C E P T A N C E C O R P O R A T I O N

Club Industry/NEHRSA Convention and Trade Show A Success

Boston, MA. For the first time, Club Industry Magazine teamed up with the New England Health, Racquet and Sportsclub Association to host a combined Convention and Trade Show.

The event was conducted at the beautiful new World Trade Center in Boston and the host hotel was the equally beautiful and new Seaport Hotel, located directly across the street from the World Trade Center.

A highlight of the Convention was a terrific Keynote Speech delivered by the one and only, Jack LaLanne, to a

packed-standing room only crowd. Jack LaLanne dazzled the crowd as he recollected his career. His speech, as is his personal manner, was laced with humorous one-liners and witticisms. Throughout the speech, Jack, age 85, was egged on by his lovely wife of nearly 50 years, Elaine "LaLa" Lalanne.

Jack LaLanne's entrance was terrific as he entered the hall to a long standing ovation and ended with the same, a terrific standing ovation by the crowd that just heard the life story of the industry's oldest living

legend.

Jack LaLanne is now the spokesman for FitnessAge, the revolutionary new fitness assessment program that determines the actual physiological age of members. LaLanne's FitnessAge is just 29, even though he will celebrate his 86 birthday in September. LaLanne has performed a number of amazing feats to celebrate his birthdays over the years, including his 40th birthday when he performed 1,000 push-ups and 1,000 pull-ups in just 1 hour and 20 minutes! When asked by this writer during the

question and answer session, "Jack, what is your next great birthday feat going to be?", he replied, "I'm going to swim underwater from Catalina Island off the coast of California to Newport Beach, Ca., a distance of 22 miles!" Naturally the crowd was stunned. This planned feat has caused the energetic Elaine LaLanne to threaten (jokingly) Jack with divorce!

BIGGEST REGIONAL TRADE SHOW EVER!

I appears to this writer

that this Trade Show was the largest regional ever in terms of number of vendors and size of the show. Yet, it was very workable. Vendors indicated that traffic was steady and good for the first two days of the event, (Thursday and Friday) but a little slow on Saturday, which was to be expected on a sunny Summer Saturday.

Next year's Club Industry East Convention and Trade Show is scheduled for New York City at the Jacob Javit's Center.

The CLUB INSIDER News World View

MONTHLY NEWS FROM AROUND THE GLOBE

• **Congratulations to MIKE BALFOUR**, the Managing Director of Fitness First in the United Kingdom, as he has won his 2nd "Entrepreneur of the Year Award" in the last six months. In March, Balfour won the Price Waterhouse/Coopers Lybrand Entrepreneur of the Year Award. This award, founded by Ernst & Young and was sponsored by Citibank.

• **BALFOUR's Fitness First** posted a banner first half with 6 month

revenues ending on April 30 up 106% to approximately \$36.6 million U.S. and pre-tax profits up 117% to \$7.54 million U.S. The pre-tax margin grew to 20.6%. Fitness First opened 16 new clubs in the U.K., bringing the total to 66. 7 clubs were opened in Germany. Balfour's group now operates 98 clubs, 66 in the U.K., 28 in Germany and 4 in Belgium. 8 additional clubs are currently in the U.K. pipeline; 6 in the Belgium pipeline and 3 in a new pipeline in Spain. Total membership in the 98 operating facilities is now

205,000.

• The giant **Whitbread Corporation**, a U.K. restaurant, pub and hotel operator is now looking closely at acquiring the **Esporta Club** chain, operators of premium clubs in the U.K. In May, Whitbread sold its interests in **Interbrew**, a Belgian brewing group and has since made no secret of its desire to concentrate on growing their health club division which now consists of the David Lloyd Leisure chain of upscale clubs.

• **DAVID PATCHELL**, the owner **Goodlife Fitness Clubs**, one of the largest chains in North America, has announced that his company will open 10 more clubs in FY 2000. That will bring to 60 the number of Goodlife clubs that are now serving 100,000 members.

• **IHRSA's List of the Top 25 club chains** in the world as reported in the July CBI Magazine include the following international

clubs. (Based on annual reported revenues) Fitness Holdings Worldwide, People Company, Ltd. (Japan), Central Sports Company, Ltd. (Japan), LeisureNet (South Africa), Tipness Limited (Japan), DIC Renaissance, Inc. (Japan), David Lloyd Leisure, Plc (U.K.), Cannons Group, Plc (U.K.), Holmes Place, Plc (U.K.), Compagnie Gymnase Club (France), Living Well Health & Leisure, Ltd. (U.K.), and Fitness First (U.K.)

(Reprinted courtesy of IHRSA.)

...Casey Conrad

continued from page 8

custom-printed.

* When placing the boxes, have your employees bring an authorization letter that is signed by a manager of the location. The letter should state a number of important things. One, that the store is giving the club permission to place the box. Two, that the box is worth X amount. Three, that if the store does not wish to have it anymore they will call to have it removed. And four, that if the box is thrown out by the store, they owe the money for its replacement. Although you will probably have no luck enforcing such terms if the box disappears, having such a letter usually ensures placement in credible locations.

* Keep a central log of where all the boxes are located, noting the address, the contact person, the phone number and a place for weekly entries that note the date that the box was last serviced and how many leads were collected.

* When picking up leads, have salespeople either note on the back of each slip where they got the lead from or (in the event the box really produces a lot of leads each week) have them go out with envelopes that will keep the slips separate. This will be important for purposes of making the call to the prospect and being able to remind them where the registration slip came from.

* Most importantly, follow up with salespeople! Get them to show you the leads they collected. Help them

think of new locations to place poorly producing boxes. Have them role-play the phone call with you to make sure they are engaging the prospect. With close monitoring you can excite the sales team about lead boxes and drive lots of new prospects through the club doors.

3. Joint Marketing Promotions. Any promotion that your club does with another local business is a joint marketing promotion. "Joint" because both you and the local business will establish a relationship where each one of you is promoting the other. Joint marketing promotions can be extremely powerful for self-generating business for a number of reasons.

* First of all, it is very inexpensive, usually the cost of producing an attractive coupon of flyer.

* Secondly, because the promotions are done with other local businesses, you are reaching the very people who are geographically located close to your club.

* Third, because you can choose those businesses you want to participate in such a program, you can target your market as specifically or generally as you would like.

* Finally, having another business that someone already trusts and patronizes is a third-party endorsement, similar to a referral and usually brings in a higher quality lead.

There are any number of ways you can work joint marketing promotions. One very common way is to have an arrangement whereby the business passes out flyers or coupons to their patrons and, in return, you do the same. In order to prevent too many coupons and promotional materials from being in your club at one time is to create a "New Member

Gift Pack. (Remember you will have any number of these going on at once whereas the business is probably just doing this with you.) A New Member Gift Pack is nothing more than an envelope that contains coupons from all of the businesses you are doing promotions with. In addition to giving organization and structure to your joint marketing program, this gift ends up being a nice value-added for the new member. At the point of sale, your salespeople can hand this packet of coupons to the member and say, "Here is \$100 worth of coupons to other local businesses we have strong relationships with." People love to get coupons and outlining the dollar amount seems to give the gift even more value.

Here are some examples of businesses that have a good record of successful joint marketing promotions.

* Bagel shops. Not only is there a lot of traffic, but it is usually very consistent traffic of people heading to work.

* Hair dressers/Nail salons. This is an obvious one. Lots of women who are concerned about how they look and any number of hairdressers who do nothing but talk all day.

* Health food stores. Obviously this is a market of people who are already concerned about their health and well being. Many will already be exercising on their own or at another facility.

* Doctor's offices/chiropractors. Credibility, credibility, credibility! With this group what is even better than a coupon is placing information articles on the benefits of exercise. Of course, attached is either a coupon or some call to action. Remember that people in waiting rooms

are always looking for something to read!

* Car washes. Sounds out of place but these places have incredible amounts of traffic. Further, in the summer months these businesses are looking for ways to get more people to them since the tendency in good weather is to wash the car yourself.

Of course, these are just a few ideas. One is only limited by their imagination. A motivated salesperson can have any number of these promotions going on throughout the year, bringing in a consistent flow of new prospect traffic.

There is also nothing to prevent a club from getting employees other than salespeople to establish such relationships. Suppose the club mandated that each full-time employee establish just one joint marketing promotion. If your club had 20 employees, and each one of those promotions brought in only 1 sale per month that would be an incredible, inexpensive way to add 20 memberships per month to your bottom line!

4. General Outreach. This is perhaps the most underused aspect of lead generation in the health and fitness industry anywhere. Because salespeople are so fortunate to have prospects constantly walking through the doors, they seldom take advantage of opportunities to reach out to prospects in their everyday activities. However, every moment of every day that a salesperson is not in the club, opportunities to network with friends and community members are right before their eyes. Here are just a few of the more obvious ones:

* Leaving a card with the

waiter or waitress every time you dine out.

* Giving a stack of business cards to your barber or hairdresser.

* Simply talking to people at social engagements and not being shy to promote fitness and encouraging people to visit the club or, better yet, getting their name and number and following up with them.

* Handing a one-day guest pass to the cashier at the grocery or convenience store.

In today's day and age, with the number of interactions we have on a daily basis, there are countless opportunities to promote our product and specifically your club. Giving salespeople the correct tools (nice business cards, passes, etc.) and the encouragement to be a vocal spokesperson are key to outreach success.

As you can see, from just a few different concepts, there are many, many ways for salespeople to self-generate business. Such self-generation will help to flatten out the traditional ups and downs the industry has allowed themselves to get accustomed to. Take the time now to sit down with your entire sales team and create a plan for referrals, lead boxes, joint marketing promotions and general outreach. Not only will this ultimately result in a greater number of sales, but it will help to keep salespeople on your team longer and happier AND will help to prevent you from falling victim to running yet another price special to battle the slower walk-in traffic months of the year.

(Casey Conrad is President of Rhode Island-based Communications Consultants. She may be reached at (800) 725-6147.)

CLUB INDUSTRY EAST/NEHRSA PHOTOS



(L to R) Terry Moffatt, Jerry Janda & Howard Ravis



(L to R) "Velvet Kitty, Hot Wheels, Blender Guy" & Kent Lehnhoff



Lovely Laurie Cingle



(L) Michael Scott Scudder & Karen Woodard



(L to R) Bill Crowley, Rick Caro, Bob Schwartz & Gary Glencheski



(L) Jeff Randall and New Associate, Cindy Scibetta



(L to R) Chuck Cavolo, Stacey Fleischer, Victor Brick, Kim Donovan and Steve Goodwin



CLUB EXCELLENCE PROGRAM



SERVICE IS JOB ONE!

Whether we call them customers, clients, guests, patients, patrons, passengers, employees, bosses—or MEMBERS, all of us must satisfy the needs or create “moments of magic” for someone in our day-to-day work.

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BookingPlus: The Internet Based Booking, Scheduling and Member Management System

By Tanya Crowley and Robert Volpe

With an online booking system offering so many significant benefits, and members expecting to be able to book club facilities over the Web, a greater number of health club owners are recognizing the necessity - and benefits - of taking their club online.

Our mission is to further BookingPlus as the Club Industry Standard of Internet booking, scheduling and member management. BookingPlus is designed specifically for the Health and Racquet Club Industry and is based on an ‘open’ architecture which offers flexibility, optimal performance, and ease of use. The web-based point of sale transactions easily interface into

any club accounting system for reporting, billing and customer service inquiries. Our system is user-friendly, features self-explanatory icons and graphics, and allows for booking of resources with a simple ‘point and click’ of a mouse. We do not have hidden programming costs nor do we require the purchase of costly computer hardware. BookingPlus provides secure web servers with 24 hour experts maintaining them as well as 24 hour ongoing professional support.

What is BookingPlus? BookingPlus is an automated Internet based booking and management system designed specifically for the Health/Spa/Racquet Club industry.

It has an easily queried

centralized Booking database of all of a business’ reservations, transactions, and schedules. Booking Plus is configured to your business’ specific reservation needs, such as racquet courts, personal training sessions, Spa appointments, childcare, etc. The Booking Plus Rules Engine enforces all of your reservation rules and Intelli-pricing calculates the amount to be charged. Additional POS features include E-coupons and gift certificates which are monitored and tracked by BookingPlus.

BookingPlus also allows members and non-members to register and pay for services, programs and products from home, office and from kiosks within a Club via the Internet, 24 hours per day, seven days per week with the Web Self-Booker.

Every booking is tracked and the information is valuable in generating reports of what your members are doing and when. Enhanced customer service and Member satisfaction is directly related to Member retention which affects your bottom line.

In short, BookingPlus is a comprehensive member management tool. Payroll is generated and verified in minutes. Members experience 24 hour customer service. All of this with BookingPlus and all that is necessary is an Internet connection....

Some Key product features of BookingPlus include:

* A paper-free system that allows staff and members to book online and securely pay for club resources such as tennis courts, massages and spinning classes via your club’s computer or the

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* Designed to easily interface with any club accounting system.

* Executive reports to help your management team track the usage of club facilities.

* Powerful marketing tools like E-coupons and gift certificates to increase club revenues.

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Contact information: Toll-free Telephone: 877- BookPlus, 877-266-5758 E-mail: Info@bookitall.com

For additional technical information on BookingPlus please visit our web site at: www.bookingplus.com

...Friedman

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know who it is, you’ll make a while lot of good points. When you’re friendly before you know who it is, you’re delivering the same great service to everyone. That’s the way it

should be. Don’t discriminate.

6. “There ya go”.... is not Thank you. “Uh huh”.... is not ‘you’re welcome.’

Count - starting today... just for one day... how many times people forget to say thank you... and you’re welcome. “There ya go” just doesn’t seem to hack it.

When a customer spends money...they want to hear a big smiling “THANK YOU, we appreciate your business”. And when We, as the customer, says “thank you”...we don’t want to be grunted at with the old “uh-huh”. Speak clearly. “You’re welcome” is a wonderful phrase. Please use it

more often. And don’t be a grunter. When your customer tells you “thank you”....give a great big “You’re welcome.” Right back at them.

(Nancy Friedman, the Telephone “Doctor”® is an international speaker on customer service. She appeared at the IHRSA conference in

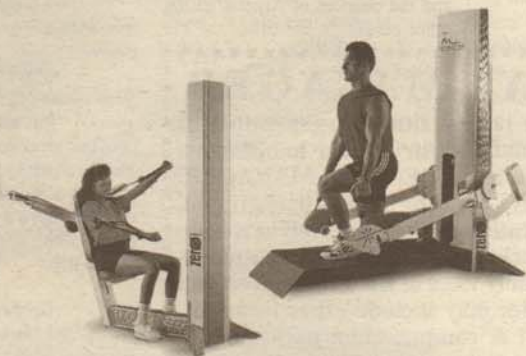
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...Geoff Hampton

continued from page 12

Once the membership representative has left the business the outreach tracking information form must be completed. The importance of accurate tracking, effective follow-up and ongoing training through the weekly meetings will virtually guarantee success for this program. However, "Reality Based Performance" must triumph over "Fantasy Based Performance"!

Important Program Tips The Flyer

The flyer is a promotional item. If the club is currently using any type of print advertising, the flyer will have increased impact if the same design is used for both. Simply put, a newspaper ad can be converted to a flyer. Typically a flyer will measure 8 1/2" x 11" in order to make reproduction as simple as possible. The size can and will obviously vary depending upon circumstances.

One of the most successful styles of flyer is that of a club newsletter. When designed to have newswor-

thy information almost any business will accept them, post them and many times even allow the club to put the flyer out for their customers.

The bottom part of a flyer can be some type of coupon or questionnaire that the prospect would complete before coming into the club. A discount or other type of promotional offer will almost always increase response ratios. This of course does not apply to the newsletter format.

The membership representative should have their name in an obvious location on the flyer. Attaching business cards can become expensive. Hand-written names appear less professional. The most cost-effective professional option is to have a rubber stamp made up for the individual membership representative. This ensures that anyone from the office visited who comes to the club is referred to the appropriate membership representative.

Flyer Follow-up

The follow-up portion of the program is essential. Very few of these receptionists type sedentary employees will motivate themselves enough to actually come into the club of their own accord. Follow-up is the key to success.

Immediately upon returning to the club a nice handwritten thank you card should be sent to everyone met that day. The card should be approximately 5 3/4" x 4 1/4". The mailing envelope should have only the club's address in the upper left-hand corner (no name or logo). Then the card should be hand addressed to the prospect. Most people will open a handwritten card, especially if they're not sure where it came from.

The enclosed card should have the club logo on the front panel. The address and telephone number should appear across the bottom inside the card. The note inside should be handwritten also. This card represents the first level of professional follow-up.

The Follow-up Script

The basic written script of the follow-up card is hand written and simple;

Dear Arnette,
Thank you for taking the time to help me out the other day. I really enjoyed meeting you. And look forward to seeing you here at the club. I also wanted to thank you very much for distributing the flyers to your staff for me. Again, if you would like to try the club out as my personal guest, I will be happy to arrange that for you!

Sincerely Yours,
Geoff Hampton

This simple hand written note is very powerful. It will really impress the prospect and probably several other people in the office.

The Telephone Follow-up Script

The telephone is the second follow-up tool. Within three days of the visit, the telephone call to follow-up on the visit should be made. Once again the script is simple, polite, professional and effective.

"Hi Arnette, This is Geoff Hampton from (club name), how are you doing today? Would you maybe have just a minute that I can take from your busy schedule right now?"

If the answer is no;

"No problem, I know that you're really busy. What time would be better for me to try again? Later today, or tomorrow morning?"

If she says that tomorrow morning would be better;

"Okay, let me get my appointment book (momentary pause). What time tomorrow morning would be best for you?"

This makes Arnette much more likely to accept your call tomorrow morning and is very professional.

If Arnette accepted your initial call without any hesitation then simply proceed;

"Thank you very much. I just wanted to take a minute to reiterate how much I appreciate your help. I also wanted to go ahead and invite you to try an aerobics class this week as my personal guest in appreciation for all of your efforts. Do you have any preference as to class style or format?"

If Arnette has a class style preference, obviously this is the class for her to try. If however she has never taken an aerobics class and the club offers an aerobic workshop for beginners, then set her up for that.

If Arnette is interested, then make a formal appointment.

"Arnette, the step class at 5:30 sounds like what you're looking for. I have my appointment calendar right here. Would Wednesday afternoon at 5:30 be better for you, or would Thursday at 5:30 be better?"

Let her respond.

"Okay great! Do you know how to get to the club?"

Let her respond.

"Arnette, when you get here there will be a lot of cars in our parking lot. That is natural at that time of day. Just park as close to the building as you can and come on in through the front doors. You'll end up at our front desk and I'll have one of our front desk staff members contact me as soon as you arrive. Then I'll show you where the locker room and the aerobic studio are located. I'll try to introduce you to the instructor if possible and let her know that you're new. Thanks again Arnette and I'm really looking forward to hearing about what you think of that class. It's a really good one! Do you want me to give you any ideas about attire?"

This is very professional and the chances of Arnette telling other people in her office, or her

friends about it is very real. However this does not conclude the follow-up efforts. The office lead should be kept alive whether Arnette is interested or not. There still may be other people in that office that may want to join.

A second in-person office visit is not unreasonable and may add to any positive rapport that has already been established. On the subsequent visit if it turns out that Arnette is not really that interested, then the membership representative should continue the friendly professional demeanor, but ask for the office manager's name and then begin to pursue that venue.

Arnette's company as well as all of these types of leads should be put on a special flyer mailing list. The list should have a code for the membership representative's name to be included so that when a response occurs it can be distributed properly. The membership representative also should send periodic handwritten notes to the contact person at each flyer lead. The key to marketing anything is having the right message at the right time for the person to whom you are trying to appeal.

Guaranteeing Program Success

In order to guarantee program success effective program management is essential. The key components to program success are:

- Making sure that all membership representatives are accurately tracking and recording all information and making sure that their follow-up is according to program protocol and their individual goals.

- A regularly scheduled weekly meeting that always happens as it should. At these weekly meetings all membership representatives are required to participate.

- The program manager should call one membership representative's contacts each week in order to ensure outstanding performance. The program manager needs to simply identify himself and ask the contact person if he was comfortable with the membership representative.

- Do not let the program slip in any way, or control will be lost and results will suffer. Do not run out of supplies.

- Always be creative with the flyers. Never boring.

- Always set realistic, believable, attainable goals and monitor them closely.

- Make the program work. Work the program every day.

This program is a tremendous lead generator when run properly. Plan the attack and attack the plan. This program alone will ensure that your club will have a good month every month when operated properly and excuse free.

(Geoff Hampton is the President of Club Marketing Resources. He has two features at the fitness world.com website. They are in the information sources under advice & FAQ's. His number is (619) 267-6862.)

Norm Cates' **THE Club Insider** NEWS

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...Bel Air

continued from cover

and President Burnett Donoho, "and positioned ourselves to expand operations on the East Coast and in the Mid-Atlantic Region."

The Bel Air Athletic Club, located 25 miles northeast of Baltimore, was founded in 1980 by Roger and Elaine Ralph. The 116,000 square foot facility is one of the largest private athletic clubs in the United States and was previously recognized as one of the top five health clubs in the country by the International Health and Racquet Sports Association (IHRSA). Bel Air is known for its youth and family programming including day camps, before and after-school programs, a computer learning center and a new 20,000 square foot Kids Arena opening mid- to late-July. Also, like many clubs across the nation, the Bel Air Athletic Club is experiencing significant membership growth in the fifty-plus age range.

Bel Air Athletic Club Founder, Roger Ralph, noted that

The Wellbridge Company's business culture and commitment to lifelong wellness fits well with Bel Air's mission. "Like the Bel Air Athletic Club, Wellbridge gets involved in the communities they serve," said Ralph. "We'd like to see more health clubs across the U.S. take on a community focus and believe that Wellbridge can help make that vision a reality."

"The Wellbridge Company's experience in serving the older adult market will complement our expertise in providing family and youth programming," continued Ralph. "This combination of expertise will uniquely position Bel Air to serve community residents from infancy into their nineties."

Roger Ralph does not plan to exit the club industry. Instead, he will serve as a consultant to the Wellbridge Company during the first year of their operations there and he plans to engage approximately 3 consulting relationships per year with club operators that aspire to develop family-oriented community clubs using the model that he and his wife Elaine have created at the Bel

Air A.C. Ralph comments, "One of the things that I hope to do is I would like to take on 2 or 3 consulting projects a year where I could really have an impact on someone who is interested in building a large scale family-oriented club. I just think there should be more of these. We've made a lot of mistakes. I think we could both save people money and enhance their revenues."

The negotiation of the sale of the Bel Air A.C. took about a year and was particularly complicated because the Ralph's had begun construction of a 20,000 square-foot Children's Arena. Ralph expressed appreciation about the manner in which the Wellbridge people transacted the sale and ownership transition. Ralph comments, "I've got to give Bernie Donoho, Ed Williams and Art Curtis credit. One of the things they did, and I think one of Wellbridge's strengths, was that they have tried to keep what is in place, working in place. I think that was smart. They really individualize their clubs. They are not cookie cutter clubs."

I think our staff was re-

ally reassured after seeing the Wellbridge slide show presentation featuring some of their other holdings. They all emphasized that they really take into account local conditions. We also had a community meeting with them that was attended by about 35 local community leaders. We had the County Executive, the head of the recreation department and the head of the hospital system and numerous others in attendance. That provided a nice introduction of the Wellbridge team to the community."

In commenting on the sale of the Bel Air Athletic Club, John McCarthy, Executive Director of the International Health and Racquet Sports Association (IHRSA), said, "By adding Bel Air to its family of clubs, Wellbridge, an industry leader, will acquire an exceptional staff and some of the best children's programming in the country."

Continued McCarthy, "The Bel Air model of community service combined Wellbridge's financial strength, experience in serving the decon-

ditioned market and track record of successful public/private collaborations represents a 'win' for both organizations and raises the bar for the entire fitness industry."

"The addition of Bel Air to the Wellbridge team represents an infusion of talent and experience that will expand our capacity to provide innovative fitness and wellness programs to people of all ages," said Ed Williams, Senior Vice President of Wellbridge. "We are very excited about bringing Bel Air into our organization."

According to Williams, The Wellbridge Company continues to expand its roster of full-service athletic facilities across the country through select acquisitions like the Bel Air and construction of new properties — including a \$12 million athletic and aquatic complex in Maple Grove, Minnesota, opening in September. "Wellbridge is aggressively pursuing development sites in Denver, Minneapolis and Baltimore," said Williams, "as well as exploring acquisitions in markets where we have a significant presence."

CLUB INSIDER News Contributing Author Team

The 2000 CLUB INSIDER News 2000 Contributing Author Team is listed below. Our thanks to all of our authors for sharing their expertise and taking the time to write for THE CLUB INSIDER News.

•MIKE CAMPETELLE - Communications Consultants - (401) 792-7009

•RANDE LaDUE - President, Pro*Fit Enterprises - (888) 604-2244

•MICHAEL HOFFMAN - President-Heart Communications (949) 489-0301

•KLAUS HILGERS - President-Epoch Consultants - (727) 447-1773

•SALLY GOLDMAN - Owner-The Weymouth Club - (617) 696-

2627

•KAREN D. WOODARD - President-Premium Performance Training - 9303) 417-0653

•JULIA WHEATLEY - Owner - Women's Fitness Center - (540) 434-9692

•SIMON D'ARCY - President-Business Success Teams - (805) 566-8213

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•DR. GERRY FAUST - Founder and President-Faust Management Corp. - (858) 536-7970

•RAY GORDON - President-Sales Makers - (800) 428-3334

•EDDIE TOCK - Vice President - Sales Makers - (800) 428-

3334

•ANDREW NERE - Vice President-Innovative Lease Services - (800) 438-1470

•ART CHAPPELL - Owner-Courthouse Athletic Clubs - (503) 885-1964

•PATRICK PINE - Founder-National Fitness Therapy Association - (303) 399-4545

•BRENDA ABDILLA - President - Club Profit Systems - (800) 448-0180

•TOM ZENNER - LifeTime Fitness - (612) 752-7000

•NANCY CLARK, MS, RD - (617) 739-2003

•RICK BARRERA - Founder and President - Rick Barrera & Associates (800) 835-4458

•MICHAEL SCOTT SCUDDER - President - FITNESS FOCUS - (505) 751-4236

•CASEY CONRAD - Communications Consultants - (800) 725-6147

•RICK CARO - Chairman, Spectrum Clubs International - (212) 987-4300

•BONNIE PATRICK - Fitness Company - (732) 548-0970, Ext. 111

•JIM EVANS - President & General Manager - Peninsula Athletic Club - (619) 224-6444

•MIKE CHAET - Ph. D. President - Club Marketing & Management Systems - (406) 449-5559

•MIKE CONNORS - President, Optifitness, - (413) 567-7300

•BRIAN McBAIN - President, Club Market Vision, - (800) 664-9601.

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•JOE MOORE - President - Moore's Fitness Centers - (937) 435-0072.

•KIM DONOVAN - Brick Bodies Director of Marketing and Advertising - (410) 252-8058.

•GEOFF HAMPTON - President Club Marketing Resources - (619) 267-6862

BODY PUMP TESTAMONIALS

"BODYPUMP does change the shape of your body...I'm like one of the before and after photographs in weight loss dietary supplement ads! I love BODYPUMP and have been "pumping" 3 times per week in Gold's (Kennesaw) for about 1 year." Email - February, 2000

"BODYPUMP is an incredible program!! I have been going to BODYPUMP classes for 2 years now and it has made a HUGE difference in my life! As a first grade teacher, I'm constantly bending down to be

at children's level and carrying in heavy boxes, materials and doing bulletin boards. My legs and arms are stronger and I find that daily tasks as a teacher are just so much easier. Before I started BODYPUMP, I couldn't do 2 regular "on your toes" push ups. Now I can do 20-30 without stopping! I have never felt better and have received comments from others that I look strong and my stomach muscles are strong, which is helping me to manage the lower back trouble I have always had. I don't know what I would do without this program. It has made such a differ-

ence in my health. I know I will be doing BODYPUMP for life! Thank you!!" Email - February, 2000

"I think BODYPUMP is fantastic and I have been going to a class 4 times a week for about 6 months. The hour goes so quickly and yes I think I would like to see a 90 minute session. I also love the music and how well it goes with the exercises." Email - February, 2000

"My health club (Healthbridge in Crystal Lake) just started offering BODYPUMP and it is the best class I have ever taken.

The only problem is that sometimes the class fills up and I can't get into it!!" Email - February, 2000

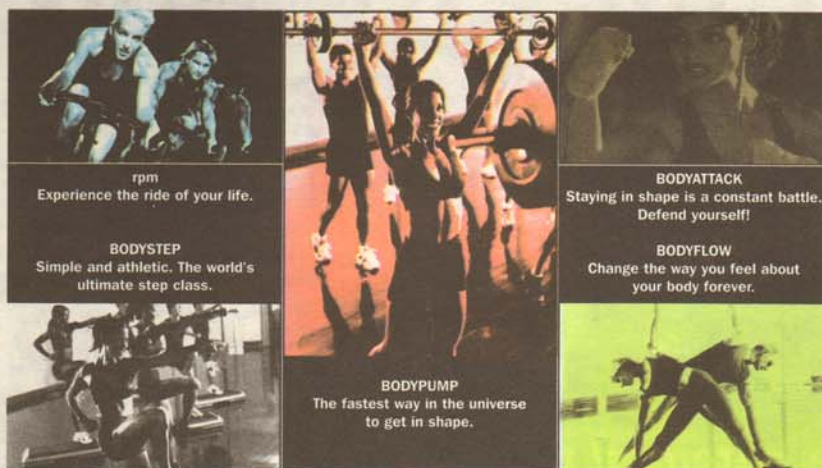
"I have been taking BODYPUMP classes for about 5 months and I just love it. I've worked out in the weight room for almost two years but it's so hard to get motivated. BODYPUMP is the answer. Thank you for coming up with BODYPUMP. Keep up the good work." Email - January, 2000

"I have been a workaholic all my adult life up until two years ago when I joined a

nearby health club and was encouraged to attend a BODYPUMP class by a personal trainer. What a difference! I love the class and do it at least three times a week. I have a visible bicep for the first time in my life and I recommend this class to everyone I know! Email - January, 2000

"I love BODYPUMP! It is the only thing that has really helped me get into shape. I never liked working out with weights before because I found it boring—that's not the case with BODYPUMP. The music is very motivating and you see results quickly." Email - January, 2000

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P R O F I L E	name	David Ruff
	title	National Fitness Director/The Fitness Company, Gaithersburg, MD
	competitive edge	Self-reliant. Determined. Always responds to the needs of his members. Relies on Life Fitness to help.
	personal profile	Loves a cold beer after a good workout. Likes in-line skating with his buddy, Wishbone. Fitness freak since age 12.

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