

Norm Cates'

CLUB INSIDER

CELEBRATING 28 YEARS OF TRUST

Ken Davies' City Fitness *More Than a Gym. A Community.*



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CLUB INSIDER

CELEBRATING 28 YEARS OF TRUST

Ken Davies' City Fitness *More Than a Gym. A Community.*

By: Justin Cates

Philadelphia. *The Birthplace of America. The City of Brotherly Love. The Cheesesteak Capital of the World. The Home of Rocky Balboa.* And, the nicknames can go on and on. When you think of a quintessential American city, Philadelphia is it. And, within this great American city resides **Ken Davies** and **City Fitness**. Now, six locations strong, City Fitness prides itself on being more than a gym, but a community for its members.

Like the stories of *America* and *Rocky*, the story of Ken Davies and City Fitness is one of fighting, surviving and thriving. As Rocky said, "You, me or nobody is gonna hit as hard as life. But, it ain't how hard you hit; it's about how hard you can

get hit and keep moving forward. That's how winning is done." I know... it's a movie, but Rocky wasn't wrong!

Within this cover story, you will learn Ken's story and that of City Fitness. It is one about getting hit and keeping moving. It is one about getting knocked down and getting back up again. It is one of success at the other end of failure and not giving up until it is achieved! I am fired up just writing these words, and I hope you will be too in reading them.

Beyond inspiration, what Ken and City Fitness are doing to make Philadelphia fitter and healthier hold some valuable lessons for your own health and fitness club business, so I invite you to read on, as *Club Insider* interviews **Ken Davies**, Owner, President and CEO of City Fitness.

An Interview With Ken Davies, Owner, President and CEO of City Fitness

Club Insider (C.I.) - Ken, where were you born, and where did you grow up?

Ken Davies (KD) - I was born in Wayne, Pennsylvania, which is a suburb of Philadelphia. I grew up there until I went off to college.

C.I. - Where did you go to college, and what did you study? Did you play any sports?

KD - I went to *Millersville University*, which is in Lancaster, Pennsylvania. I played college football there, and I studied a specific program that only a few schools in the country offered. When I went to college, I went in for business and accounting, but
(See *City Fitness* Page 10)



Ken Davies

IHRSA Names Elizabeth Clark President & Chief Executive Officer

BOSTON, MA - IHRSA, The Global Health & Fitness Association, has announced the appointment of **Elizabeth Clark** as the Association's next *President and CEO*. Clark, a seasoned association executive, joins IHRSA at a critical time for the fitness industry and the Association. IHRSA is the world's leading authority on the commercial health club industry.

Clark previously led government relations and advocacy at the *National Confectioners Association (NCA)*, the trade association for the \$44 billion candy industry. Beginning August 16, she will be the first female chief executive in the IHRSA's 40-year history.

"IHRSA's mission, to grow, protect and promote the health and fitness industry, has never been more important," said **Carrie Kepple**, *Chairwoman, IHRSA Board of Directors*. "For the past year, the Board of Directors and the IHRSA team have been focused on reopening, rebuilding and reimagining our industry and our Association. Liz's long, successful career in association management, her expertise in advocacy and her commitment to member service, not to mention her energy and passion, will serve IHRSA and all our members very well."

Clark's appointment concludes a five-month national search process

completed by a six-member search committee chaired by **Greta Wagner**, *Executive Director, Chelsea Piers Connecticut and IHRSA Board Member*.

"The search committee was tasked with working with industry leaders to find a transformational CEO to move IHRSA and its member clubs into a new era," said Wagner. "It was evident to the committee almost immediately that Liz's ability to perform at the highest level along with her business acumen made her a natural fit," said Wagner. "She will bring new energy to the mission to scale up our business and advocate for our industry, and
(See *IHRSA* Page 6)



Elizabeth Clark

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- And, of Course, Norm's Notes

Norm's Notes

■ **Hello Everybody!** This is your **Club Insider Founder and Tribal Leader Since 1993** checking in with the **331st Edition** of *Club Insider*. As I write this, today is **June 20, 2021, Father's Day**, and tomorrow, we arrive on the first day of the Summer of 2021! As you read this, a **belated Happy Father's Day** to all of you who've had the blessing of Fatherhood. Have **FUN** this Summer! **YAHOO!**

■ **Is AMERICA a GREAT COUNTRY, or what?** Hmm... hmm... hmm!!! **Happy July 4th Birthday to the United States of America!**

■ **GOD HELP AMERICA and countries around the world, as their citizens continue to fight hard to put this dreaded pandemic totally behind all of us. GOD BLESS AMERICA!** And, last but for **SURE, not least... GOD BLESS YOU, YOUR FAMILY, YOUR CLUB'S STAFF and YOUR MEMBERS!**

■ **Folks, except perhaps for the ongoing pandemic news, let me start off with what**

I think is the **biggest news of the year** in our industry so far! **And, thankfully, this is GREAT NEWS, not BAD news!** After a five-month search by **IHRSA's Executive Search Committee**, the Association has named **Elizabeth Clark** as its **President and CEO**. Elizabeth is a seasoned association veteran and advocacy executive who will be the third CEO in IHRSA's 40-year history and the first woman to take on the role.

I took some time on **Google** to research Ms. Clark's work history, and boy oh boy, *right off the bat, I was really impressed* to learn that she was a *leader in the U.S. Chamber of Commerce*, prior to her current job that she's leaving to join IHRSA, which is a *Director of the National Confectioners Association (NCA)*!

So, folks, in my view, at this stage, thanks to IHRSA's fine Search Committee, a team consisting of **GRETA WAGNER, Search Chairwoman; CARRIE KEPPEL, IHRSA Chairwoman; ALAN LEACH, IHRSA Chair International Committee; BRYAN O'ROURKE, CHRIS SMITH and JIM WORTHINGTON, IHRSA Board Ex Officio**, and after an extensive five-month

search, it appears IHRSA has **HIT THE JACKPOT** with respect to their choice of our new **IHRSA President and Chief Executive Officer. "LIZ CLARK,"** as she's known by many, has a deep and excellent background of work experience that very highly qualifies her for her new role at IHRSA.

Right here and now, I want to **Tip My Black Hat to the IHRSA Search Committee**, as they chose the **SPENCER STUART** search firm in Chicago, a veteran executive search firm for this important worldwide search. Talk about credentials! The Spencer Stuart firm was founded in 1956, and they specialize in finding people of very high caliber and experience such as Ms. Elizabeth Clark! See the **Press Release** beginning on **Page #3**.

And, folks, while I'm tipping my black hat here, I also want to **Tip My Black Hat to BRENT DARDEN, IHRSA's Interim President and CEO**. Without a doubt, our almost 40-year running trade Association might have been in really hot water had Brent not stepped up and done the mighty fine job he's done during this pandemic. Brent was *steady in the boat* while *Planet Earth* was struggling with what will go down in history as the worst pandemic in American and World history since the 1917/1918 Spanish Flu took 50 million lives, including **600,000 in America, a number that America has now exceeded during the current pandemic!**

Finally, folks, let me close this **Special Norm's Note with a heart-to-heart request of you... from me to you**. This request is to all of my friends throughout IHRSA who've been and are IHRSA Member Club owners/operators.



Norm Cates

Step up and help Ms. Liz Clark grab the baton and run with it so she can get a running start come August 16th! In the 40 years since **RICK CARO** dreamed up **IRSA/IHRSA**, and he and I teamed up and co-founded it, and I was then honored to serve as the **1st IRSA President**, our **fine trade association has never had a greater challenge than what we're facing right now!** That very clear challenge is to help IHRSA club owners make a strong comeback right off the bat by attending **IHRSA's 40th Anniversary Convention and Trade Show in Dallas, Texas, October 13 - 15!** See the **Open Letter on Page #8**.

This is **URGENT, friends and neighbors!** My son and partner, **JUSTIN CATES**, both hope to see you in Dallas, as Justin and I will be working side-by-side at the show! Don't forget that Justin is now our **Club Insider Publisher, and he and I BOTH** (See **Norm's Notes Page 7**)

About Club Insider

CELEBRATING 28 YEARS OF TRUST

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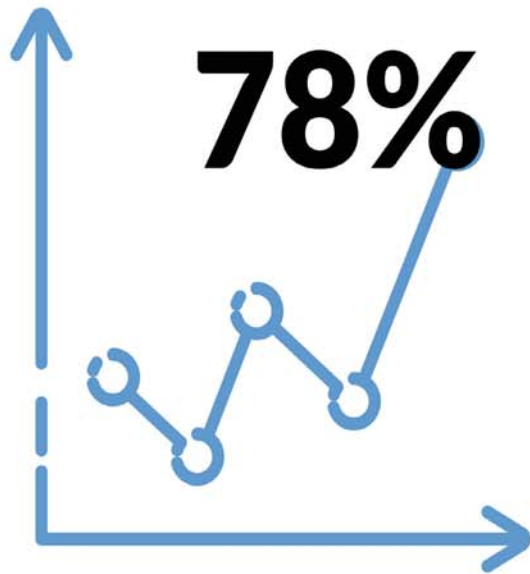
At *Club Insider*, we are excited to be in our **28th Year** of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still intriguing and amazing to us. So, I wish to extend my most sincere **Thanks and Appreciation** to everyone who has made this amazing 28-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro**, the **late Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller**, formerly of **Atlanta's Hudspeth Report** for the tremendous assistance they provided. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! And, of course, **Thanks and Appreciation** to the **United States Postal Service** for sending those editions to our readers! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. **Thanks and Appreciation** to all of our **Club Insider Contributing Authors**, past and present. **Thanks and Appreciation** to **IHRSA** for all it does for all of us. And, sincere **Thanks and Appreciation** to my son, **Justin**, who has become our Publisher and is a truly great partner. You name it and Justin does it each and every month!

Last, but surely not least, this writer who refused to fear failure when many told him he didn't have a chance of surviving the publishing business for even a year did survive. And, he would like to give his sincere **Thanks and Appreciation** to the power that made that survival happen: **God**.

Very sincerely, with love in my heart for you all,

Norm Cates, Jr.



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Exercise IS Medicine

By: Mike Alpert

During the past several months, I have listened to a lot of conversations and concerns about the long-term effect that COVID-19 will have on our industry. As with most discussions, there are two sides: those who feel we will never return to the pre-COVID days and those who believe we will come back stronger than ever. So, do you choose to believe that the glass is half empty or half full?

I believe the glass is more than half full. Members are hungry for the socialization that takes place in the club, and many have suffered without it for too long now. I also believe there needs to be more focus on prevention and wellness programming. Who better to create and deliver these programs than the *HEALTH CLUB* industry? And, as my good friend, **Dr. Bob Sallis**, says: "Health clubs need to be places where it is more than how a person looks in a bathing suit. They need to be more about hearts and lungs than abs and buns." Clubs will need to be able to offer these services both in the club and virtually.

We have been saying for years that the Health Care and Fitness industries need to be working together instead of independently. Traditional medicine was not prepared for COVID where we saw hospitals, doctors' offices and clinics overrun with patients. In many cases, people who were in need of surgical procedures or treatment for chronic illnesses often were not able or willing to receive treatment. And, more than a year later, there are still parts of the country and businesses that remain closed. We are yet to realize the financial impact that COVID has had on our country and the world. We simply cannot go down this road again!

To begin with, as a country, we need to do a much better job of educating people on how to manage their health care and their health care costs. We must put more emphasis on exercise and nutrition. The numbers don't lie: *Over 75% of the U.S. population is overweight, and 40% of the population is clinically obese.* If these statistics don't send a scary message to our State and Federal Governments, something is drastically wrong. And, if we continue down this road, the costs to treat

the chronic medical conditions that result from this are surely going to bankrupt the system. We must put more emphasis on exercise, nutrition and healthy living.

Medical Fitness addresses this by combining a blend of exercise, nutrition, education and medicine. And, Integrative Medicine is healing-oriented medicine that takes account of the whole person, including all aspects of lifestyle. It emphasizes the therapeutic relationship between practitioners and patients. It is informed by evidence and makes use of all appropriate therapies. This can include relaxation, meditation, yoga, tai chi, vibration therapy and other types of mind-body programming.

Telemedicine is already part of the traditional medical paradigm. This is where a patient can call or go online and communicate their symptoms with the PA (physician assistant) or RN and get advice on whether they need to actually go in to see the doctor or if their symptoms can be treated at home. This helps to ease the patient overload that so many physicians struggle with today and allows the physician to spend time with more critically ill patients.

Through a *Digital Platform*, a physician can refer a patient to a Club/Health Coach/Personal Trainer or a Registered Dietician (RD) to deliver an exercise and nutrition program virtually. If the club doesn't have an RD, you could use one from another club who does employ one. The RD will be able to take a picture of the member's insurance card and then see what programs are available in their plan through the Affordable Care Act or Medicare under the Wellness provision and whether they are reimbursable. The member could be put on a bioimpedance scale, like an In-Body or MyZone, and all the data and progress can be pushed back



Mike Alpert

and forth from the club to the Physician Assistant/RN in an encrypted and HIPAA compliant way, storing it in the patient's medical file.

Some qualified programs that are treating people who are diabetic or pre-diabetic or have hypertension or cardiopulmonary disease are reimbursable, and I believe that more will soon qualify for third party reimbursement. Your club needs to be positioned to benefit from what is coming.

Leadership is a lot of things, but one thing is for sure: Leaders are optimistic; they have vision and do not depend on what worked yesterday to lead them forward. They are able to pivot, and they lead with honesty, integrity and compassion. Position yourself to be ready to board the train before it leaves the station.

Exercise is Medicine.

(Mike Alpert is the COO of Smart Health Clubs. He can be contacted at mike@smarthealthclubs.com or 951 - 205 - 1136.)

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...IHRSA

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I know she's the right person to lead IHRSA at this important time."

Clark has led advocacy efforts at NCA since 2011, serving as the industry's voice on Capitol Hill and in State capitals across the country. Among her notable accomplishments, Clark successfully lobbied the administration to have confection manufacturing deemed "essential" during the pandemic. Prior to NCA, she was an Executive Director at the U.S. Chamber of Commerce.

"I am honored to work alongside and on behalf of this dynamic and evolving industry," said Clark. "This is an exceptional opportunity to bring my experience to bear for an industry I have been personally committed to for my entire life, and I can't wait to roll up my sleeves and get to work."

Clark is a lifelong athlete whose commitment to fitness included rowing crew as an undergraduate at the University at Dayton. She holds a Master of Arts in International Commerce and Policy from George Mason University.

Clark succeeds *IHRSA Interim President and CEO, Brent Darden*, who stepped in last August at the Board's request and led the Association back to stability and united the industry during the pandemic until a permanent CEO was selected.

Executive search firm, *Spencer Stuart*, led the nationwide search for IHRSA's next president and CEO. The process was led by a representative search committee consisting of **Wagner, Kepple, Alan Leach** (*IHRSA Chair International Committee*), **Bryan O'Rourke, Chris Smith** and **Jim Worthington** (*IHRSA Board Ex Officio*).

Crunch Fitness Extends Business Relationship with ABC Fitness Solutions

NEW YORK, N.Y. and LITTLE ROCK, AR - *Crunch Fitness*, the health club brand known for making serious fitness fun through innovative programming and an inclusive atmosphere, and *ABC Fitness Solutions* (ABC), a provider of technology and related services for the fitness industry, have announced the extension of their technology partnership as Crunch accelerates their growth throughout the pandemic. ABC will continue to provide strategic support and innovative technology to help Crunch optimize business functions such as revenue-cycle management, membership management and club administration.

Crunch and ABC have worked together since 2014 and even more closely during COVID-19. ABC's agile response to deliver scalable solutions to help clubs grow amid the pandemic played a significant role in Crunch's decision to continue its partnership. ABC worked alongside Crunch to support franchisees and members in the pivot to digital fitness and quickly implement new automated processes to manage the closing and reopening of clubs across the nation.

In particular, ABC's revenue-cycle management system enabled Crunch franchisees to seamlessly manage billing and payments as well as the freezing and unfreezing of millions of member accounts throughout the pandemic. The company also rolled out several new tools, including the technology solution behind the *Crunch-o-Meter*. The *Crunch-o-Meter* enabled Crunch members to see real-time gym capacity levels while giving club operators the ability to enforce occupancy limits to meet social distancing regulations.

Even though many fitness chains faced unprecedented business challenges, Crunch and its franchisees have enjoyed significant growth in the last year, seeing memberships rise by 6% and unveiling 36 new clubs during the pandemic. It is currently on track to reach 400 locations by the end of 2021 and surpass 500 gyms in 2022. As the brand's footprint rapidly expands, its partners must possess the ability to adapt and grow alongside them while maintaining the same quality of support at every level. As such, scalability

and flexibility were critical components in the decision to extend their partnership with ABC.

"Opening more than 100 facilities per year in our next stage of growth, we knew it was important to have a partner who could scale with us today and in the future. ABC has shown time and time again that they are uniquely positioned in the market to provide configurable software and on-the-ground support across our entire franchise," commented **Dan Gallagher**, *Chief Financial Officer at Crunch Fitness*. "From the start, our relationship has been one of collaboration, with ABC supporting us every step of the way, especially during the pandemic. We are excited to see what we will accomplish together in the coming years."

Crunch Fitness Executive Vice President, Mike Neff added, "The comprehensive solution not only continues to improve our franchisee satisfaction, but it's also the foundation to our differentiating offering to delight our members. ABC is well-positioned to deliver next generation of club management solutions that will help us provide amazing member experiences and streamline club operations."

"The rise of digital fitness has enabled members to truly own their fitness experience during the pandemic. Now, as the industry recovers and consumer expectations change, there is a growing need for club operators to invest in solutions that help them better meet their members' evolving needs," said **Mike Escobedo**, *Chief Client Officer, ABC Fitness Solutions*. "Crunch has been ahead of the curve in embracing technology to augment the member experience, and it has paid dividends. We are thrilled to expand our collaboration."

In addition to personalized and scalable technology and support services, the new partnership will also deliver significant cost savings to Crunch Fitness, allowing them to focus their attention on growth rather than designing and building an internal support system for their growing franchise network.

See the **Crunch Franchise Ad** on **Page #2**.



FITNESS
SOLUTIONS

...Norm's Notes

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need your help and support in getting IHRSA40 to be the big event it needs to be! And, both Justin and I want to catch up and hear all about what you've been through during the most difficult two years in the history of IHRSA, and actually, the history of our great industry. There's never been anything like this **COVID-19 pandemic**, and I hope and pray that there will never be anything like it ever again! **JUSTIN and I hope to see you this October 13 - 15 in Dallas, Texas at IHRSA 40!**

To register, please go to www.xpressreg.net/register/IHRSA40.

■ Welcome back to **PARAMOUNT ACCEPTANCE** as they rejoin the *Club Insider Advertising Team*. With over 45 years of experience, Paramount provides billing, software and marketing services to the health and fitness club industry. Check out their *Online Ads* on our **Website** and in our **Monthly eBlasts**.

■ **MARTY McCALLEN, PAMELA KUFAHL** and all of our **friends at Club Industry** did another really fine job with their most recent "Future of Fitness" virtual event that included a great lineup of speakers who made excellent presentations on **June 16 - 17**. One session was led and moderated by our **long-time friend, RICK CARO**. I want to extend my congratulations to all the folks at Club Industry for another well-done event! Also, let me share Club Industry's important announcement:

Announcing the Club Industry Executive Summit! Save the Date for the Club Industry Executive Summit, an in-

person conference being held **November 8 - 10, 2021** at the *Gaylord Opryland Resort & Convention Center in Nashville, Tennessee*. The Executive Summit will actually consist of three summits: **CEO Summit** (invitation only); **Not-for-Profit Summit** and **Commercial Club/Studio Summit**. The summits will be tailored to the executive teams of commercial clubs, studios, YMCAs, JCCs, parks and recreation facilities, university rec centers and medical wellness facilities. Each summit will bring together executive leaders to network, discuss trends, share insights and address the unique issues of each of these segments of the industry. This is the must-attend event for the leaders and innovators in the fitness industry. **Look for more information and registration coming soon!**

■ Speaking earlier of virtual presentations, IHRSA's latest edition of "Talks and Takes" was conducted on Monday, June 16th and included: **BRENT DARDEN**, *Interim President & CEO, IHRSA and Chairman, REX Roundtables*; **SARA KOOPERMAN, J.D.**, *CEO, SCW Fitness Education and WATERinMOTION*; **BILL McBRIDE**, *Co-Founder, President & CEO, Active Wellness, Owner, BMC3 and former IHRSA Chairman*; and **BLAIR McHaney**, *CEO, MXM and Owner, WORX Health Clubs*. Check it out at ihrsa.org.

■ **Congratulations to STUART OHLSON and HERVEY LAVOIE** as **OHLSON LAVOIE CORPORATION (OLC)** celebrates **60 years in business** serving the health and fitness club industry in architecture, interiors and aquatics.

(See **Norm's Notes** Page 8)



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■ On This Page, you will find an **Open Letter** from **CARRIE KEPPLE**, *IHRSA Board Chair*, and the *entire IHRSA Board of Directors*. If you have not already seen it, I encourage you to read it, especially to attend IHRSA 2021!

■ Folks, I want to extend my very sincere condolences to my friend, and former *N.C. State Football Teammate*, **JIM DONNAN**, on the loss of his beloved wife, **MARY**. Jim's beloved Mary passed away from cancer on June 8th. Jim and I were teammates on the 1967 N.C. State Football Team that was ranked #3 in the country at one point. We finished 9 and 2 with a victory over the *University of Georgia* in the 1967 *Liberty Bowl*. After playing college football and tennis at N.C. State, Jim pursued a highly successful college football coaching career including time at *Oklahoma* in which he was the *Offensive Coordinator*, and his teams won three Big 8 Championships, 28 straight conference games and then won the 1985 *National Championship* while leading the nation in scoring and rushing three different years. What a great *Offensive Coordinator* Jim always was! Jim then moved on to *Marshall University* where he took his teams to four *Division I-AA National Championship* games, winning the 1992 *National Championship* and the 1994 *Southern Conference Championship*. Jim was also named *Division I-AA Coach of the Year* in 1992 and 1995. And, of course, Jim coached the *University of Georgia Bulldogs* from 1996 to 2000. Google *JIM DONNAN*, and you'll see a complete summary of his truly amazing career in college football and tennis, where he also won multiple honors. The loss of Mary Donnan is a huge loss for Jim, his family and for this World. We're very sorry for their and our World's loss.

May Mary Donnan Rest In Eternal Peace.

■ **JUSTIN** and I want to say **THANKS** and express our **APPRECIATION** to you all for reading *Club Insider*!

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■ **God bless our troops, airmen and sailors worldwide and keep them safe. Thank you, Congratulations and Welcome Home to all of our troops who have served around the world. God bless America's Policemen and women and Firemen and women; keep them safe. Finally, God bless you, your family, your club(s) and your members. God Bless America! Laus Deo!**

(Norm Cates, Jr. is a 47-year veteran of the health, racquet and sportsclub industry. He is the *Founder and Tribal Leader* Since 1993 of *Club Insider*, now in its 28th year of monthly publication. In 1981, he was *IHRSA's First President*, and a *Co-Founder of the Association with Rick Caro* and five others. In 2001, he was honored by *IHRSA* with its *DALE DIBBLE Distinguished Service Award*, one of its highest honors. And, in 2017, he was honored with *Club Industry's Lifetime Achievement Award*. He can be reached by phone at **770-635-7578** or email at **Norm@clubinsideronline.com**.)

An Open Letter to the Health and Fitness Industry

IHRSA 2021 in Dallas, October 13 - 15, is our time to relaunch the momentum of growth for our industry in a BIG way! We will be "Celebrating the Industry's Revival," and we need you there!

Uniting for our common cause is arguably more urgent and vital than it has been for the last 16 months. Now is the time to pull together and get business flowing again for us all. With travel restrictions lifting and a flood of clubs already indicating they are coming, we are confident the turnout to this year's convention and trade show will be strong!

We will take every precaution to keep you safe, and we will make a promise to deliver to you the ideas, the technology, equipment and customers that will help you to turn the world's appetite for fitness into your business growth. We already have more than 160 exhibiting companies joining us in Dallas. There are nearly 3,000 fitness locations within a 300-mile radius of Dallas! We need your commitment, too.

If we have learned anything from the pandemic, it is that our industry is at its best when it unites around a common purpose. For the past year and a half, the IHRSA Board of Directors and the IHRSA team have been focused on reopening, rebuilding and reimagining our industry and our association.

Hundreds of industry leaders, from businesses large and small, have devoted countless hours and expertise to projects benefiting the entire industry. These include those who:

- Formed state alliances,
- Served the *National Health & Fitness Alliance (NHFA)* or the *Global Health & Fitness Alliance (GHFA)*,
- Supported their national federations,
- Created headlight teams to tackle difficult problems, and
- Helped fund special research projects or important initiatives, such as the development of an effective rallying cry for the industry.

The industry needs to use this unity now and reignite growth.

We're All In This Together

Throughout the entire pandemic, IHRSA has been there every step of the way, supporting numerous initiatives. As a not-for-profit association, IHRSA relies on event revenue to fund advocacy, research and membership support activities that ultimately protect and provide industry growth to benefit us all. Your investment to be part of IHRSA 2021 comes back to you through these industry-focused efforts.

Let's Show the World We're Back!

Operators large and small need to move forward with confidence; there is no better proof of that than when all stakeholders meet to encourage each other.

This is what we've been waiting for: a chance to gather among friends and colleagues to share a laugh, hug a friend, explore a business opportunity... everything that makes our gatherings so special and networking so powerful!

IHRSA thanks its *Industry Partner Members* for their vital support in securing a stronger future, especially those who have already committed to joining us at IHRSA 2021. For those still on the fence, we sincerely hope to see you there. We are confident that your return on investment will exceed your expectations. Many of us will be making our purchasing decisions for 2022 as we shop the show floor in Dallas, as there is nothing better than to be able to experience all our industry has to offer under one roof!

We are bullish on the future. But, to reach our potential, we need to come together in person to support the industry, each other, and IHRSA, our Association. Please join us in Dallas this October.

Thank you for your support.

The IHRSA Board of Directors

EVCS Collaborates With LA Fitness to Install EV Fast Chargers at Its Fitness Centers

ARCADIA, CA - *EVCS*, one of the largest electric vehicle (EV) fast charging network operators on the West Coast, has announced a collaboration with *Fitness International, LLC*, a leading health club operator in the United States, to install fast charging stations at *LA Fitness* locations throughout Southern California.

As part of the collaboration, *EVCS* will install and manage the ongoing operation of its convenient and accessible fast charging stations, powered by 100% renewable energy at certain *LA Fitness* and *Esporta Fitness* centers. As a commercial site participant, *Fitness International* will benefit from *EVCS*' revenue-sharing program and experience new and increased visibility by providing a convenient amenity to a fast-growing market segment.

"We are excited to provide these fast-charging stations to our members and guests with electric vehicles," said

Andrea Ojeda, *VP of Marketing, Fitness International, LLC*. "Charging up while you're working out in select *LA Fitness* and *Esporta Fitness* parking lot locations will be another convenient amenity we're happy to provide to our members."

"We are thrilled to collaborate with *Fitness International* to provide our fast chargers at their Southern California fitness centers," said **Gustavo Occhiuzzo**, *CEO of EVCS*. "In association with one of the largest health club operators in the U.S., *EVCS* is bringing EV drivers the convenience of fast charging while they workout, making it easier and more convenient for Americans to incorporate the EV lifestyle into their everyday lives. Expanding our network is critical in accelerating the electrification of transportation in the U.S."

See the **LA Fitness Ad** on **Page #13**.



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The Global Health
& Fitness Association

...City Fitness

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it really was not for me at that time. So, I tried some different intro courses to see if I liked something that could become my career path. One course that I tried was in the major called *Occupational Safety and Hygiene Management (OSHM)*. It teaches you the EPA, OSHA guidelines, and it had other curriculum about safety and health in the workplace. I just found it interesting, so I made it my major, and I did well at it.

I did an internship with a manufacturing company out of Lititz, Pennsylvania called *Woodstream Corporation* and then became their *Safety Director* right out of school. I stayed in that field for a few years until I went over to the insurance industry as a *Risk Manager*. Then, after working in the insurance industry for several years, I decided to become a commercial insurance broker. I studied and took the test, passed and had been working as a broker for about a year when the company was bought. Being one of the youngest brokers, for the first time in my life, I was let go. That was a real eye-opener. I was doing well, but it was just a numbers thing.

So, I had a moment on what do I want to do, then a friend of mine found out I was looking for a job and got me an interview for a company in the information and technology side of commercial real estate. The company was called the *CoStar Group*, out of Bethesda, Maryland, and they have locations throughout the country. I really liked it. I worked with brokers, institutional investment company and large owners of properties. I learned a lot about the commercial real estate business, and in a roundabout way, that's kind of how I then got into the fitness industry.

C.I. - Well, that's my next question. When and how did you become involved in the

health and fitness club industry?

KD - From what I learned working with brokers and property owners, I had started investing in smaller properties and had my own property investment business. So, I decided to come into Philadelphia where there was a lot happening with real estate. Moving to the city and coming from a sports background, one of the first things I looked for was a gym. I spent a good couple of days walking around. Coming from the suburbs, this was different, because normally, I'd drive everywhere. That is something really attractive about living in cities; a lot of things are within walking distance...

I went to a gym close by, and it was just okay. I grew up in gyms, and I was lucky to be in gyms that had good environments and a large variety of equipment and programs. After touring the club, I just couldn't see myself going there every day. It just didn't have any real vibe, the equipment was old and it was dark. I thought, 'Okay, it's just one gym.' I checked out some other gyms, and I just really didn't find anything that I could say, 'I can see making this my fitness home.'

That just kind of stuck with me. This is such a big city, a growing city, and there just wasn't anything that wowed me. That's when I reached out to a friend of mine who was my broker for purchasing real estate. I said, 'Instead of buying real estate, I should open a gym.' It was kind of sarcastic and out of frustration. She said she could introduce me to somebody who owned gyms in the area, and I just kind of started picking his brain and learning more about the business. Many of us have ideas about businesses, but to take that step and actually say, 'Hey, I'm going to do this,' is a very different thing. We've probably all come up with business ideas on a cocktail napkin over a few drinks, but to actually say, 'Hey, there's a need here; I'm going to try to fill that,' is a big step. I just decided to do it, so that is how I entered the fitness industry.



Welcome to City Fitness (East Market)

City Fitness

C.I. - What a journey! When and how did you found City Fitness?

KD - In mid-2005, I began to go through the whole process of starting a business from scratch. I developed a business plan, found a good location and signed a lease. Coming out of commercial real estate, I made a strategic mistake, though. I learned the hard way that, when you are buying property, you have collateral (the building), so it is a lot easier to get a loan. Since I was leasing the space (not owning it), and I did not have a lot of personal collateral at that time, getting a loan was going to be difficult. What made it almost impossible was, at that time, banks did not like the fitness club business too much. So, it was a very long process, and at some points, I thought it was impossible.

I went into the space, started self-financing the project to get it started and preselling memberships with the mindset, 'If you build it, they'll come.' There was a need, so if I was in the buildout process and showed the bank a good number of presold memberships, it would be easier to get a loan. All of a sudden, I'm in a lease paying \$20,000 a month and had many delays in getting a construction price. I had dealt with architects for multi-use properties, but when you are building a 20,000 square-foot fitness club for the first time, it's a bit different. I told the architect a certain budget I wanted to keep the buildout to, and when I priced out his design, the price came back double my budget. And, trying to get the loan that is already going to be difficult, you cannot get started without construction prices, documents, projections, etc., so there was this whole learning process that I

didn't think would be too difficult but turned out to be a rough and expensive road.

So, I found a contractor that helped me value engineer the architect plans and got to a price much closer to my budget. I finally had what I needed to apply for a loan and had 300 pre-sold memberships, which I thought was great (laughing). I was getting turned down everywhere. I was like, 'Whoa, how did this happen?' I'm funding this thing, and money's going quickly, especially with \$20,000 a month in rent, other startup costs and starting construction. It was pretty painful. The whole time, I had a full-time job to pay bills.

I went through so many banks. Doing my day job, I met someone via a networking event, and he said, 'Let's try it with my SBA branch.' He introduced me to his SBA branch, so I had to go through that whole SBA process. If you've never gone through the SBA process, they're really helpful for small businesses, especially with little collateral, but they take a long time. At that time, I already had about \$400,000 invested into the project, so I had to go back and find every invoice and proof of payment for all of my equity infusion.

It was a several month process, and I remember sitting at the dining room table waiting for the call with their final decision. I got the call from them. They said, 'We don't really like gyms, but we're going to invest in you.' I was loaned \$1.5 million, and that was a huge moment, because it wasn't looking good, you know? I had to stop the project due to lack of funds. I was at the point that, if I did not get the loan, I would have had to shut it down and either eat my losses or bring in some major investors, which wasn't appetizing





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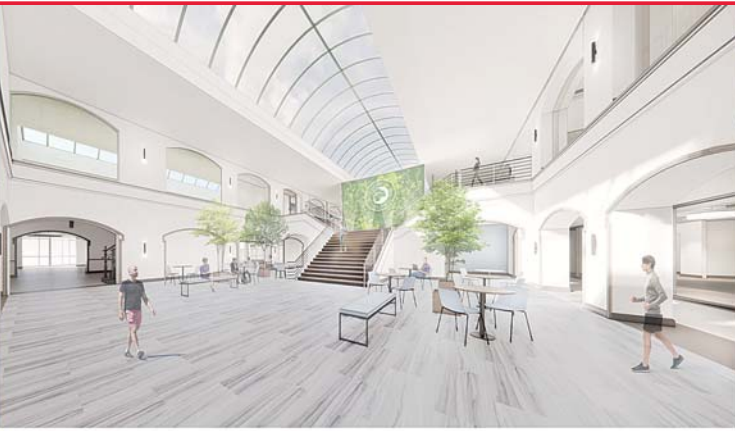


City Fitness Cardio Floor Overlooking Strength Floor (East Market)

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either because you don't start a business to work for someone else. So, that's what I was looking at, but I got the loan. That was in early 2007, and we opened in August 2007. It took a lot to open the business, and it was finally open, then 2008 happens. The whole economy collapses, and I thought, 'Are you kidding me!?'

C.I. - Wow. Well, before we move on to talk about your mission and founding concepts, please tell me about any partners that you have brought into the business or was it all just with that SBA loan and your self-funding?

KD - When I opened up, it was like, 'Okay, now you have to get members,' and unfortunately, due to the recession, discretionary income was hard to come by. So, the business was not growing as quickly as it could. Now, I've got the loan to pay back, employees, utilities, etc., and it was an extremely slow process. At that time, we were a mid-price gym, around \$35 - \$45 a month, and we just weren't getting members in fast enough. On top of that, we definitely weren't getting Personal Training, which is usually a good profit center, and other auxiliary income wasn't coming in, either. So, I was now losing about \$60,000 a month.

In the beginning, I was just trying to break even, and it wasn't happening fast enough. So, I did bring in some minority investors I basically found walking the streets and talking to people. I still have a couple today, and a couple I bought out. The two remaining investors are silent owners. I remember every day, trying to keep the business going. I triple mortgaged my house, I maxed out all my credit cards, I cashed out my 401K, then there were the investors and some friends and family loans. My lowest point was when I went to buy a small cup of coffee and my debit card got declined. I was lucky I had some change in my pocket.

One of the biggest changes that helped me stem the losses and turn profitable was going low-price. At that time, the low-price model wasn't hugely popular. I thought, 'We just need bodies through the door.' So, we went to \$19.99. The other thing that saved us was going from Personal Training to Large Group Training, which we called *WE/FIT*. At the time, I thought, 'People are worried about money right now; nothing else. So, let's make things easy and accessible.'

The \$19.99 price point is not where I wanted to be because it takes a lot more members to cover your bills. Then, you still need to make other income, so how do you help people during a time like

that and make money? For us, that was to get more people around one trainer. It was cheaper for them, and they get training. It worked well, getting us to break even and starting to turn profitable. Over time, I was able to raise the prices back up to provide more of the services I wanted to offer.

Mission and Core Values

C.I. - You fought and fought! Going back just a little bit, please take us through your original Mission and founding concepts. Have these changed/evolved over time?

KD - I would say my initial Mission was to fill what I saw was a need. I was what I considered a typical person moving into Philadelphia, and I felt there was a void in the health and fitness market. Everyone has a different fitness journey. My founding concept was to offer a larger gym with a diverse offering of fitness equipment and programming that still felt like a neighborhood gym.

I felt that going to the gym also has a social aspect. While working out at gyms in the suburbs, people got to know your name and you got to meet new people by going to the gym. I was new to the city, so instead of just going out to bars, or whatever, I felt I would meet like-minded people at the gym. As I started going to gyms in the city, I just didn't get that vibe.

It was more cliquey, than inviting. Also, the people who worked there didn't really seem to like their jobs or care to know who you were.

Besides the founding concepts, I started out with 'that feeling' as a goal. Then, over the years, I've had to really define what makes that feeling as we've grown. A feeling is great, and with one club, you can maneuver quickly to make that feeling happen. Then, as you grow, it becomes harder to consistently offer that experience. You have to make sure your hiring practices are on point. This is a people business, and hiring great people is key to our success. We also had to create systems to reinforce our culture. It's so important on the back end to being able to provide consistency on what you want that culture to be in a club if you want to continue to be successful.

C.I. - That ties directly into my next question. Please tell us about your company's culture. What makes it special?

KD - I'm part of REX Roundtables. I've been with them for about 12 years now in the OMS group. I went in there with one club and really learned a lot about the industry. Having one club and wanting to grow more, one of the biggest things that I did was establish *Core Values*. We had

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a *Mission Statement* that read nice, but I don't think that, when most employees read a corporate mission statement, they can really get behind it, per se. Instead, I really found that core values were much more relatable, and it really drove us.

Essentially, as we grow, how do I make these things relatable? So, I came up with three words that really defined us: **Smile, Clean, Cutting Edge**. Those are the core values we've been living by, and even coming out of the pandemic, we are just going back to the basics of who we are:

Smile - We need to create an amazing member experience, and it starts with a smile. Many have told me, 'No matter what you were going through in the beginning, you always had a smile on your face, and it made us feel good.' How many times have you walked by someone who gave you a smile and you felt worse? So, that's kind of where the smile came from. Of course, it goes deeper than just smiling, but it can start there.

Clean - We wanted to have the cleanest and best-maintained clubs in our markets. That has taken on new meaning given the pandemic, but it has been one of our core values since the beginning. I am so proud on how clean and well-maintained our clubs are. Our clean team and maintenance team are fantastic, but it has to be a total team effort to be excellent in this area.

Cutting Edge - We want to always have the latest, cutting edge programming and technology. It's so important to stay on top of trends, not chase them. What are members looking for next? How are they going to train next, and how do you stay on top of it? Technology is huge in our world, and it's the same in the fitness industry. You need to be able to not be scared, and you have

to be smart with it. Maximizing technology just gives people a better experience and allows them to do more with their fitness and get better results.

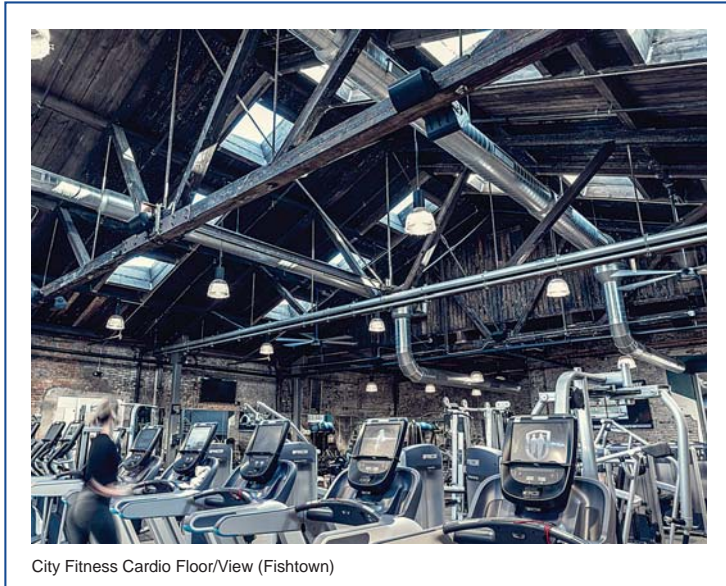
So, those are the core values that guide us every day. I think it's important to be neurotic about the basics every day, because it's not always the big things that you do in this business. You've got to do the basics consistently every day. It sounds easy, but it's not.

Expansion

C.I. - You got the business going, you survived the Great Recession, and you have since thrived, expanding to six locations across Philadelphia. Please take us through the timeline of that expansion.

KD - So, we started the first one in 2007 at 2nd and Spring Garden Streets in the Northern Liberties neighborhood, and I was just basically trying to stay afloat. I mean, heck, I slept in a van in the parking lot of the gym for a period of time, because I couldn't pay the electricity at my house. At first, I really thought I could open it and have someone run it, making it into a side project. That was not the case, and as I mentioned, I could have gone one of two ways. I could have just taken a loss, just taken the lump, and then gone back into commercial real estate. But, I really believed in the concept. I really loved what I was seeing with the members we did have and how it was changing their lives. So, I decided to continue on. It was difficult and took about five years to financially be in a good place in the business. Personally, it took me probably ten years to recover from it. Over those five years, it was a lot of learning the hard way, and I finally felt comfortable enough to open another location.

In 2013, the second location was opened in the Graduate Hospital area of Philadelphia. I just learned so much from the first one. It's about pre-sales. It's about



City Fitness Cardio Floor/View (Fishtown)

what you do with your leases. You need to get some free month's rent since it takes time to build your membership base. It's also important to get some tenant improvement money from the landlord that I didn't get in the beginning so you are not taking on too much debt. So, I learned a ton, and I put that into use. This time, within the first year, we were profitable at that location, and it did very well. The things I learned and our core values really took hold. And, again, members were loving it and loving what we did for the neighborhood. So, we started to build more.

Next, we did a smaller club because I couldn't find a big space that I liked, but I wanted to open one in South Philly. It's our 24-hour club, and it's about 7,500 square feet, opening in 2015. Then, in 2016, we opened a club in the Fishtown area of Philadelphia, and it is about 23,000 square feet. I then wanted to get into Center City to provide what we were providing in those neighborhoods. We went first to 18th and JFK Blvd, which we call our Logan Square facility. It is a 40,000 square-foot facility. That opened in 2017, and in 2019, we opened our second Center City club at 12th and Market. That club is 35,000 square feet and is a great amenity for the growing East Market section of the city. Then, the pandemic hit.

C.I. - Complete economic collapse. Been there, done that, right?

KD - I always tell my staff, 'Listen, there's good news and bad news. The bad news is I have been through this before. The good news is I have been through this before.' It ended up being in a different way, but I have been through very tough times. I believe that has helped us get through this.

C.I. - Let's talk about your typical facility/build-out. It sounds like you range between 7,500 to 40,000 square feet.

KD - Because the South Philly location was a little atypical, I would say our typical gym is anywhere from 20,000 - 40,000 square feet.

C.I. - Excellent. Please take us through your general amenities, programming and services, etc. What crosses over vs. is unique to specific locations?

KD - For the most part, they all have a lot of similar types of amenities, except for the smaller location in South Philly. Our typical facility is what you would consider a big box fitness club, but I like to call us a *Big Box Boutique*.

We utilize *Precor* equipment as our primary equipment provider, and we're their East Coast showcase facility. I have worked with them for a long time and love their equipment. So, we've got great equipment in the clubs. Then, we have three boutique studios in most of our clubs:

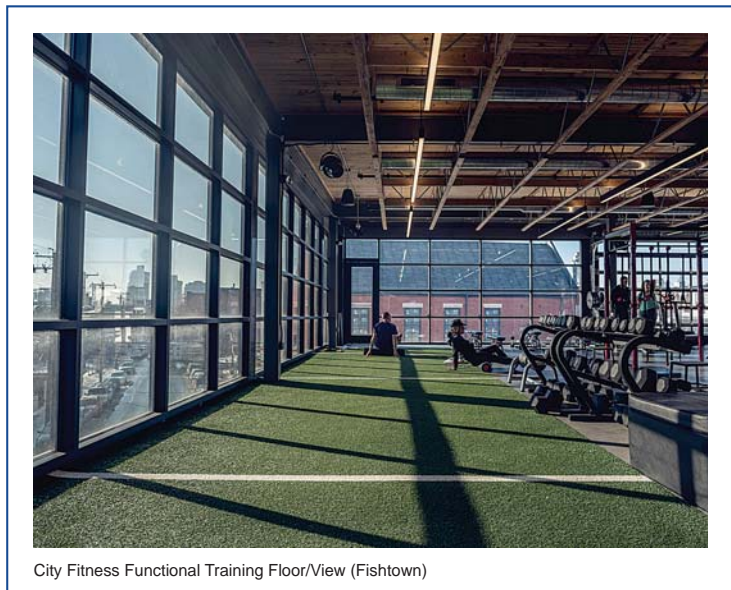
Focus is our Yoga studio program.

Burn is our group exercise concept; and

Shift is our spin studio program.

Additionally, we have a Large Group Training Program I mentioned earlier called *WE/FIT*. We have a Personal Training Program called *Thrive*, which is via an outside company that we partnered with to use their programming but utilize our own employees. It is our Premier Small Group Training Program. We have juice bars with healthy shakes and foods and *HydroMassage* lounges for recovery and relaxation. We have saunas at all of our clubs (except our 24-hour club). In our

(See *City Fitness* Page 13)



City Fitness Functional Training Floor/View (Fishtown)

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...City Fitness

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Center City clubs, we also have steam rooms, as well as co-working spaces.

C.I. - Visually, City Fitness' facility designs are striking, and they range from rustic to modern. Please tell us about that.

KD - It's really challenging, but it makes us super unique. So, I really appreciate you saying that, because we put a lot of time and effort into the design and buildout of the clubs, and I really think they come out beautifully. I think the aesthetic of going into a gym and thinking, 'Wow, this is really nice,' goes a long way. Do you want to go to your gym if it is ugly, dark, dingy disorganized and smelly? No. So, that's very important to us.

As I mentioned, while we're considered a big box format gym, I consider us more of a big box boutique. I really see us as individual neighborhood gyms, each with their distinct character and vibe, and that's how I've always seen it. I think what we do to neighborhoods is so important, especially up-and-coming neighborhoods, bringing in that fitness vibe. Socialization is so important in making us feel like that neighborhood gym, especially as we're getting bigger. We're still a small business, but now, we have six gyms.

It starts with construction, and what we do is work hard to build clubs that really mirror the areas in which we are going to be operating. A lot of people move to an area because there is something about it they like, and a lot of that is aesthetic. As you're walking through the neighborhood, if you go into the gym, and it kind of has that same feeling and vibe. Again, it just makes you want to be there more.

So, yes, each one of our locations is definitely unique to the space that we're given, and we try to maximize space and maintain its character if possible.

C.I. - I think that adds an authenticity that you would not get, let's say, if a big chain came in and duplicated the same design that they have in every city. **KD** - Yes, exactly. It's easier to go to your construction company and architect and say, 'Hey, here's the big box space that we're getting,' then have everything put in per your usual layout. Your fixtures, finishings, etc. all the same. But, one thing that I love about how we do it and what makes it hard but so worth it is that each gym is like your first one. Of course, we've learned a lot, and that helps. But, in the city, you don't get the perfect space. If you want to be in the area you want, it's very difficult to find a big open space, so each of our clubs are so different because we need to

maximize the space we're given and try to get everything that makes a City Fitness into that space. It's a challenge, but it really makes it one of a kind each time.

C.I. - Wow, Ken, we have already talked about so much. Boiling it all down, what do you consider City's Key Market Differentiators? **KD** - I already mentioned the Core Values, but there is something different I think that really stands above all else. I think we noticed it during the pandemic. Now, when people are coming back, they really missed their fitness community. That's what we strive for. Anyone can come in, build a beautiful gym, buy the best equipment and do all that stuff. It just takes money. But, I think what really separates us and has kept us growing over the years is we really built a fitness community. People have made lifelong friends, spouses, business partners, you name it. At my original gym at 2nd and Spring Garden, a wedding party of people who met at our gym asked if they could do wedding pictures inside different areas of the gym. That's just too cool!

There are lifelong friends who met here, so I would say we want to be a positive part of people's lives. I still sometimes get DMs (messages) from members who have moved away saying, 'Hey, you're growing, are you thinking about putting one here? We miss City Fitness!' So, I

really believe it's our fitness community at our clubs that goes deeper than just our physical locations.

The Membership

C.I. - Definitely! I love it; well said. Well, let's spend some time talking about exactly that, your membership. You mentioned that you were able to get your pricing back up as you worked through the Great Recession. What membership options/pricing do you offer? Do they vary by location?

KD - That's a very interesting question. During the pandemic, we have basically had two memberships: *Neighborhood*, which included full gym access, and *Performance*, which included unlimited access to Large Group Training (WE/FIT). During the pandemic, I was of course keeping the business afloat with our team, as well as working with banks, landlords, vendors, staff, etc. But, I also got some time to really think about not only where we are but where the industry as a whole is going. I've always had this vision, but I really took this time to put it into play.

We just went through a pandemic, and it really woke a lot of people up to their own mortality and how important health and fitness is. Fitness has been proven to help cure or minimize the comorbidities

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that really put people at higher risk of Coronavirus being fatal or having worse symptoms. *Fitness is medicine.*

I have seen the positive effects of health and fitness throughout my life and being in the fitness industry for many years. I believe many people want access to holistic health and wellness, so I used this time to develop a new membership structure that includes other holistic offerings through *Partner Businesses*, such as: recovery, nutrition coaching and functional medicine. Now, we have four memberships going from Basic to Elite:

Basic: Access to one club and use of all its amenities, including classes.

City-Wide: Basic PLUS access to all of our clubs and use of all their amenities, including classes. Includes discounts on juice bar and retail.

Performance: City-Wide PLUS access to our Large Group Training (WE/FIT), as well as some access and benefits through our holistic Partners Business and some *Thrive* training sessions.

Elite: Performance PLUS everything else you need for holistic health and wellness through our holistic Partner Businesses. This is an amazing value when you see what you get: It includes two recovery packages, bi-weekly wellness coaching per month along with 20% off retail and juice bar purchases and more (over a \$600 value).

C.I. - Translating all that across your six locations, how many membership accounts do you have? And, how many members does that equate to these days?

KD - That's the big question 'these days,' right? Before the pandemic, we were

getting close to having 17,500 members across all the clubs. Right now, we're back to close to 12,500 members, so we lost around 5,000 members over the past year and a half.

That's where we are now, but I've never felt more optimistic that we'll be able to rebuild and grow membership past that just from how we've handled the pandemic. I think we treated people fairly, staff and members, and I think the shift that we're making in evolving the company to offer more holistic wellness offerings will make a difference. Of course, we will still be hyper-focused on fitness because that is what we do best. That is why I chose to partner with certain companies to offer these other new programs because they're the best at what they do. I think going forward, it's going to be great.

C.I. - Speaking of your partnerships, please tell us about those.

KD - This was important to me. When we rolled out our new membership types, I didn't want to have membership options just to have membership options. That didn't make sense because we looked to serve three pillars of health and wellness:

Nutrition - Well Choices - Provides virtual wellness and nutrition coaching.

Recovery - Therabody Reset - A retail store (next to our *Fishtown* club) that provides many services to help people recover, heal and increase their overall wellness. Some services include Cryotherapy, Percussive Therapy, Red Light Therapy, Sound Therapy and IV treatments.

Functional Medicine - The Biostation - A premier anti-aging and medical wellness practice.

C.I. - What an offering! What is your typical market demographic? Does this vary by location?



City Fitness Strength Floor (Northern Liberties)

KD - There's nothing that really changes by location because we're pretty much city-based. Our core demographic is anyone in the 22 to 34 age group, and it's pretty closely split between male and female. But, we also have a good group from my age demo --I'm turning 49-- so the 40 and 60 age group. Then, we also have an older population because of our *Silver Sneakers* programming. I think we make everyone feel comfortable, but because we're in the city, younger is the core demographic. We definitely have that cutting edge and social feel for our core demographic, but I find that no matter what age you are, members feel comfortable at our clubs.

C.I. - I think you've already talked a lot about what makes up your value proposition that defends your pricing but feel free to add anything else. Also, how do you go about attracting and selling to maintain leadership in your category?

KD - I kind of look at this differently because I guess I don't just look at the price. It's more about the value for the price. The way I look at our gyms, really, is in everything we offer. Not just the equipment and amenities but also the core values that are in play and how people feel and experience the clubs. Given everything that we provide, I consider us more of a market disruptor in the high price gym market. I feel like we offer as good a service offering as those with higher prices but at a more affordable price.

Innovation and Community Outreach

C.I. - You are known for innovation. Please share your thoughts on that.

KD - I do hear that from other people in

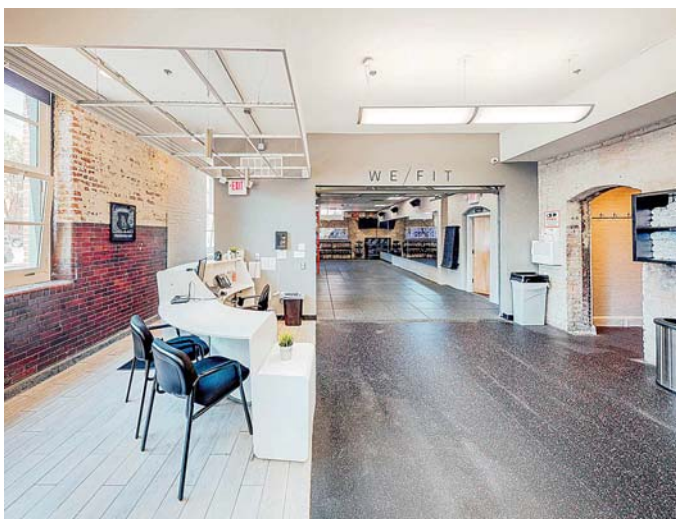
the industry. First of all, it's very flattering to hear, but I think it really starts with me listening to a lot of other people. There are some really fantastic and passionate people in our industry. I'm always reading and staying in touch with the pulse of the industry. My REX Roundtable group is great with that. Being around 20 other independent gym owners helps me keep up to date with what's going on in other clubs and the industry.

I challenge my team all the time to think outside the box for ways that we can offer the best membership experience in the market. What are you seeing? What can we do better? And, we seem to be doing a good job with that. Our first gym is 15 years old now, and I've had people come back years later and say, 'Wow, this place feels the same but there's been so many changes!' Gyms that are 15 years old can get pretty rundown and outdated, but we just stay on top of things. I really believe our members deserve that, and I think we are innovative because we never settle.

When we first started, we had basic classes, which I thought were good. But, I looked at our attendance, and I looked at what other people were offering. I saw the boutique trend and studied why people went there. It wasn't, 'Hey, people are doing it; we need to respond.' It became more about getting to the behavioral understanding of why more and more boutiques are opening and what their members were searching for.

I looked at it from the class standpoint. I felt that we were good but not great. So, we spent money on branding and revamping our whole group exercise program into a studio program in order

(See *City Fitness* Page 15)



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...City Fitness

continued from page 14

to have a more boutique feel. So, that's how we came up with the *Focus*, *Burn* and *Shift* studios, essentially as their own businesses. They are something that you would find as a standalone facility on Main Street.

I also love seeing technology becoming more prevalent. Even 15 years ago, it was not that prevalent in the fitness industry, so it's great to have partnerships with excellent fitness equipment and technology companies. As I mentioned, *Precor* has been a great partner of ours. *Myzone* and *InBody* are also great partners of ours that are featured in our clubs. In July, we are going to roll out our new app from *Smart Health Clubs* that we are super excited about.

Finally, as I previously mentioned, we have a fitness community within City Fitness, but I also believe in the greater fitness community that we are a part of in Philadelphia. When I opened up the first gym, I went to an IHRSA meeting, and someone asked where we were based. I said, 'Philadelphia,' and they said something like, 'Really? The cheesesteak city, fattest city, you're not doing a good job.' That really got me fired up, and I wanted to make Philadelphia one of the fittest cities

in the country. It has become a mantra of mine, and I'm really proud to be part of helping to make that happen.

C.I. - What community outreach efforts is City Fitness involved with in Philadelphia?

KD - We have done a lot of community outreach between fitness events and supporting local charities. Two big events that we have done were:

MyCityMoves - A movement challenge using the MyZone heart rate monitors where participants earn MEPs (My Effort Points) for being active. We held many cool events to assist in their efforts, and we put up \$10,000 worth of prizes for different achievements.

Commotion - A DJ and workout event where we used a *LiveNation* venue and had three workouts going on at one time with participants wearing headphones to hear their specific instructor. It was developed like *MyCityMoves* to make Philadelphia healthier and fitter (bit.ly/clubinsider132).

Two of our main charities are *Back on My Feet* (backonmyfeet.org), which combats homelessness through the power of running, community support and essential employment and housing resources, and *Make The World Better*

(mtwb.org), which focuses on revitalization of public spaces.

The Future

C.I. - To close out this very informative interview, please tell us about City Fitness' pandemic recovery process. And, where does the company go from here (3 - 5 years out)?

KD - Step one, when the pandemic became more than a three-week, six-week, six-month thing, was survival. You have to survive and be here in order to reopen, or you can't serve anybody, right? So, I am happy to say we accomplished that. I feel that, throughout the process, again, how we treated our staff and our members went a long way. And, instead of just focusing on where we were, we asked where is the future of fitness going? I feel the team pivoted and became stronger during, and now, after the pandemic.

As a business, I think we're set up to help rebuild our community and get back to where we were pre-pandemic as soon as possible. I'd like to be there by the end of the year and then have a great 2022. In three to five years, I would like to see City Fitness again expanding its footprint and offering our experience in other cities. I've had people want us to do it. We've been so focused here in Philly, but sooner or later, I would like to see us going to other cities.

C.I. - I look forward to seeing that, and *Club Insider* will be here to report it, that's for sure.

■ ■ ■

My sincere Thanks and Appreciation to **Ken Davies** for sharing his amazing journey and the inspirational story of **City Fitness**. Thank you also to **Cesar Vizcarrondo** and **Meghan Powell** for their assistance with support activities, photos and graphics.

(Justin Cates is the Publisher of Club Insider. Having been born into a club business family in 1985, Justin grew up in the health and fitness club industry. He has lived and breathed this industry for 36 years, since his own day one, and he loves it dearly. Graduating from the Terry College of Business at The University of Georgia in 2007, Justin has run day-to-day operations of Club Insider for 13 years. Justin was elevated to Publisher of Club Insider on April 5, 2020. Justin's Dad, Norm Cates, continues to serve as Founder and Tribal Leader Since 1993. You can reach Justin by phone at 863-999-2677 or email at Justin@clubinsideronline.com.)

Health Clubs + Hormones = Higher Income in ONE WEEK

By: Donna Krech

Industry research is reporting that anywhere from 63% to 80% of your members are buying nutrition and wellness somewhere other than your facility. Nutrition and wellness is our number one business, so we know that means a minimum of \$200.00 per month, every month. Yes, \$200.00 Per Month, Every Month!

You do the math. If you have 1,000 members in your database, even on the low end, 63% means those 630 people are giving \$126,000 PER MONTH to someone else.

Can that be real? You better believe it can be! How do we know? Again, this is our business. It's what we do, and we know our numbers. Not only do we know the dollars people are spending, we know what they're spending those dollars on, and we know the marketing and sales processes being used to educate them so they invest in the solutions being offered.

Another number we are very aware of is the number of hormones that can affect someone's weight, wellness and wellbeing. You've no doubt heard the term, "hormones are raging," and if you'll invest a few moments to look at the processes available to you, you'll discover that those raging hormones can raise your facility's income within one week. Yes, **ONE WEEK!**

Research verifies that hormones, especially for people over age 35, are most likely the number one reason someone is either not able to lose weight, loses weight only to plateau or discovers unexplained weight gain never before experienced, usually around the belly. As I continued my research and added more leaders from around the globe to our expert panel, I discovered there were more hormones at play in this than I originally thought.

At last count, there are at least ten hormones that are messing up peoples' systems, drastically. Two of the biggest culprits are *adrenaline* and *cortisol*. They can flat out nearly STOP metabolism, and the result is not only weight gain or inability to drop pounds but also sleep problems, acid reflux, digestive disorders, migraines, depression, anxiety, inflammation and a plethora of other issues.

Stress in our lives is the producer of both of these hormones. If a person has stress in their lives, these hormones are



Donna Krech

most likely causing havoc. That means health issues for the person dealing with this. And, that means income for the person providing the solution.

Here's a simple self-test, created by our Adrenal Expert. Take it to see if your adrenals are on overload. Share it with your members. It will reveal to you that hormones are at play in your facility. Therein lies a new income stream.

If you discover your score is 30 or higher, it most likely stress is causing issues in your metabolism and your health. In some cases, even if the score was less than 30, other hormones could be at play, causing undesirable issues.

Now that you know, let's determine to lower stress's effect on our bodies and increase its effect on our income! Life is short; don't miss a minute of it letting stress "weigh" you (or your club) down! There is hope; there are answers. We've now personally seen hundreds of thousands lose weight with our *20/30 Fast Track Plan* and benefitted from increased income for doing so.

We're here if you have questions. And, we provide a complimentary Blueprint for you to follow (See the **Ad** on the **Opposite Page**), if you'd like to know how to keep that 63% to 80% of your members from taking their money and loyalty somewhere else.

(Donna Krech is the Founder and Owner of Wealth of Wellness, and she can be reached at by phone at 903-277-2709 or email at Donna@DonnaKrech.com.)

Stress/Adrenal Assessment

Next to each question assign a number between 0 and 5. You should assign values as follows:

0 - Not True 3 - Somewhat True 5 - Very True

Once you have completed the questionnaire, calculate your total and locate the range you fall under.

- ___ 1. I experience problems falling asleep.
- ___ 2. I experience problems staying asleep.
- ___ 3. I frequently experience a second wind (high energy) late at night.
- ___ 4. I have energy highs and lows throughout the day.
- ___ 5. I feel tired all the time.
- ___ 6. I need caffeine (coffee, tea, cola, etc.) to get going in the morning.
- ___ 7. I usually go to bed after 10 PM.
- ___ 8. I frequently get less than eight hours of sleep per night.
- ___ 9. I am easily fatigued.
- ___ 10. Things I used to enjoy seem like a chore lately.
- ___ 11. My sex drive is lower than it used to be.
- ___ 12. I suffer from depression or have recently been experiencing feelings of depression, such as sadness or loss of motivation.
- ___ 13. If I skip meals, I feel low energy or foggy and disoriented.
- ___ 14. My ability to handle stress has decreased.
- ___ 15. I find that I am easily irritated or upset.
- ___ 16. I have had one or more stressful major life events. (i.e., divorce, death of a loved one, job loss, new baby, new job)
- ___ 17. I tend to overwork with little time for play or relaxation for extended periods of time.
- ___ 18. I crave sweets.
- ___ 19. I frequently skip meals or eat sporadically.
- ___ 20. I am experiencing increased physical complaints such as muscle aches, headaches, or more frequent illnesses.

Scoring Your Adrenal Stress Profile:

It is important to note that this is not a diagnostic test and should not be used to diagnose any conditions. It is simply a tool to help assess your likely level of adrenal burnout. If you scored between:

- 0 - 30 | You are in good health.
- 30 - 40 | You are under some stress.
- 40 - 50 | You are a candidate for adrenal burnout.
- 50 - 60 | You are in adrenal burnout.
- 60 + | You are in severe adrenal burnout.

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How to Create Strategic Partnerships in Your Community

By: **Gary Polic**

Ready, Set, GO! We are back... well, sort of! Why, sort of? Because there is one question left to ask... "Are your sales teams back to networking/prospecting outside the club with a structured systematic approach?"

WHY is this so critical? Only 21% of the American population works out in a gym, so where do we meet almost 80% of the population? Where they shop, dine, work, and socialize! So, the race to build relationships with your community events organizers and local retailers is back in full force.

What is your game plan? Well, here are three quantified ways to increase your brand awareness and sales in your communities today:

1. Cross Promote with Local Retailers

80% of retailers have a database of customers; 60% correspond with their customers monthly; and the average retailer has 800 customers in their database!

So, what does that mean to you? It means you need to start spending the downtime (afternoons) outside the four walls and networking with community businesses/retail owners. Realistically, not everyone feels comfortable doing this type of advanced networking. In that case, the club's leader needs to perform this task daily while others observe "live" to formulate Best Practices.

For example, **DOUG HAAN**, General Manager with the elite family of clubs at **WELLBRIDGE/Athletic Club Northeast** has led with passion and stellar results regarding this activity, and I quote Doug: "I'm a firm believer in outside-the-four-walls relationship marketing. Our objective has been to become part of the 'Who's Who' in the community. By building these business relationships and providing the Gift of Wellness to all, we have become the leading wellness provider in Metro-Atlanta."

The best way to reach out to Local Retailers:

1. Go to Google and print a list of all business categories you desire to engage with (i.e., restaurants, apartments, mall management, dentist, chiropractor, etc.). We are thinking big databases of customers first before we create our lists!

2. Start with a call or visit to find out who the decision maker is. You can simply introduce yourself on the phone or in person as the "Community Outreach Director," and the reason for your call/visit is that, "We are looking to cross promote with local businesses in the area to provide gifts of wellness to them, their employees, and most importantly, their customers. In addition, we can promote their business with all of our members! And, all at no cost! Isn't that great!?"

3. If you started with a call in the previous

step, next is to visit the retailer. Enter the establishment in uniform and bring your gift of wellness certificates (passes) with you along with club information.

4. Track for Success. Always keep track of your agreements and progress with a dated history of notes and all correspondence. Inspect and follow up daily!

Example: Retailer Partnership Survey

1. Do you retain a database of customers?
If Yes: Do you correspond with them and how? Would you like a gift of wellness to share with your customers?

(Why? My experience has told me that retailers love to send gifts to their customers on a regular basis.)

2. Do your employees have a wellness program that you provide them?

(Why? Most retailers would subsidize or love to give a gift to their employees.)

3. Would you like to be on the Savings Listing at our club for our members?

(Why? This allows the members to have savings at the retailer's establishment. More value-added for your members!)

4. Would you like to do a Dollar-to-Dollar Trade, so we can platform your business to all our members in the club?

(Why? This allows the clubs to have a "big prize" raffle mid or end of the month!)

5. Could we set up a table/flyer to give out free passes to your clients, and you can do the same at our club?

(Why? Tabling outside the club is a "must have" to reach the 80% of consumers who do not work out. Retailers love to get outside and do the same!)

6. Would you like to Post and Tag our new relationship and offerings on each other's Social Media Platforms with a picture?

(Why? Most retailers have hundreds if not thousands of followers on Facebook, etc. and you can share your new relationship and Gift of Wellness offering with them all!)

2. Engaging the Community and Club Events

It is not WHAT you know... But WHO you know!

If you have not noticed, people are out and about and yearning to have FUN in the sun! So, let's partner up with some



Gary Polic

local businesses that have huge marketing budgets, like T-MOBILE, The MARINES, Car Dealerships, etc. What did you say? Yes, I said team up (no cost to you). They love the excitement fitness brings to an event by raffling off club prizes and pulling people over to their tables!

In addition, we have contacted our local village or city events coordinator and were able to attend tabling events at no cost by allowing the event provider to advertise free "give-away" Gift of Wellness Certificates.

For example, **GERI LARA-BERGER**, Regional General Manager and Partner of the luxurious ISLAND CLUB AND SPA in Hawaii states: "We celebrated our 8th anniversary with our 'Stronger Together' Campaign, which members were able to refer family and friends for a free workout to 'get fit' post-COVID. Members earned entries for huge prizes for their referrals. Prizes included free donations from Local Retailers. To give back to our community and those in need, we also gave entries for member food and clothing donations, which were distributed to various non-profits."

3. Lead Data Capturing

Distribution of passes that have been emailed out to Local Retailers databases:

QR Code Technology: A "Quick Response Code," also known as QR code is a two-dimensional type of barcode. QR codes are scannable using smartphones devices. The consumer then has an opportunity to data enter their information.

We work with organizations that utilize this technology. What do you do if a prospect does not want to give you their information but will take the pass (which has the QR code on the pass to scan)? Then, subsequently, the prospect sees the pass (See Gary Polic Page 19)



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Revenue-cycle Management Within the Health Club/Gym Space

By: **Bill McBride**

The original use and description of *Revenue-cycle Management (RCM)* has been in the healthcare space; yet, the same principles are so critical in our space, fitness facility management.

I view our space as a *continuum of Healthcare: Fitness + Wellness + Medical Integration*, a holistic approach that includes *Mental Wellness, Recovery, Surgery Preparation, Post Clinical Rehabilitation, Hydration, Sleep, Weight Management / Nutrition, Nutraceuticals and Happiness*.

Revenue-cycle Management is the process of tracking revenue from patients, clients, members and customers from their initial appointment or encounter with the organization to their final payment of the balance or the end of their relationship with the organization/business.

In Healthcare, the cycle can be defined as, "all administrative and clinical functions that contribute to the capture, management and collection of patient service revenue." It is a cycle that describes and explains the life cycle of a patient (and subsequent revenue and payments) through a typical healthcare encounter from admission (registration) to final payment (or adjustment off of accounts receivables). This is achieved by a combination of technology services that supplement both your process and staff.

In our industry, one might also refer to this as managing *The Lifetime Value of Membership* or the *Complete Member Journey*. Typically, in our industry, this falls short of administrative costs, marketing costs and costs of delivery

or costs of goods/sales (COGs). We also use the metric of *Revenue Per Member* and *Revenue Per Square Foot*, both of which I believe strongly in as future success indicators and equalizers among sites.

When you take your business to the next level in professional financial management and member experience management, you will have to look at your true Revenue-cycle Management approach. What are you willing to pay for retaining the existing members you have versus acquiring new members?

For example, as part of Revenue-cycle Management, certain companies will provide delinquency remediation services to salvage potential cancellations and extend the member's lifetime value. Proven omnichannel member communication and support will help reduce your member churn rate. Assistance with collection will help recover potential lost revenue.

What does it mean for your business when you start Revenue-cycle Management to improve revenue collected per member and extend their average lifetime value?

Many of us entrepreneurs have always shot from the hip in reviewing the basics of our *Financial Profit & Loss Statements (P&Ls)*. P&Ls are rear-view observations, usually better for investors and bankers. Operators can gain a lot from analyzing P&Ls, albeit a rear-view metric with limited operational insight. The key is real-time dashboards and understanding real-time metrics. When you do this, you will be able to make a profound business decision. So, what are the real-time metrics that matter and that you should be tracking

progress against? You should include:

- Attendance - Participation by day and time (use of the facility if possible);
- Unique Attendance - Unique Users;
- Revenue per Member;
- Revenue per Square Foot;
- Average Dues per Member;
- Attrition Rate;
- Lifetime Value of Membership (LTV);
- Ancillary Services Penetration Rates (booking percentage);
- Demographics of Consumer Base and "best" Customers;
- Projected to Bill;
- Collection Percentage;
- Membership Tenure Based on Services (dues only or those who use PT);
- Past Due Analysis;
- Daily Revenue and Reconciliation, broken out by: profit center, pay mode, deposits;
- Net Promoter Score;
- Likelihood to Join Within Six Months;
- Likelihood to Refer;
- At-Risk Members (based on declining usage from normal pattern);
- Ability to target and segment all of the above by: Non-users, Light Users, Non-PT Clients, Medical Wellness Programming Prospects, Camp Prospects, Youth Prospects, Birthday Party Prospects, Specialty Program Prospects and any other segment you can imagine based on your program offering.

The point being, we need to slice and dice our data to share our programs and



Bill McBride

services with our members and prospects. And, once our prospects become members, we need to onboard them towards a successful member journey.

I've been at this for many years, and I am saddened that we still only have about 20% of the market using our facilities. I constantly look for ways to get to the other 80%. The strategic thought on this is how do you move "Non-Consumption" (those not using fitness and activity in any way) and "Substitute Behavior" (those using alternative methods for fitness and activity).

There are certain products available to us in our industry that allow us to maximize the dashboards and reporting we need and also utilize API integrations to

(See **Bill McBride** Page 20)

...Gary Polic

continued from page 18

at home and decides to scan it while in their home! However, most will scan right when you meet them by saying, "Scan with your phone now and win!" BAM! Lead data captured!

Advertising and capturing lead data from people "walking by" OR "walking up to" your tabling event:

Geofence Technology: A geofence is a virtual perimeter for a real-world geographic area. A geofence could be dynamically generated as a radius around a tabling event or even your health club.

We also work with organizations that are currently using this technology when they are set up at a large event. As the consumer walks by their booth, they will receive an advertisement from you. They then have a chance to enter data

and receive their free pass. Also, when they leave the event, the pop-up of your ad will continue until they opt out. BAM! Lead data captured!

Most importantly, at your club, you can "ping" every member's mobile device with your in-club promotions and even when they leave your club.

■ ■ ■

At Polic Consultants Group, LLC., we can help strategize and get your sales teams trained and developed to master the art of outside networking and prospecting! All it takes is a "Leader in this Arena" (like us!) to take your Sales Teams to the next level of Best Practices and Sales Success!

(Gary Polic is the Owner of Polic Consultants Group, LLC. Gary can be reached by phone at 630-410-1120 or email at gary@policconsultantsgroup.com. You can also visit www.policconsultantsgroup.com.)

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Using Video Marketing to Grow Your Gym

By: **Jim Thomas**

Your member and client base is coming back, and your gym is gaining slow and steady recognition among your social media channels and your main website. However, to keep the momentum going, you'll need to inject a little more creativity into your blog posts, social posts, newsletter and email campaigns. And, video marketing is the perfect way to do precisely that! After all, who has time to read through so many words every time you publish a new post? Below, I review some ways you can incorporate video marketing to help increase the growth of your gym.

What's Your Type?

Firstly, you'll need to identify what kind of video you want to share with your local audience. This can be a simple introduction to your gym, a behind-the-scenes look into how you create workout programs or a simple video showing fun at the gym with a diverse member base.

If you're looking to add more employees to your staff, you can do a company culture video under the title "Who We Are" or something similar. This gives prospective employees an insight into what working with you will be like, and it offers prospects insight into the kind of member service they can expect.

If you want to start small, go with a commercial-length "spot" video showing off your gym and personal training. You

can then share on your social media and/or upload it to YouTube so people will find it when they are searching for your gym.

Have Steady Hands

Once you have an idea of what you'd like to share with your prospects and members, the next step is to figure out who will shoot the video. If you're confident with your skills, you can do it yourself and save the need to hire outside help. Otherwise, you can ask your members to see if anyone has any videography experience.

For those who have enough wiggle room in their marketing budget, you might even decide to outsource a professional videographer with a track record of shooting videos that are guaranteed to drive up sales and increase website visitors.

Our Next Guest Is...

For a more personal touch to your campaigns for your gym, you might want to focus on those behind the scenes or even those who answer the phone at the front desk and direct your call to the appropriate person like membership, maintenance, group exercise or private training.

For sure, I would suggest including a testimonial from a member you have served in the past. Many members love the idea of appearing in a video, especially if they know it's going to benefit someone else.

For gyms that collaborate with

different local merchants, you can ask one or two of them if they would like to do an expert interview that will get posted on your website and pages and theirs.

Like and Subscribe!

Your marketing videos don't necessarily need to go viral, but you can still measure their success in terms of how well-received they are in the eyes of your current and prospective members or clients.

Suppose your business has a YouTube channel and already has videos posted on it. In that case, you can measure the analytics there at regular intervals to see whether your videos are positively impacting your gym.

Just make sure to include your gym logo and relevant info in your videos so your viewers will remember who you are!

Have Fun With It!

If you focus more on telling a story rather than just trying to persuade people to visit your gym, your audience will appreciate it and seek out further information themselves.

So, what are you waiting for? Get started creating videos today and help your gym thrive!

(An Outsourced CEO and expert witness, Jim Thomas is the Founder and President



Jim Thomas

of Fitness Management USA Inc., a management consulting, turnaround and brokerage firm specializing in the gym and sports industry. With more than 25 years of experience owning, operating and managing clubs of all sizes, Thomas lectures and delivers seminars, webinars and workshops across the globe on the practical skills required to successfully to overcome obscurity, improve sales, build teamwork and market fitness programs and products. In addition, his company will buy gym equipment from gyms liquidating or closing. Visit his websites at www.fmconsulting.net or www.youtube.com/gymconsultant.)

...Bill McBride

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pull data from the products and modules we have become familiar with and like. If you are interested in upgrading your Revenue-cycle Management approach, here are two companies with four products I recommend everyone check out:

■ I recommend **MXMetrics** (mxmetrics.com) on everything to do with return on investment with measuring and operationalizing the consumer journey. The data is amazing, actionable and with the "Member Referral" and "Review Rating" functionality, it is a major sales and marketing profit center. MXM easily connects through API to other Member Management Systems. This product increases retention, sales, referrals, online reputation ratings and operational excellence. **Medallia** is the leader in Customer Experience Management in the Hospitality and Fitness Sectors, and MXMetrics delivers the Medallia Platform for our industry.

■ I also recommend **ABC Fitness Solutions** (abcfitness.com) in this arena because it

provides us with real-time data through their Club Reporting System (CRS), which gives operators the ability to make thoughtful business decisions based on what is happening within their facilities daily. This, in addition to our normal P&Ls, gives us a full picture to act on more quickly. One of the core benefits of ABC is its Revenue-cycle Management that combines billing and payment processing with full-service delinquency remediation. Their proven process and expert team are known to improve 5% more in revenue collected as soon as 90 days as well as extend the average lifetime value of a member by three

months. The three ABC products in their suite are: **DataTrak** for Club Operations, Billing and Financial Revenue-cycle Management; **GymSales** for Customer Relationship Management (CRM); and **Trainerize** for Digital Fitness Delivery and Fitness Management. The top Electronic Medical Records and Medical Practice Management System in the U.S. is **Epic** (*Epic Systems Corporation*) with a 28.1% market share. ABC Fitness Solutions is the "Epic" in the Club Management Suite / Member Management Space for our Industry hands down. History, Stability, Customer Service, Culture, Innovation and

commitment to end users, the members.

I endorse these services based on a lot of research and operational experience. We are all looking for fewer vendors to do more but do what they do in a best-in-class fashion so we don't need as many bolt-ons. These two companies do that.

Credits: Healthcare Financial Management Association (HFMA), Wikipedia - Revenue Cycle Management.

(Bill McBride is the Founder of BMC3. He can be reached at BillMcBride@bmc3.com.)

Make It Fun Every Day!

Make It Fun Every Way!

Thinking Outside *AND* Inside of the (20x40) Box

USA Racquetball and U.S. Handball are enjoying connecting with you as a result of our articles in this great *Club Insider* publication. Thanks to **Norm and Justin Cates** for the opportunity to advertise and bring thoughts and suggestions to you on *Saving Courts Profitably*, i.e., clubs benefitting financially and members having courts to play on: **Returning Members + New Members = Increased Profit = Keeping Courts = Win/Win!**

This month, we'd like to recap our published articles to date and then add a few more points to ponder:

March 2021: *Greetings to Clubs and Fitness Facilities from "The Court People"* - Court programming and related materials were introduced.
bit.ly/USAR0321

April 2021: *Using Courts and Court Sports Programming as a Competitive Advantage* - It's really happening out there: Court programming success stories!
bit.ly/USAR0421

May 2021: *Gratitude... Belonging... Inspiration. Our "Third Place"* - How can we reach a place where clubs realize how much their members appreciate what they bring... where their members are inspired to devote some time to helping the clubs be more successful... where the "third place" that the clubs provide becomes something very special in the equation of profitability.
bit.ly/USAR0521

June 2021: *Keeping Courts Busy For Fun and Fitness* - USA Racquetball and U.S. Handball dove into a collective brainstorming "think tank" to identify as many ways as possible that courts can be kept busy and profitable, many of which don't even involve our two sports!
bit.ly/USAR0621

Case in Point: One of our racquetball State Presidents happened upon two brothers, **Ivan and Adrian Guzman**, who were practicing boxing skills on a court. "Eureka!" she exclaimed. After she introduced herself, and once they confirmed she was thrilled to see them using the court in that way (talk about a paradigm shift!), a nice conversation ensued where they expressed how happy they were to have a private space that didn't involve the far corner of an aerobics gym. Clubs, how would it work to offer court reservations in down times for other activities... boxing, fencing, etc.?

We're now facing down July and August, and no one can deny our world has changed. So many health and fitness articles center around new realities. For example, from *HealthLine* (bit.ly/clubinsider131):

■ 61% of U.S. adults report undesired weight changes since the COVID-19 pandemic began.

■ Stress, lack of exercise, unhealthy changes in eating habits and increased alcohol consumption are all contributing factors.

■ Experts say making small adjustments to daily routine can help make big changes for a healthier lifestyle.

It's hard to describe a one-size-fits-all scenario, because every state, town and club are different. Some say members are coming back in droves. Others say the opposite, that just because members can come back doesn't mean they will come back.

"I want my clothes to fit when I go back to the office." "I have created health problems I need to reverse." "I've been lonely; I want to see my friends." Are these concerns enough to bring back members and sign up new ones?

All of this conjures a *carpe diem*, *the time is now*, concept to transport the "club paradigm" to a new and fresh place. From our racquetball and handball perspective, we'd love to have you revisit the articles above to see if they resonate relative to court usage.

But, in a larger sense, if your club might want to lean toward using programming in other ways as well, maybe that looks like a one-size-does-NOT-fit-all approach. Do you (could you) have the bandwidth in your organization to brainstorm and execute ideas like:

■ Easing existing and new members back into the club. Appeal to outside organizations as well as your own qualified staff members to offer evening presentations on weight management, handling stress, the various



Ivan and Adrian Guzman

fitness activities your club offers, etc.

■ Getting your fitness trainers and sports pros involved with helping individual members build their own fitness regimen/program tailored to their specific fitness level. What is their "why?" What do they want from their membership? Realizing they may not know until it's suggested. Hmm, learn Handball and/or Racquetball? You for sure saw that one coming!

We're honored if any of what we have offered here or in past articles have assisted you in any way. After all, you're so vitally important to the wellbeing of all of your members. Thank you very much for including us, the "Court People!"

Well, What Questions Should You Be Asking About Group Fitness?

By: **Jeffrey Pinkerton**

Most successful operators know that group fitness is an important part of their business. It improves engagement, influences retention, and when done well, can drive reputation. Most agree, inside the group fitness room, cool stuff happens, instructors do what they do, and members really enjoy it. Most admit they wouldn't run their business without it. Big picture, it's important. But, often, when diving into the details (scheduling, programs offered, key metrics, etc.), many owners don't have a solid strategy for managing that component of their business. Of course, to be a great leader, you don't need to have all the answers, but you do need to ask great questions.

A few years ago, my wife and I moved into a 40-year-old house as a bit of a down-sizing, empty-nesting, fixer-upper project. The house is still very much in the

suburbs of Atlanta, but when it was built, it would have been "out in the country." And, in addition to the entirely decorative farm gate at the beginning of our driveway, we also have a well on the property. When we first moved in, one item on my list was to contact the company that had previously serviced the well. When I talked to the owner of the company, after giving me some of the highlights of our system, he asked me what questions I had for him. "Well..." I said, (no pun intended) "... what questions *SHOULD* I be asking you about our well?" You see, I generally understand how the well works. The pump pulls the water up. The tank provides the water pressure. I don't have a water bill. All cool stuff. Big picture, it's important. But, I don't really know enough to even know what questions I should be asking.

If you find yourself in a similar situation when it comes to group fitness:

(See **Jeffrey Pinkerton** Page 22)



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WE WANT TO HELP BRING
FITNESS, EXCITEMENT, AND PROFITABILITY
TO CLUBS AND COURTS ACROSS THE NATION!

...Jeffrey Pinkerton

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You know it's really important, but you don't *really* know enough to ask great questions, then hopefully, this will help.

You: "What questions *SHOULD* I be asking about group fitness?"

Me: "Well... I'm glad you asked."

Question: What percentage of total check-ins are participating in group fitness?

The answer to this question is critical for understanding the overall impact of your group fitness department. It is the benchmark to establish where you are and where things are headed. It is the foundation for calculating the ROI and the dollar value of the department. It can indicate when you should add more to your schedule, and it can validate the impact of new programs. If I were the owner, it would be the number one question I would ask at the end of each month. It would be the metric used to define and track goals, set strategy and even calculate quarterly and year-end bonuses for my Group Fitness Manager, General

Manager and Sales Manager.

Here's a simple example: If you have 500 people check in to the club on a specific day and you had 50 participants in group fitness for the day, then 10% of your check-ins participated in group fitness. The industry average for group fitness participation is 10 - 15%. Clubs with a systematized approach to group fitness usually see participation numbers about double the industry average, in the 20 - 25% range. Clubs with a systematic approach, a dedicated team, impactful marketing, a purposeful schedule and strategic member onboarding can see participation numbers in the 30 - 50% range and higher.

So, the benchmark becomes the foundation for all other questions related to group fitness:

- How can we increase and improve our group fitness participation?
- Do our programs (by design and delivery) reach the widest audience possible?
- Are all fitness levels welcome and successful in every workout on

our schedule?

- Would we send a new member to any of the workouts on our schedule? Are there some that we wouldn't? Why not?
- Are men participating in group fitness? If not, why not?
- What age range is NOT participating in group fitness? Why not?
- Does our team, management team included, regularly participate in group fitness? Why or why not?
- How could we adjust our marketing to drive participation?
- How can we update our member onboarding process?
- How can we shift the sales process to help people get started and get connected in the community of group fitness?
- How can we drive more members to a great workout (without spending any more money)... all to drive engagement, improve retention and build a better member experience?

For your Group Fitness Manager, there are even more questions to ask and to be answered relative to average attendance, space utilization, capacity

limits, equipment needs, cost-per-head, schedule analysis, room design, team dynamics and team diversity, but his progress in those categories will ultimately impact (for better or for worse) the number of people participating in group fitness and your overall group fitness percentage.

To simply say that all is well and good in group fitness is not enough (pun intended). If you want your group fitness department to drive membership, service 50%+ of your members and have an impact on your bottom line, it needs to run like a well-oiled machine. The good news is that you don't need to have all the answers, but you do need to have all the questions. Hopefully, that is a point that is ... well ... well-taken.

To learn more about calculating the ROI for group fitness, download our white paper "*The Real \$\$ Value of Your Group Fitness Department*" at mossa.net/clubs-facilities/white-papers.

(Jeffrey Pinkerton is the Business Development Manager for MOSSA. Jeffrey can be reached by phone at 770-989-4737 or email at jeffreypinkerton@mossa.net.)

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