

Norm Cates' **CLUB INSIDER**TM

The Pulse of the Health and Fitness Club Industry



Rick Mayo, Owner of North Point Fitness

Rick Mayo's North Point Fitness *Rules!*

AUGUST 2012

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Rick Mayo's North Point Fitness *Rules!*

By: Andy Graham and Norm Cates

Publisher's Note: CLUB INSIDER will celebrate 20 years of publication in November, 2012, but this is the first time ever that we've produced a co-authored cover story. Andy Graham is a CLUB INSIDER Contributing Author and good friend of Rick Mayo, owner of North Point Fitness. Andy's lovely wife, Kelly, works for Rick at North Point.

CLUB INSIDER is pleased to note here that respected industry veteran, Andy Graham, has co-authored this special cover story with me this month. Andy has produced the introductory comments that precede the interview and the closing comments that appear at the end of this illuminating interview with Rick Mayo, Founder and President of North Point Fitness, in Roswell/Alpharetta, Georgia.

• • •

I (Andy Graham) have to start

(See Rick Mayo Page 12)

this article with a thank you to Norm, both for allowing me to contribute to the CLUB INSIDER and for helping me shape this article about Rick Mayo and North Point Fitness.

You could say I'm a bit of an "Insider" at North Point. I am a member, and my wife is a part-time trainer at Rick's club, so having the benefit of Norm's perspective from the outside looking in was invaluable. Equally invaluable is the continued energy and enthusiasm Norm pours into our industry on a daily basis. It was a joy to work with and learn from him for this article.

In the spirit of past CLUB INSIDER cover stories, Norm and I will present information that I hope provides a short list of actionable items for both the management staff of your facility and for the trainers, whom I consider to be the heartbeat of the club. As we who write for CLUB INSIDER attempt to profile industry successes with the goal of raising the level



North Point Fitness Enjoys 20 Years of Success in Roswell/Alpharetta, Georgia

Pennsylvania Begins Talk About Sales Tax on Clubs

HARRISBURG, PA - A state lawmaker in Pennsylvania held an informal talk to discuss the prospect of property tax reform, which, come 2013, is likely to include a sales tax increase on health clubs. Though significant legislative action is not likely to happen until the start of the new year, state representative Steve Santarsiero is opening up the conversation now.

The proposal, which has been introduced in the past four legislative sessions, would offset the loss of revenue

from lowering property tax rates by expanding the sales tax to other, previously untaxed, services. One of which includes health clubs.

There to represent the health club industry, IHRSA member Linda Mitchell, of Newtown Athletic Club in Newtown, Pennsylvania, provided Representative Santarsiero with information on the positive impact health clubs have on the health of Pennsylvania and its economy.

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William Staub, Inventor of the Treadmill, Passes Away

NEWARK, N.J. - William Staub, the mechanical engineer who invented the treadmill, passed away on July 19, 2012 at his home in Clifton, New Jersey at age 96, according to his son, Gerald. Staub was credited with bringing treadmills into homes and gyms after they had initially been present in many doctor's offices.

According to Gerald Staub, even though he was age 96, his father had been on his treadmill as recently as two months ago. Staub built and marketed his

first treadmill in the late 1960s. That pioneering piece of equipment had 40 steel rollers covered by an orange belt, a gray cover over the motor and orange dials to determine time and speed. He envisioned it as a tool for people who wanted to run or walk outside but could use it indoors when the weather was bad.

Dr. Kenneth Cooper, a health and fitness pioneer who used the machine to perform stress tests, said that at the time of

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Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 checking in!

•Is America a great country or what? Hmm... Hmm... Hmm!

•CONGRATULATIONS and HOORAY! to our U.S. Olympic Team on the amazing manner in which they *dominated* the 2012 London Olympic Games with 104 total medals and runner-up, China, with 88! Team USA won 46 Gold, 29 Silver and 29 Bronze Olympic Medals! Very special KUDOS to all of the athletes from my home State of Georgia, as they brought in more Olympic Medals than many of the countries in these Games! The Olympic Games were a wonderful Summertime interlude causing many of us to marvel at the likes of All-Time Olympic medal winner, MICHAEL PHELPS, with 18 Gold Medals and a record setting total of 22; Beach Volleyball stars and 3-time Gold Medal winners, KERRI WALSH JENNINGS and MISTY MAY-TREANOR; the amazing double amputee, OSCAR PISTORIUS, who competed with metallic legs below his knees in the Men's 400 Meters; and the *untouchable* Jamaican *bolt of lightning*, USAIN BOLT, again winning the 100 and 200 meters races for men, just to name a few. The list of world class Olympic performers and performances just goes on and on! I'd

love to hear about your members *who are Olympic and Paralympic Athletes*. I'm sure there are some amazing stories to be told. Please fill me in by email at **Norm@clubinsideronline.com**, and be sure to include your Name, Club Name and Phone Number.

•Folks in Tualatin, Oregon, a suburb of Portland, have launched the preopening effort for the Stafford Hills Club, an \$18.5 million investment on 16 acres. The beautiful club will provide 85 new jobs and include water conservation fixtures, solar heated water for the pool, 50,000 watts PV Panels on the roof top generating electricity, two electric vehicle charging stations in the parking lot, preservation and restoration of Wetlands and will offer organic vegetable gardens. The club will provide programming for wellness, fitness, tennis and aquatics. The wellness/PT programming will feature a strategic partnership with Therapeutic Associates Inc. Stafford Hills offers a combination of several types of recreation clubs with state-of-the-art fitness equipment, child care, group classes, personal training, indoor and outdoor tennis, outdoor aquatics, connection to running trails, proshop, Centre Court Café, wellness seminars and much more. Stafford Hills will be a member of the IHRSA network of clubs that will allow members reciprocal benefits at other participating clubs. The club has

a terrific website that offers a really great virtual club tour. Other planned Stafford Hills features include oversight by a medical advisory board, active metabolic assessment, weight management, therapeutic massage, stress management, relaxation training, nutritional coaching and wellness workshops. The Grand Opening is scheduled for Thanksgiving 2012. Best wishes to the folks at the spectacular Stafford Hills Club in Tualatin, Oregon! See www.staffordhills.com.

•His name was Ehab Yamini. He was blind since age 6. He was a massage therapist whom I was very fortunate to have working in my 47,000 square-foot Downtown Athletic Club (DAC) in what's now the CNN Center back in the 1980s. *Ehab might have been the best massage therapist in the world.* Ehab's clients at my DAC included such luminaries as the Vice President of the United States, GEORGE HERBERT WALKER BUSH, who worked out and enjoyed massages by Ehab at DAC two days in a row while he was campaigning for President of the United States. DAC also welcomed, and Ehab provided massages for, legendary actor ANTHONY QUINN, comic RODNEY DANGERFIELD and former UN Ambassador to the United Nations, and at the time, Mayor of Atlanta, the honorable ANDY YOUNG. Ehab's hands were just **HUGE**, literally, twice the size of my hands. And, *he was world class strong.* Ehab, in addition



Norm Cates

to being an amazing massage therapist, could make your life better because he was an amazing LISTENER, and he was a confidant of many who might never talk in confidence to anyone else. But, Ehab never broke anyone's confidence as far as I know. Sadly, Ehab passed away on July 25, 2012. **Atlanta Journal Constitution Obituary columnist, MICHELLE E. SHAW**, wrote on July 29th: "Ehab Yamini didn't need his eyes to attend to the never ending list of well known political figures, business titans and preachers he had as clients. His hands and his ears helped him see what his eyes could not, the inner struggles and the knotted muscles of some of the most recognizable names in Atlanta. Blind since he was 6, Mr. Yamini had a massage room

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...Norm's Notes

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at the former Downtown Athletic Club in the CNN Center. 'It was there he worked his magic,' said Reverend Timothy Flemming, Pastor of Mount Carmel Baptist Church." My friend, and the man I will always call The World's BEST Massage Therapist, **Ehab Yamini**, passed away at the age of 68. Ehab was survived by his wife and a number of children. **May Ehab Yamini Rest In Peace.**

•A couple of months ago, I reported on our **Page #3** about **ROY COOPER, Esquire, Attorney General of North Carolina**, banning a guy named **JEFF STEC** from operating health clubs in that state for **12 years**. Stec is the former owner of **20 Peak Fitness Centers** across North Carolina. He was banned for violation of the law in North Carolina that requires health clubs to maintain sufficient bonds, but there's a lot more than that to this bad actor in our industry story. Should Stec start working and being involved in the health club industry again, in any capacity in North Carolina, he'll be fined and expected to pay the state a **\$2 million fine**.

This bad relationship between Stec and the laws of the State of North Carolina started in 2006 when **A.G. Cooper's Consumer Protection Division** began an investigation on his operation. In 2007, a lawsuit was filed against Stec alleging that he failed to get proper bonds

and committed other unfair and deceptive practices when operating the Peak Health Clubs. Stec entered into a Consent Decree in 2009 to get proper bonds and make other changes to Peak Fitness' business practices. Peak filed for Chapter 11 bankruptcy later in 2009, and all of their bonds were cancelled. Then, after Stec lied to the state to resolve the first lawsuit, the state sued him again in 2009 alleging he had violated North Carolina's health club statutes and the prior Consent Judgment by failing to maintain proper bonds. The 12-year ban on Stec was emphasized by Cooper when he said, "We've been able to recover more than \$1.3 million for hundreds of North Carolinians who were members of health clubs, gyms or dating clubs that shut their doors. If your health club closes down unexpectedly, let us know about it."

We presented that story on **Page #3** of our **June Edition**. At that time, I didn't get into commentary about the danger this guy is to our industry.

Today, I'm going to say what needs to be said in order to protect our industry. I've already told you about Stec's history and why this Attorney General made this decree. Importantly, though, I've not yet made the argument that *Jeff Stec may have damaged your business, too*, if you own and operate health clubs in North Carolina and the surrounding States where local TV news coverage crosses over.

Actually, this story starts way back in 2005 when I was on a road trip up the **East Coast to Club Industry's**

Summer Show in New York City. During that trip, I stopped and visited about 50 clubs, including some clubs in **Raleigh, North Carolina**. One was owned by Stec. By that time, I had already been tracking his bad clubs in North Carolina. Once I was inside the Stec club in Raleigh, I discovered that I was walking through the nastiest, grossest, filthiest and dirtiest club I'd visited since way back in the '80s when I visited a racquetball club, turned to fitness, in the San Francisco, California area. I thought that California club had set an all-time, unbeatable, record for *filth, odor and nastiness!* **But, NO!** That California club held my *"Nastiest Honor"* for over 20 years until I visited Stec's club in Raleigh.

I was really happy to be in Raleigh again that afternoon because I played football for N.C. State and was honored as a 1st Team All Atlantic Coast Conference and Honorable Mention All American Guard on the 1967 Team that was ranked #3 in the country during my Senior year. That's not ALL of our 1967 story! We were 8 - 0 when we went to College Station Pennsylvania for a bad experience at the hands of the late Joe Paterno, who was in his second season as Head Coach at Penn State. But, **I digress!**

This Stec club in Raleigh *made me want to immediately go find a hotel and take a shower!* That's how *filthy, dirty, nasty, sweaty and puke-like smelling* it was. I mean, it *stunk to high heaven*. I wondered why they didn't issue gas masks at the front desk to combat the stink that was worse than any gym full of meat heads I had *ever* been in! By now, I've seen at least 3,000 clubs during my very nearly 40 years in this industry, and Stec's club took the cake after all those years.

Now, fast forward seven years to our report on the Attorney General's decree banning Stec from the health club industry in North Carolina for 12 years. **BUT, hold the press!** What about Stec just slipping over the state lines into South Carolina, Virginia or Tennessee and opening up more clubs? What is it that is going to keep Stec from just rolling down the road and setting

up a new health club somewhere else? Ladies and gentlemen, there's *nothing* that's going to stop him but **YOU and ME!** And, I'm ready to make that happen! I'm on this case like a dog on a pork chop. As a friend of mine says, "**Normie, why don't you tell us what you really think?**" I'm going to give our industry an eye full of Jeff Stec so that any market he might try to enter will be forewarned of a **crook on the way!** Every club in every market Stec might arrive in is permitted and encouraged to copy this writing and hand it out to each and every one of your members with the headline: **WARNING ABOUT JEFF STEC, WHO IS BANNED FROM NORTH CAROLINA BY THE ATTORNEY GENERAL!**

Additionally, you have my permission to copy and provide a copy of this entire writing to every single member prospect you ever tour and to whom you present a membership. If they're about to walk without joining, I urge you to *do that member prospect a real favor* by being sure that they're armed with a **Warning Flyer** with this writing copied on it in its entirety. It's clear that you'll be **doing THEM a real FAVOR.** You will also be *doing yourself a favor!* The only way to **DEFEAT** a club business reputation damaging operator like Jeff Stec is to *warn the innocent, unknowing people in your market* about this guy's new incoming health club and his track record in North Carolina. You can help them avoid being screwed by him. I'm here to help each of you whose market Jeff Stec attempts to enter to make it so that **he cannot sell memberships in a presale, or after they open, if they somehow get that far.** Jeff Stec needs to be **out of our industry everywhere and forever!** Do you folks read me? Over and out!

And, **STAY TUNED** because I'm not done with this guy, Stec. I'm not going to let up until I've learned that this guy, one who's already been banned and punished in North Carolina, and has damaged the reputation of all of the health clubs in North Carolina, South Carolina, Virginia and Tennessee, **has left this industry**

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...PA Sales Tax

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Mitchell explained that taxing health clubs would discourage residents from engaging in healthy behaviors, thereby continuing to put pressure on the state's already \$4 billion obesity price tag.

Mitchell said most people agree that property tax reform is needed, "but this is not the way."

IHRSA and IHRSAs lobbyist in Harrisburg are closely monitoring the talks and will notify members of any updates.

IHRSA encourages clubs in all states to keep tabs on possible sales tax proposals. As state economies, as well as the national economy, still struggle, 2013 is likely to be another year of budget debacles and threats to impose sales taxes on health clubs.

"It's not typical that lawmakers invite discussion this early in the process," notes Tim Sullivan, IHRSA's Senior Legislative Analyst. "Regardless, it is a good thing for clubs in Pennsylvania," he adds. "The earlier we can get a seat at the table, the better chances are for successfully opposing a sales tax."

were very expensive, but there wasn't one on the market for the masses. And that's why he said, 'We need this,'" Cooper said. "I encouraged it. I said, 'If you can develop a treadmill that could be used in a home or an apartment it would be a slam dunk.' And it was."

But, not at first. Gerald Staub remembers having conversations with his father in which the two hoped to sell 10 or 12 treadmills a day. The machine was a curiosity at trade shows because few had ever seen or heard of a treadmill.

"Some people couldn't pronounce it. They would call it a threadmill," Gerald Staub said. "I would joke and say we were helping people get no place quickly."

At the time, William Staub owned an aerospace company called Besco but

soon focused on selling his treadmill, the PaceMaster, through a company he called Aerobics Inc. William Staub sold it to Gerald and another son in the 1990s, and the company folded in 2010.

"I don't think he thought it was going to be quite as big as it was," Gerald Staub said.

Barbara Bushman, a Professor of Kinesiology at Missouri State University, said William Staub changed the way people exercise.

"From a public health standpoint, it's so encouraging. He really took away the excuse of the weather's not conducive to exercise today," Bushman said. "The neighborhood conditions are not safe or optimal; it's early morning. All those excuses are really taken away with one

piece of equipment."

Staub was born in Philadelphia on November 3, 1915. His wife, Dorothy, died in 2007, and a daughter in 1977. Survivors include four sons and two daughters.

Staub was fastidious about his diet and ate the same lunch for years at a time; tomato soup, toast and tea for a while, then a tomato sandwich with a slice of cheese and lettuce, Gerald Staub said. He was a lifelong bowler who once owned a bowling alley and loved to water ski and build model airplanes.

And, he became a lifelong devotee of the treadmill.

"I saw him on the treadmill just a couple months ago," Gerald Staub said.

"The treadmills we were using

Credit: The Associated Press

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totally and for good!

• **KAREN WOODARD-CHAVEZ**, former CLUB INSIDER Cover Story Subject back in the 1990s, *veteran and highly-skilled club business consultant with her company, Premium Performance Training*, and long time CLUB INSIDER Contributing Author, will be presenting a year-long Webinar Program sponsored by Matrix Fitness Equipment starting September 20th. Karen's first two Webinars will be focused on the topic

of her article this month on Page #28 of this edition: *Stuck in the Middle*. Check out Karen's article, and for information on Karen's Webinar Series, contact her at kdw500@aol.com. You'll be glad you did!

• The Club Industry Show is October 10 - 12 at the Las Vegas Convention Center. The Las Vegas Hotel and Casino is Club Industry Headquarters and is conveniently right next door to the Las Vegas Convention Center. Check out the CLUB INSIDER Exhibiting Advertisers Directory on This Page for those special companies who're exhibiting at Club Industry Las Vegas.

• In this Norm's Notes, I've already covered the pre-opening information for the new and now under construction **\$18.5 million dollar club in the Portland, Oregon area** called the **Stafford Hills Club**, which will be located on **16 acres** in the Portland suburb of **Tualatin**. Now, we hop on our CLUB INSIDER Magic Carpet, also known as this dedicated and caring author's keyboard, and we travel all the way across our beautiful America to **Stamford, Connecticut**. New York City's famous **Chelsea Piers Club Sports and Entertainment Complex**, literally located on the **Hudson River**, has now been duplicated, if not enhanced in grandeur in the recently opened **Chelsea Piers Stamford** (www.chelseapiers.com)! The club was developed and is managed by the same management team that built and currently manages the New York Chelsea Piers Complex. Interestingly, Chelsea Piers Stamford does NOT require membership. However, it does offer optional membership opportunities that provide a cost-effective and convenient way to take full advantage of their facility offerings, including these programming highlights: learn-to-play group instruction, high-level instruction and training in a variety of sports, camps and clinics, youth and adult leagues, private lessons, Chelsea Piers competitive teams, meets, competitions and tournaments, facility rentals to independent clubs and schools, drop-in training and recreational play, birthday parties and corporate and social events. Chelsea Piers Connecticut offers optional membership opportunities that provide a cost-effective and convenient way to take full advantage of the facility's offerings. Membership options include squash memberships, club memberships and tennis memberships. This mega-club in Stamford, Connecticut appears prepared to set a whole new standard for health and fitness complex facilities in that region.

• 11th and 12th. Please come by and say hello if you're attending Club Industry Las Vegas!

• Club Industry Show Vendors scheduled to exhibit in Las Vegas who are CLUB INSIDER Advertisers are shown in the Directory on This Page. Speaking of the Club Industry Show, I'm pleased to mention that **JOE CIRULLI**, Founder and Owner of the three **Gainesville Health and Fitness Clubs** in Gainesville, Florida, and IHRSA's 20th President and former Board Member, will be honored by Club Industry with its **Lifetime Achievement Award**. To me, while certainly deserved, this honor for Joe is a bit premature because there's not a more fit, energetic and ready-to-go-on-for-the-long-haul club owner in America. So Joe, **CONGRATULATIONS!** We'll look forward to you sticking around for many more honors in your future, not to mention the continuation of your amazing operation in Gainesville.

• With regards to the important subject of **college football**, which will be in full swing by the next time I touch this keyboard for you, I'm very excited to be organizing my **1967 N.C. State Wolfpack Football Team's 45th Anniversary Team Reunion!** Our Team was an amazing gang of tough football players that beat the #2 Team in the country, the **Houston Cougars**, **16 - 6** on their home turf in the **Astro Dome** in **Houston, Texas**. Then, we went into **Florida State** on a Saturday night, the week after they had tied **Alabama 37 - 37** and beat them **20 to 10**. After that, we ran our record out to **8 - 0** and a ranking of **#3 in the United States**, according to the **UPI** and **AP** ranking polls. Then, a two game disaster, back to back losses at **Penn State** and **Clemson**, pushed us out of the top 10. It wasn't until after the regular season was over and we beat the **University of Georgia** in the **1967 Liberty Bowl**, **14 to 7**, that we finished the year **9 - 2** and became **Top 20 ranked at #17 in the United States**. We had quite a team with three of our guys making **1st Team All American**. They were the late **DENNIS BYRD**, a 2-time All American Defensive Tackle; **FREDDIE COMBS**, Defensive Back; and **punt returner extraordinaire**, with an 89-yard punt return for a

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Exercise, Better Than Prozac!

Forget the Drugs and Alcohol! Go to the Gym for a Natural High!

By: Paul Richards

Auckland gym, Club Physical, has good reason to compel Kiwis to exercise as the key to mental harmony. Incredibly, one in five New Zealanders will experience some sort of mental disorder during their life. New Zealand has a high prevalence of anxiety, mood and substance abuse disorders most common in the 16-24 age groups.

In conjunction, work related stress has increased since the 1990s with an estimated 35% of NZ workers now being exposed to stress. This is created by excessive workloads, extreme time pressures and high stress environments. Work stress precipitates depression and anxiety. People consistently exposed to these high psychological job demands have a two-fold risk of major depression or generalized anxiety disorder.

Many New Zealanders go for the temporary 'quick fix' Friday night booze-ups, or even worse, can fall into the downward spiral of drug taking. In a society bent on fast, quick and easy, it is understandable why people begin to take medication such as Prozac. But, this is no magic pill, and in many cases, some form of talk therapy is instead needed to uncover hidden personal issues.

Prolonged drug use of this type is not good for your health and can lead to negative side effects. Common side effects

from Prozac are insomnia, weakness and loss of appetite. In fact, in one study, up to 33% of people using Prozac reported insomnia as a result. Weight gain and lack of sexual desire are factors in common with various medications that will have a reverse effect on a person's self esteem and mental state.

One quarter of Kiwis, 1,224,600 people, are estimated to have used cannabis during their lives, of which one third of those studied in the NZ Drug and alcohol survey 2007/8 admitted driving while under the influence. 85% of adult New Zealanders would have had an alcoholic drink in the past year. The most common harmful results from this are reported as adverse effects on friendships and social life.

A common drinking theme, celebrating the completion of rugby matches in New Zealand, has exacerbated the situation. Several years ago, prominent NZ Sports Physiologist, Simon Mayhew, warned that, "If you binge drink as a follow-up to sports practice, you might as well have not done the training."

All of this has created a need for a cultural shift in what it takes to feel good, and it is suggested that an important part of this change becomes the practice of daily exercise. This regime becomes doubly beneficial to mental wellness when it includes a support group of like-minded individuals.

The only natural high is the one created by exercise.

Not only does regular exercise keep you in shape, it makes you feel good after. When you exercise, your body produces natural chemicals called endorphins, which lead to that euphoric feeling of wellbeing. When you combine this with a positive attitude and healthy diet, the mix can 'change your life!'

Exercise is superior to drugs and alcohol in eliciting the 'feel good factor.' The side effects are all positive. Daniel Landers of Arizona State University noted that the best results to reduce anxiety were achieved through aerobic exercise, which increased in effectiveness with continuation. Whereas the best result for reduced depression was simply by exercising several times a week.

You don't have to be in top shape to feel the effects on an exercise high. It will pretty much just happen immediately after your very first session. For newcomers, the first 5-10 minutes of exercise may not always feel that comfortable, but persist and you will feel great soon enough. In fact, every time you exercise, you'll feel better about your body and your ability to get in shape.

Recent study explains why exercise makes you feel good: A recent combined study through Georgia Tech and the University of California, Irvine, found that

your body actually releases cannabinoids post-exercise. Incredibly, these compounds are the same chemical family as the substance that gives marijuana users a high and what makes you feel good after exercise. This could explain why some people seem to become addicted to exercise but without the harmful side effects.

Exercisers can meet others in a healthy environment: Some party goers drink and drug to boost their confidence to help meet others on their evenings out. But, the alternative social environment of the health club offers a way to chat with others and make friends in a risk free setting. Social support and positive interaction is a vital part of mental 'wellness.'

At gyms, people of common interest can liaise without stress. You can laugh and have FUN without the social constraints of dark night clubs, distinctions of occupation and even devoid of heavy make-up. You are more likely to meet the real person.

(Paul Richards, and his wife, Tina, are the Founders and owners of Club Physical, a chain of 11 clubs in the Auckland, New Zealand area. The Richards are 32-year industry veterans. Paul may be reached at PaulR@clubphysical.co.nz)

...Norm's Notes

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touchdown under his belt, and place kicker, **GERALD WARREN**. And, six of us, including Dennis Byrd, Freddie Combs, Gerald Warren, **HARRY MARTEL**, **MARK CAPUANO** and **YOURS TRULY**, all made 1st Team All Atlantic Coast Conference (I was also happy and honored to be named **Honorable Mention All American**). We had 77 guys on this great team, and so far, with our 45th anniversary coming up November 2nd, the Lord has blessed our team, and we have only lost 4 players. I'm excited because I'm hoping to see 45 to 50 or more of our guys for this fun event.

• This month on Page #3, we have a headline that reads: **Pennsylvania Begins Talk About Sales Tax on Clubs**. If I owned and operated health clubs for a living, as I did for 20 years before starting CLUB INSIDER 20 years ago, I'd be pretty interested in this subject of "Talk" about installing sales taxes on health club

memberships. The reason I would be pretty interested is because it's that very "talk" that ends up allowing state **Revenueurs** to impose taxes they should not be installing. Once these yahoos get their foothold in the minds of those who would take your money in the interest of supporting the bad spending habits of the state, your industry is in trouble in your state. It doesn't matter WHAT state in these United States you're in; more taxes on the citizens of America, for any reason, is a real **BAD IDEA** and should be fought off like the plague. Because, in the end, more taxes paid to our Local, State and Federal Governments are caused by stupidity of the citizenry not fighting to prevent more taxes, while **NOT** forcing their elected officials to stop spending so much to run what in many cases are pretty worthless government entities.

So, as you have heard me say many times before, I urge you to **FIGHT** for what is yours... **YOUR MOOLA!** **FIGHT** for **COST CUTTING** in your Local, County, State and for God's Sake, our Federal Government. If **WE DO NOT FIGHT** additional taxation of

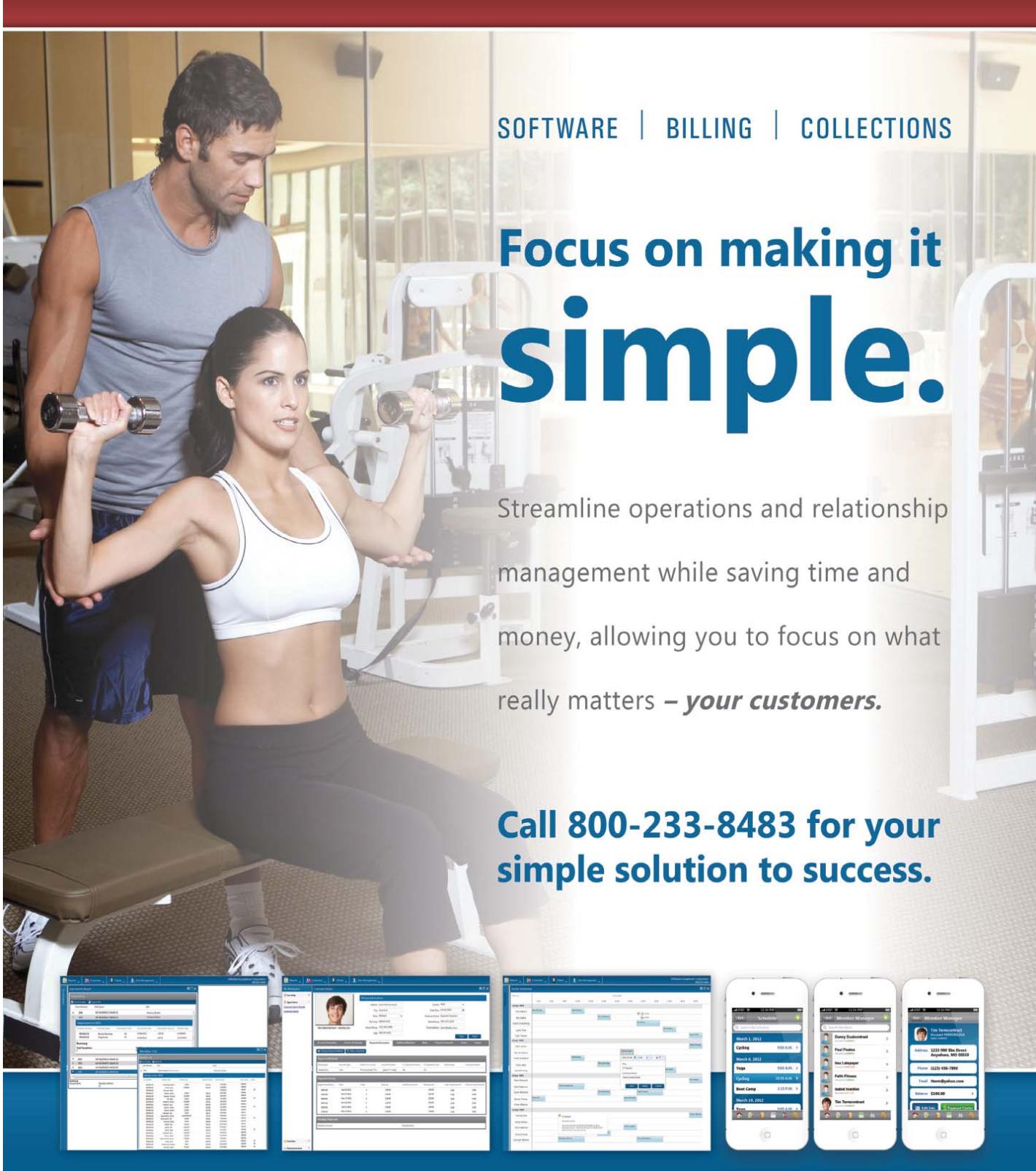
ANY KIND in America, we are heading the way of Greece and the rest of Europe (except for Germany)! So, call **IHRSA's MEREDITH POPPLER** and contribute whatever you can spare to **IHRSA's Public Policy Fund (PPF)**. Call **Meredith at (800) 228-4772, Ext. 129!** The PPF could end up being the one thing that keeps the government in your city, or state or country from imposing new laws that could really damage your chance of survival and ability to ever make a profit in your club. At best, a new, ill-advised law that's passed in your state could make a huge dent in your club's financial future. **Left alone, any and all governments cannot be trusted to do the RIGHT THING FOR YOU**. I would not trust a Legislator any further than I could throw him! **CUT GOVERNMENT SPENDING ON ALL LEVELS - TAX LESS!** is a **Motto for Our Industry** to use against the **Revenueurs of the world who have your future at the very bottom of their list of concerns**.

• This nice news about new **honors** for Club Industry Magazine team members,

and it was written by their excellent writer, **STUART GOLDMAN**:

"**Club Industry** Gets the Gold and Silver Azbee Awards! With the Summer Olympics well underway in London (Closing Ceremony was August 13th), we want to let you know about our own gold and silver honors. Last week, at the Azbee Awards West Region luncheon for the ASBPE (formerly known as the American Society of Business Publication Editors), **Club Industry** took home two Azbees for our work last year. The event was held on the Country Club Plaza in Kansas City, MO. Cheri Jones, our art director, won the gold award in the front cover-computer generated category for her February 2011 *The Wellness Pill* cover. And, Lara Hale, our former Senior Associate Editor, won the silver award in the individual profile category for her September 2011 cover story on Red Lerille, our Lifetime Achievement Award winner. This is Cheri's first award with us at **Club Industry**, and she's our second Art Director to win a

(See Norm's Notes Page 10)

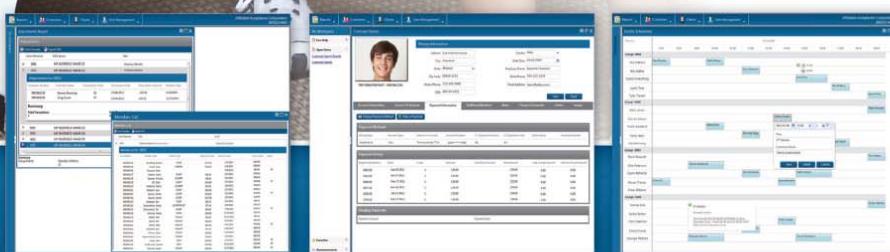


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...Norm's Notes

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business publication award in the past three years. Lara also won a silver Eddie Award last year for her April 2011 cover story on pool operator compliance. It was my honor not only to emcee the Azbee Awards event, but it is my honor to have worked with and continue to work with such a deep and talented staff at *Club Industry*. Please join me in congratulating Cheri and Lara."

Congratulations to all involved in the Club Industry Magazine and Trade Show (Coming up October 10-12th, so don't miss it!). I've said it before, and I will say it again. Since **PAMELA KUFAHL** took over as Editor and **MARTY McALLISTER** took over as Publisher, **Club Industry Magazine** has improved 200% in my *always humble opinion!* **Keep up the great work Club Industry Folks!** And, do realize that many of us out here truly realize that our industry **NEEDS YOU!**

•Speaking of Club Industry and **STUART GOLDMAN**, I picked up the following brief writing by Stuart from a recent **Club Industry Newsbeat**

broadcast. Before Stuart's writing, I want to wish our former cover story subject, **legendary MARK MASTROV**, all the best as *he takes growth steps for Crunch Fitness* in New York. Goldman wrote:

"Crunch Fitness recently acquired two facilities in New York City. The New York-based company acquired a Club H facility in April, and in June, it acquired a Gold's Gym facility. These facilities are the 10th and 11th Crunch locations in New York City and 42nd and 43rd locations worldwide. 'We've been poised for growth in the marketplace for quite some time, so it's exciting to finally see our vision become a reality,' Keith Worts, President of Crunch, said in a release. 'New York City is the heart and soul of our brand, and we're thrilled to expand our footprint across the city we call home.' During the next 90 days, Crunch will complete \$300,000 in renovations for the former Gold's 25,000 square-foot, three-level location. Crunch, which is owned by private equity firm Angelo Gordon and New Evolution Ventures, has opened more than 20 Crunch locations in the past two years. The company says it will announce additional expansion plans this summer."

•If you read **anything in this edition**, in addition to these **ALWAYS A MUST READ** Norm's Notes, be sure you read this month's **Cover Story** about **RICK MAYO**'s **North Point Fitness, Co-authored by ANDY GRAHAM and yours truly**. Rick owns, and has operated for 20 years, a 6,000 square-foot **Personal Training Center** serving the North Atlanta suburbs of Roswell and Alpharetta, Georgia, that generates **\$1.4 million annually (\$233 per square-foot!)** And, don't miss **DONNA KRECH**'s amazing article this month entitled, **A Legacy of Healthy Wealth**, in which she quite masterfully weaves her recently passed Mom's Obituary which she wrote with things she learned about life and business from her Mom. Her Mom, **JETTA LEONARD**, spent a career with **Stanley Home Products** before she passed away on **July 15th at age 90**. You can use everything Donna writes in this article for the improvement and enhancement of your club business **and your life!** **Great job Donna! And, Great Job Andy!**

•Some may not know that **CLUB INSIDER** is a **Paid Subscription-based Publication**. Are you a **Paid Subscriber**?

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•**God bless all of our troops, airmen and sailors and keep them as safe as possible in the War in Afghanistan and all around the world. God bless you and your family, your staff, your members and your club(s). God bless America!**

*(Norm Cates, Jr. is a 38-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 19th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)*

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...Rick Mayo

continued from page 3

of professionalism and opportunities for all of the ships in the harbor, we must also recognize our industry's failings. How else do we move forward? Rick Mayo's career demonstrates both early success followed by almost career ending struggles, followed again by decisive adjustments to the business (that has created an almost fairy tale financial story) and a business model now being replicated across the country.

One of the reasons that Rick's story is worth repeating is due to the stark contrast of the areas where our industry is struggling, compared to the areas where Rick is succeeding. Our industry struggles consistently with low retention. *Rick retains nearly 80% of his members* and many for more than a dozen years. Our industry leaves the majority of their members on their own to "figure it out." *Rick leaves nothing to chance in helping his members reach their goals.* His members realize that, when it comes to training, their business expertise is about as useful as a super soaker fighting a bonfire. North Point members will *never* be on their own. Our industry often struggles with membership dues over \$29 per month. *The majority of Rick's members (80%) sign annual membership agreements for approximately \$300 per month!*

What has always been obvious to Rick, and perhaps a foreign language to many club operators, is how clearly membership retention is tied directly to results. Granted, most clubs started with memberships and moved into training. Rick started twenty years ago with personal training and moved to high-end memberships. Same goal, but different paths? I'm leaning towards very different goals.

As anyone knows who follows IHRSA's annual statistics of our industry's health, for every ten members we gain, more than four are lost. There are multiple reasons why members drop out, but I believe we can all agree that the great majority of members receive little or no assistance in being coached on how to train towards their goals. They enter the front doors with great expectations, and they exit the back door with a disappointed whimper.

With the relentless upward march of our national obesity rates, combined with a growing cultural attitude in favor of inactivity, could it be a safe assumption that your average new member has almost no knowledge about the proper care and maintenance of his own body? I believe it's evident that some level of coaching/

training is no longer optional for the majority of today's members. For most, it is a *requirement* for them to go from point A to point B. This helps explain the mystery of why so many club members fail to reach their goals or adopt lasting behavioral change. *They simply don't know how. But, they do know how to leave and search for someone with better solutions.*

Which brings me full circle to Rick Mayo, North Point Fitness and his new venture, North Point Personal Training Systems. After training with Rick and his team for the past year, I have shed many long held assumptions about what makes a club successful, and of course, they have completely altered my perspective of training.

I'm confident that someone in Rick's past, a coach, a teacher or his larger than life father, convinced him to "be part of the solution and not part of the problem." He has certainly applied that wisdom in his twenty years at the same small shopping center in Roswell, Georgia where he started his personal training business while still in college.

Like much larger, membership-based clubs, Rick had to find answers to several questions, such as:

- How to prevent trainers from taking members with them when they leave?
- How to convince trainers not to ignore a non-client even when they are performing a potentially dangerous exercise?
- How to make sure that five trainers don't offer five different answers to the same question?
- How to create a social connection between the members and provide a sense of community within the club?
- And of course, how to keep personal training clients in a stressed economy?

With each question, Rick's magic eight ball gave him answers that were often the opposite strategy of most clubs across the country.

Instead of the continuous migration to bigger and bigger boxes in order to offer every conceivable type of programming, Rick's Zumba-less club never grew past 6,000 square feet and remained relentlessly focused on evidence-based programming that would meet each personal need and be scalable to everyone in the facility.

Instead of adding more equipment whose colorful placards and LED consoles would shoulder the responsibility of



Kelly and Andy Graham at North Point Fitness Reception Desk

entertaining and training thousands of members, Rick began removing equipment and relied instead on his team to successfully focus on measurable results for hundreds.

Instead of focusing primarily on one-to-one training, Rick switched to the more affordable model of Small Group Training (one trainer with 2 - 4 clients) and Team Training (group circuit training with 12 - 20 members). This single decision made personal training more affordable and helped to dramatically alter the culture inside the club. Even the members who originally balked at this change will tell you that they would prefer not to go back to the earlier methods.

Instead of allowing multiple trainers to coach their clients according to their own personal philosophy, Rick empowered one head Athletic Director to create the programs for each member which are then implemented by all other coaches. Multiple coaches but only one voice.

Instead of focusing primarily on the recruitment of new members, Rick put systems in place where he could continuously evaluate the results and progress of each existing member, leading to an incredible 78% retention for the last six years.

Each time the industry's conventional wisdom said to zig, Rick continuously zagged. How did his zagging pay off? Today, Rick is generating approximately \$1.4 million in annual revenue in only 6,000 square feet in a small, out-of-the-way shopping center. With 350 members all training in a fairly Spartan environment, no member is singly dependent on any one trainer. Each trainer knows all of the members, along with their specific goals, needs and ability level.

The following interview will peel back more layers of Rick Mayo, the former bodybuilding, bike racing, motorcycle loving, industry consultant and entrepreneur behind the success of North Point Fitness.

An In-Depth Interview With Rick Mayo, Founder and Owner of North Point Fitness

CLUB INSIDER (C.I.) - Rick, tell us about your background. Where you were born, grew up, went to school and if you participated in sports as a young man?

Rick Mayo (RM) - I was born in Texarkana, Texas. My Dad would kill me if I didn't tell you I was born on the Texas side! I spent a little time in Texarkana and a little time in Jacksonville, Florida. Then, I moved and finished high school here in Atlanta. I went to college at Valdosta State for a while. Then, I went to what was Dekalb Community College, followed by Georgia State University. You could say I grew up in Georgia.

C.I. - Rick, please tell us about when and how you met your wife, Andrea. Do you have children?

RM - Andrea has her Master's Degree in Sports Medicine, and she's a Certified Athletic Trainer. She was working in a physical therapy clinic when we met. We had a Dietician here during that time, which was 1994. She was a competitive tennis player who had torn her tendon playing tennis. My wife, Andrea, was her therapist. I'm proud to say I actually met Andrea on a blind date, not in the club. We've been married 18 years. We have a 17-year old son, Jake, and a 13-year old daughter, Annie.

C.I. - When did you first start working out?

RM - Norm, I read this question and started laughing. I haven't told this story in a long time, but I can remember it like it was yesterday. My Dad is this really tough dude from Texas. When I was 8 or 9 years old, he bought one of those plastic weight sets that had a little wrench with it. It came with a chart with a whole bunch of different exercises on it. We hung that chart up in the garage and proceeded to do every

(See Rick Mayo Page 14)

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...Rick Mayo

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single exercise on the chart the first time out! Dad had lost a leg to cancer, but he stuck with working out. At one point, his workout partner was World's Strongest Man Champion, Bill Kazmaier! My Dad at one time held the State of Georgia bench press record. Dad would take me to the gym several times a week. I was a decent athlete, but I really got hooked on the training.

C.I. - Rick, in addition to nearly 20 years of hands-on experience as a Personal Trainer, what advance training courses do you have under your belt?

RM - I'm certified with the National Strength and Conditioning Association (NSCA). I'm also certified with ACE and IDEA. I'm a Master Level Trainer with IDEA. I also have a Kettlebell Certification. Plus, we teach TRX Training here, so I have a TRX Certification as well.

C.I. - Who was the first person you ever trained as a personal trainer? Please reflect back. What did they think? What did you think?

RM - It was a lady named Beverly Plumber. I'd started doing some training at a local gym here in Roswell and nobody even knew what Personal Training was then! They had an exercise physiologist at the time. So, I went in and put up a little signup sheet for Personal Training. I met Beverly from that sheet. She had a huge fat loss goal, and we helped her lose about 80 pounds. At times, after the session was over, Beverly and I would talk about training and different strategies to help her continue to lose weight. I would sometimes mention to her, 'I can't take all the referrals I'm getting!' I got to thinking and said to her, 'You know what would be neat? It would be great to have an entire facility dedicated to just this... just personal training.' She was a little bored and had a little extra money to burn. Of course, I was in college and figured I had nothing to lose, because it was somebody else's money! So, she said 'Well, why don't we do this? I'll put the money out there if you can make it work!'

Things really went well from the outset! Beverly obviously believed in having a Coach because it made such a difference in her life, and she made a huge difference in my life. I learned a lot in the process. She was really my first long-term client that I saw some big changes and success with. So, I learned as much from her as I hope she learned from me. It was her money and my sweat equity. We opened the business with five trainers and a ton of selectorized equipment. Boy, I wish

I would have known that I didn't need it! She soon tired of the day-to-day. I bought her shares and never looked back.

C.I. - Rick, after you got rolling with this new business, what were you thinking? At age 22, were you *breathing fire* or what?

RM - You know, I really didn't know what to think. To be honest, I was so immature that I really wasn't sure what the heck I was doing. As an industry, Personal Training was also very immature. In its infancy, no one really recognized being a trainer as having a real job. People looked at it as kind of a laughable career. So, if you told someone you were a personal trainer, the first thing they would say was '*What else do you do?*' They were thinking to themselves, 'Okay, that's your hobby. *But, what's your real job?*' So, we would kind of laugh it off and get back to work. I was thinking at the time, '*I don't know where this thing is going.*' But, I was making pretty good money and having a great time! So, I was going to ride it out as long as I could. Thankfully, the industry evolved a little, and we were able to stay with it.

C.I. - Rick, you mentioned something in an email that you described as, 'Our *hiccup* that nearly sunk us.' Please tell us about the *hiccup* and how you dealt with it and then recovered.

RM - Hanging in there and making a run at it as a business was what I chose to do instead of getting a real job. I thought I was the smartest guy in the world. We were in about 1,500 square-foot when we started, and the business grew. And, it grew. We soon doubled our space, and I had twelve trainers at this point, all crammed into 3,000 square feet!

**From \$83,000 Per Month
Down to \$12,000!**

RM - It was 1998, and we had one of our best years in that space. We were averaging \$83,000 a month in a 3,000 square-foot personal training center! I never got out of my little bubble, so I didn't know if that was good or bad. I mean, that's just what we were doing. I thought I had it all figured out. By then, I was married. We had our son, Jake. We owned a home. I wasn't doing much training. To be honest, I wasn't doing much of anything. Life was just great!

It may be a typical story in the fitness center industry, a story that may be familiar to other training gym owners and certainly large club owners. Two of my guys took a look at what I was doing, which wasn't much, and they decided 'I



North Point Fitness Member Welcome Sign

can do that!' This guy's not working that hard. We can get our own place. These two held about 35% of my total business between them! So, they left and opened their own place, which by the way, didn't work out.

Then some odd things happened. I had one trainer who was messing around with another trainer. They were completely unprofessional. I was providing no strong leadership and no systems whatsoever. I can remember going from an average of \$83,000 per month all the way down to \$12,000 a month! So, we went from one extreme to the next, all in a 3- to 4-month period!

Looking back, I'm not even upset with those guys who left. It was just a place where they could do business. Sure, they should have handled themselves differently. We get that. But, the client relationship was exclusive to the individual trainer. *I hired trainers to fill niches. I need someone who's good with athletes. I need someone who's good with older folks... and younger folks... and ladies... and bodybuilder guys. I had all these niche trainers and an exclusive relationship was being developed only between the trainer and the client, unfortunately, at the exclusion of the facility. So, if things go sideways, the loyalty is always with the individual trainer and not with the facility in that type of system.*

I don't blame the clients for leaving, and in some ways, the trainers probably had reason to take off and give it a shot on their own. I understand that. Thankfully, I wasn't living a lifestyle that required a high level of income. But, I can tell you that going from \$83,000 to \$12,000 a month was a real eye opener! It was time to either pull up my bootstraps, or do what most folks do, which is just fold up and go find a real job. I knew the business, and I knew there was potential there. I knew I could be a better owner and leader than I had been. So, I really went on an educational pilgrimage and sought

help from clients that I had who were smart businessmen and other people in the industry who were doing a better job at this thing than I was. I would listen to anybody that I could reach out to who would lend me his ear and give me a couple of words of wisdom.

What became readily apparent is I had no systems in my business. Slowly, but surely, I developed systems and started to see the fruits of that effort. That obviously motivated me to develop more systems and more systems, until eventually, we'd be in the situation we're in now. Every single aspect of what we do in our business has a systematic approach. It's just a heck of a lot easier. Obviously, it's just a lot better way to run a business!

**How to Generate
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C.I. - Okay Rick, you survived your drastic income drop from \$83,000 a month to \$12,000 and lived to tell about it. Now, please tell us about your post 3,000 square-foot era after you doubled your facility size to 6,000 square feet, which is where you are today.

RM - We systematically rebuilt the business over a period of 18 months time and we were able to rebuild it to nearly where it was before. From the outside looking in, it probably looked very similar, but from a business systems standpoint, it was a completely different infrastructure. After the fallout, some of the folks who left started to trickle back in. We expanded into the 3,000 square-foot space next door, which put us in our current 6,000 square feet. That was about ten years ago. That's when we made the hard systems change to mostly group-based personal training and EFT Memberships.

What the growth to 6,000 square feet also allowed us to do was to introduce *really nice back scratching services*. We were able to bring a physical therapy clinic (See Rick Mayo Page 16)

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...Rick Mayo

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into the gym. We were able to once again employ a dietician. We were able to offer deep tissue therapy with another physical therapist.

We simply offered a lot more services and a layered membership structure. So, when we started selling our personal training as a membership, as opposed to session by session, we were able to allow people to come in and work out on their own since we had more space. We were able to do large groups because we had space for it. And, we could do 2 to 4 small groups. So, we would not have been able to offer all these different layers of training that we offer now had we not grown to 6,000 square feet.

C.I. - Well Rick, it seems that you pretty much slugged it out for ten years before you made the changes that really made North Point Personal Training Center into the *cash cow* it is today. Care to comment on that?

RM - It all kind of came together. I could say it's been dumb luck, but we've always been fortunate. Even in the down times, we always seemed blessed to fall into the right situation at the right time. Things just seemed to come together for us with the economy and landscape of our market. It worked out really well.

C.I. - Rick, I've got to get into your amazing numbers with you. Let me get this right. When I visited your North Point Fitness Personal Training Center, you mentioned that you generate \$1.4 million in income per year in your 6,000 square-foot center. And, you indicated that you have *just 350 members*. So, if I divide 350 members into \$1.4 million in annual revenue, I get the huge amount of \$4,000 per year per client! Pardon me, Rick, while my jaw drops! **WOW!** That's correct, right?

RM - Yes, Norm, our average personal training EFT per client is about \$300 per month. Plus, we have Nutrition, Massage, Products and other revenue sources. It ends up being about \$330 EFT average per month per client, which, rounded off, is right at \$4,000 a year average income per client.

C.I. - Please tell us about those folks whose pictures are hanging on your wall.

RM - There's a couple of different groups up there. We do this to champion our clients. One thing about the pricing layers allowing people to get into groups, as opposed to the one-on-one that we used to

run our business model with, is it changes the culture. So, we've really got a *tribal culture*. It really is a system where you've got people helping people... other clients helping clients. It's just really the best possible culture for support and success. Probably the thing I'm most proud of is that we've been able to create a club of helping and assisting, non-judgmental. It sounds clichéd, but it really is true. The pictures on the wall are just an extension of that. We'll do something we call '*Where's Waldo?*' During the Summer, if you're on vacation, you take a picture with a North Point shirt on. Whoever is in the most interesting location, based on the votes of members, will win three months of training or something similar. Some are just funny pictures. Some are of people who've been coming into the gym regularly for ten years. They should be on the wall. In the center are some of our latest success stories. As you can imagine, a typical goal for our client is fat and/or weight loss. So, a lot of them have to do with losing fat, but there are many others, such as climbing mountains, sporting successes and all manner of really interesting stories about how fitness has changed lives.

C.I. - With \$1.4 million in income generated annually, that's \$233 per square foot, one of the highest revenue per square foot that I've ever heard of anywhere! *You've created an amazing combination of services including: Program Design, Large Group Personal Training (Team Training), Small Group Personal Training, Online Personal Training, Accountables, Nutritional Counseling, Weight Management, Massage Therapy, Golf Fitness, Physical Therapy and Andrea's Kitchen.* Please tell us about that \$1.4 million in annual revenue and break it down into those ten categories as listed.

RM - Sure. Well, there's different levels of membership, and all of them have some degree of personal training in them, so I'll briefly explain those:

Program Design - First and foremost, we have program design. This is a level of membership where we give you a program design and a coaching session to demonstrate your new program. You then work out on your own. That's our lowest price point, which is **\$99 per month**. We've got over 30 clients from all over the world who pay us \$99 a month just to write programs for them. And, a great deal of them we've never even met before. They've learned about us from the Internet or our YouTube page. Our Director, Joe Rummell, simply writes the programs



Rick Mayo Points With Pride at His North Point Fitness Client Achievement Board

for these guys. They're on an EFT Membership like everyone else and pay us \$99 a month. And, we've got a few of those folks who come into the gym and do that same level of membership. The advantage of living close to the gym is they pay the \$99 per month *and* they get to work out in our facility. The guys in Sri Lanka or wherever work out at home. That's a total of 40 people.

Large Group Personal Training (Team Training) - About 10% of our clients do what we call Team Training, which is **Large Group Training**, the next level of membership. Think of this as a big metabolic circuit with 10 - 30 people all working out at one time with one coach. I think the top of the mind for a customer standpoint would be a boot camp, even though we don't call it that. This is just a big group of people all working out together. That type of workout really lends itself to having a great culture and teamwork. It's a really cool layer! **We charge \$149 per month for Large Group Training.**

Small Group Training - Now, the rest of our clients participate in what we call Small Group Training, which is two to four people at a time. That is really, at this point, *our version of personal training*. That leaves us with nearly 80% or more of our 350 members who're doing Small Group Training. In that small group, we have two offerings. We have a *one time a week Small Group*. All of our membership layers include everything below them, so if you buy four times a month or one time a week Small Group, they still get the layer below that. They get the unlimited Team Training and Program Design if they need something to do on their own in the gym. That membership is **\$249 a month**. Then, the one above that is an **Unlimited Small Group**, and again, you still get everything below it: You get the Team Training, and you get the Program Design, as well, if you need it. And, that one is **\$359 a month**.

So, somewhere between that \$259 and \$359 is how we end up with our average EFT of \$300 per month. We sell mostly the \$359 per month Small Group Training Membership. That's what we shoot for. That's the best membership that we have for the customer. It gives them the most coaching and the best value. So, we start with that and just work our way down if needed.

Accountables: Our Accountables program is really cool and was developed by **Joe Rummell**, our Training Director, and **Natalie Logan**, our Dietician. We've got coaches for that as well. **Rebecca Pedrick** and Andy's wife, **Kelly**, are also coaching Accountables for us. We've had over 55 people buy Accountables this year. Essentially, it's a 12-week fat loss program. We meet with the client personally for 30 minutes once a week. We cover a lesson of the day and then assign homework. Next, we review last week's lesson, the homework and we move on to the next week. It's been very, very effective. **We charge \$499 for twelve weeks.** Everybody needs it! Most folks come to us looking for fat loss and more energy. They really need to address nutrition. Accountables have been big for us and great for our members! We also do metabolic testing with a Dietician. That's combined with the Accountables. We also do one-off nutritional counseling. If you want to sit down with a Dietician and talk about say, sports performance or diabetes, we can do that as well. Massage therapy has been a pretty good business for us. We'll do between \$7,000 to \$10,000 a month out of one room with one therapist. It's the easiest thing in the world for us to manage. The individual who is our therapist is highly educated. She's actually a Physical Therapist but chooses not to practice PT anymore. She's just outstanding. She works as an employee, but she really is self-sufficient. I don't do a thing with that room, except provide her with a nice table

(See Rick Mayo Page 18)



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...Rick Mayo

continued from page 16

and supplies. I pay her a flat hourly rate. She charges **\$85 per massage**, but we have lot of folks who buy the four massage a month package, and that brings the rate down to **\$75 per massage**. Of course, now, we're all about EFT. So, people have the convenience of having the massage package included with their membership EFT. Perfect!

Golf Fitness: We are a Titleist Performance Institute and Training Center. We sent **Anthony Wilkins**, one of our coaches, to the Titleist Performance Institute to be certified. This means he's certified to do the golf screen, which is a mobility screen specific to the golf swing. We do programming around the results of that screen. So, we sell that as a custom program, and it is a great feeder for our other programs. We offer clinics and seminars. A great example would be getting our foot in the door at the PGA Superstore here and do a day of free screening for our local golfers. It's just a great marketing tool for us.

C.I. - You mentioned the Physical Therapy earlier. Anything to add to that?

RM - Yes. That's something that I cannot third party bill. So, the Physical Therapist subleases space from us. It is a great back scratching service and brings a little more legitimacy to our business.

C.I. - Last Rick, but certainly not least, is Andrea's Kitchen. Please be sure your wife, Andrea, knows I said '*But, certainly not least!*'

RM (Laughing) - Norm, it's fun culturally to have some things in here that are personal, and Andrea's a big part of the gym whether she's here anymore or not. It's nice for her to be able to share some of the recipes she has tested on the family. So, we simply update our recipes each month, along with our monthly newsletter. It's funny. I caught Andrea on our website the other day looking up one of her own recipes! She said she couldn't find the handwritten recipe, but she knew it was on the website!

C.I. - Rick, I understand you just returned from a trip to North Carolina where you installed your North Point System in another facility. So, please tell us about your North Point System. How did you develop it? What does it include? And, do you call the relationship a License Agreement or a Franchise?

RM - It's a true Licensing Agreement.

We've been kicking around the idea of a franchise for personal trainers who need more of a business solution than they do systems, but what we offer now is our licensing.

The Licensing Agreement gives someone the business systems and the program design to run all of the layers of personal training we previously described. This allows clubs to either penetrate their membership deeper, if they own a large club, or it will allow them to penetrate their market and their radius of influence a bit deeper if they're a small training club.

We have different price points for different products and the systems to support them. From sales to program design to the formal assessment process, you name it. A little over five years ago, we got that started doing consulting for personal trainers. I then started speaking at some conferences and contributing to some industry publications. I would meet folks at trade shows, invite them to town and they would come in for a visit. My friend, Andy Graham, then asked me, 'How do you think these systems would work in a large club?' I said, 'I don't see why not. It would be like picking up our business model and dropping it into their gym, giving them a better option for personal training.' He had some contacts that were forward thinking and looking for something different. He put us together, and we haven't looked back since. We are in over 30 locations, and these are big health clubs that have a need to understand what group personal training looks like. I think that's kind of a buzzword right now. Everybody's trying to find a solution for that group dynamic. I think we do a good job of providing a system for them to be able to develop the necessary layers.

It's growing like crazy! To tell the truth, I'm having a blast with it. It's coaching and teaching on a new product on a different level. One thing I like to 'brag' about, Norm, is we have gyms in some interesting environments. It's great to stand in front of a group of people, and someone will ask, 'Will this work in my city?' and they're from somewhere in the U.S. I say, 'Well, it works in Guatemala and Tasmania! I'm pretty sure it'll work in your market.'

C.I. - For an interested party out there reading this cover story, tell us about the cost of your North Point System, and what that includes for the club owner.

RM - The initial payment to buy the License Agreement is \$6,000. That gets you all of the systems, access to the platform and on-site training. Or, you can come to us, whichever you prefer. The ongoing fees



(L to R) NP Fitness Trainer, Rebecca Pedrick, and Clients, Paula Ingalls and Shannon Webb

are \$500 per month. For that, you get all updates to the manuals, the programs, and we're literally writing the workouts for each of these levels of product. This allows owners to control the product and/or client experience and not be so dependent on personal trainers. You receive quarterly updates to the programs and manuals and unlimited telephone support is available.

As my friend Thomas Plummer says, 'The change is coming from the bottom up. It's a trainer's world right now.' Ahh, music to my ears...

Rick, having twenty successful years in business under your belt, fresh out of college, is a really great achievement in and of itself. **CONGRATULATIONS** to you, Andrea and to your entire North Point Fitness Team! You all should be very proud of your North Point Fitness Personal Training Center and what you're doing for people in your community, and now, around the world!

C.I. - Rick, is there anything I may have missed in this interview that you'd like to say.

RM - I'd really like to mention my Director of Training, Joe Rummell. He's been with me since 1993, and he's definitely an integral part of my business. He does all of the selling of new clients and takes care of all of our existing clients.

• • •

Conclusion by Andy Graham

Twenty years ago, fitness was just beginning to explode in the Atlanta market. Rick was perfectly situated at the intersection of his passion and public interest, and the early success, for what might have been Atlanta's very first personal training studio, was stunning.

However, when the success pendulum swung in the opposite direction, Rick was forced to slow down and develop a real, actionable plan of business. Everything had to be adjusted and part of

a larger system that could be measured and evaluated: How were the members greeted? How were guests introduced to the North Point training philosophy? Were members trained consistently each time? Did members receive consistent follow up?

The systems he developed and tweaked over those challenging years not only helped the club survive, but they also put Rick on a much larger map: Other club owners were starting to pay attention to his success, and Thomas Plummer would discuss Rick and North Point during his NFBA conferences. By the time most clubs were just starting to work on this puzzle called Small Group Personal Training, Rick and his team already had all of the parts in place and finely tuned (So finely tuned that Rick can escape the club for three weeks at a time for motorcycle tours or for speaking engagements like Australia's Filex Convention).

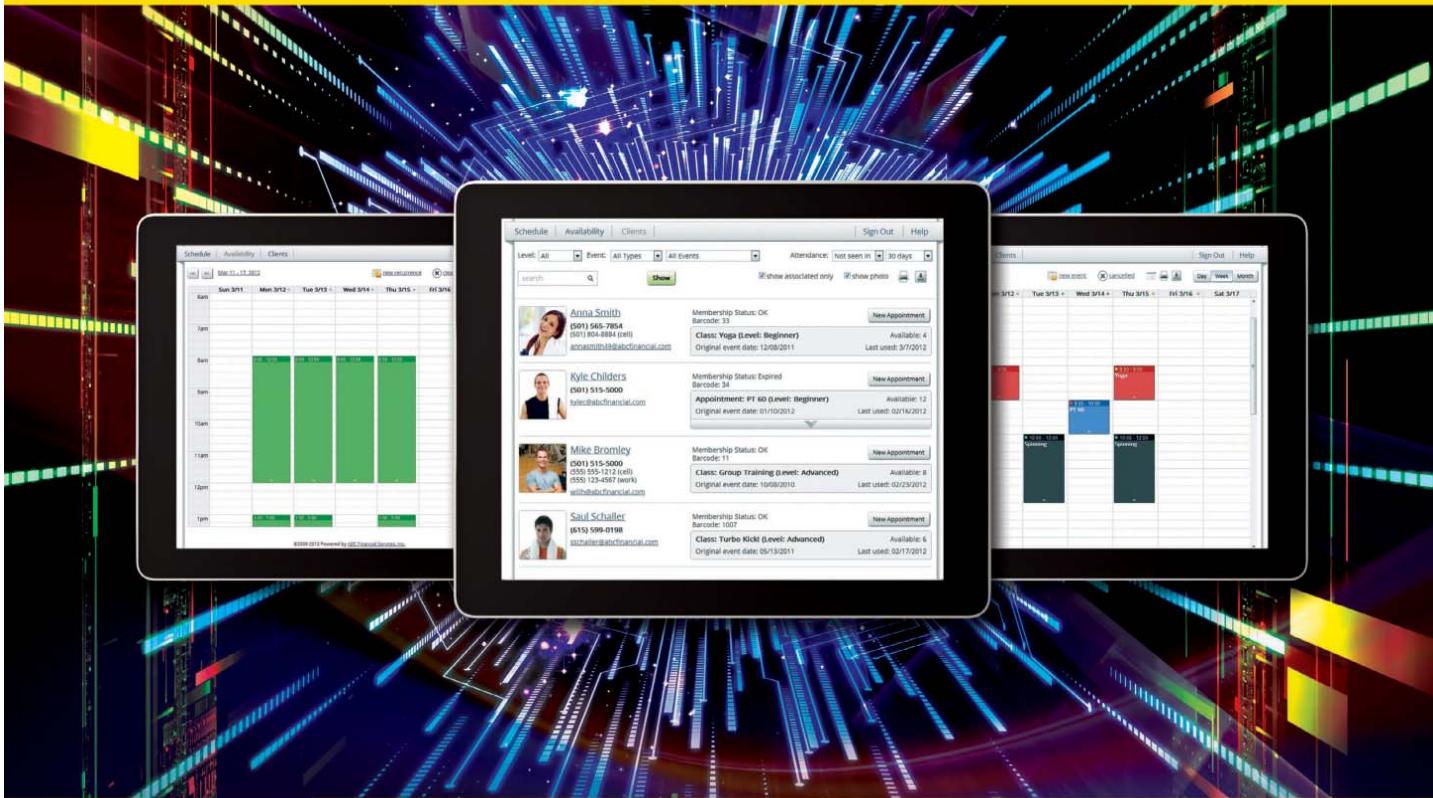
Initially, clubs around the country began visiting North Point, and Rick morphed from small club owner to consultant. After several months of consulting, it became evident that many clubs could benefit from implementing the North Point Personal Training Model, so just like Happy Days spun off Laverne and Shirley, North Point Fitness spun off the new Licensing model of North Point Personal Training Systems.

North Point's first licensee, Gordon Johnson's Gold's Gym in West Cobb, started running Rick's training model last October. As of this writing, North Point is quickly approaching thirty clients and the growth only seems to be increasing.

If, as I stringently believe, that the existing model of 2 - 4% of members involved in some level of training is the exact opposite of what is needed for today's members, then Rick and his team should be perfectly positioned for another cover story in just a few short years.

Co-Authors Andy Graham and Norm Cates Signing Off!

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A Legacy of Healthy Wealth

By: Donna Krech

Part I

This may be the most unusual success article you've ever read. It will produce an increase in your business income. It will also bring a greater happiness and purpose to your life.

Combined, a greater happiness and purpose to your life are known as Healthy Wealth.

People are multidimensional. I can teach you how to make more money, but that's only one part of you. You're also physical, relational and spiritual. So, your life isn't separated, it's integrated.

My mom passed away on July 15th at the age of 90. I realized when writing her Obituary that I needed to share the success secrets my Mom had given me.

You see, I went from being a penniless, abused mom working in a health club, to owning a company with 125 locations providing weight loss and wellness services, and I learned how to do it from my mentor, my Mom.

Do you want to know how to build Healthy Wealth? The Obituary I wrote about my beloved Mom is shown in *Italics* below. The secrets my Mom shared with me follows each obituary section in **Bold**. The answers for building Healthy Wealth are there.

Jetta Leonard
1921 - 2012

*The angels stood at attention when this Prayer Warrior entered heaven's gates. They couldn't wait to meet the one who had caused the very throne of God to move on behalf of those she'd prayed for and who they'd heard **HIM** talk about for nearly a century. I can just hear them saying, "So YOU are Jetta! You're the one **HE** has bragged on for so many years!"*

Healthy Wealth Point (H.W. Point) #1: Real success includes peace of mind. Pray for and think good thoughts about those who are with you **and** those you compete with. This allows your mind to maintain focus so worry and distraction don't consume you. Earl Nightengale taught, "Resentment and grudges do no harm to the person against whom you hold these feelings, but every day and every night of your life, they are eating at you."

Most obituaries talk about what a person did in their life. While that does matter, this shares who this person was.

H.W. Point #2: Be a good person, don't

just do good things. People will not remember what we did or what we said. *But, they will remember how we made them feel.* This begins your **Legacy** (**Hint:** Applying **Point #1** will make it easier to apply **Point #2**).

She was one you could depend on to be steadfast in character. Anyone who knew her knew that their encounter with her would be the same great one every time. Legacy is the appropriate word to describe both my Mom and her life. And, her Legacy lived consistently during her nearly 91 years was one of unwavering faith in God, unchanging positive perspective, unconditional love for family, unparalleled kindness, grace and hospitality for others and an impossible to adequately describe, or define, work ethic.

H.W. Point #3: Be steadfast in character, positive and happy in your response to life. Look for good and talk about it. Be kind to everyone, as you have no idea what battle they might be fighting. Become known for this.

Her priorities were always a constant, just like she was: God first, family second, career third. They never changed. Her life said, "If you love God, you cherish family and you work hard to honor Him. There is not one without the other."

H.W. Point # 4: Keep priorities in healthy perspective. "The stuff in life that matters" all works together, not separately. **Your walk talks, and your talk talks.** **But, your walk talks louder than your talk talks.** In the end, we won't think about how much money we made, we'll think of how much of a difference we made.

In her career, she was hard working, many times starting at 7:00 AM and ending at 11:00 PM. Her attitude was one of perseverance and goal orientation. She was diligent, dedicated and loyal.

H.W. Point # 5: Display work ethic, never giving up and have goals in place. *What we do speaks so loudly people can't hear a word we say.* Success is about who we are, affecting what we do. *"Am I who I am because of what I do, or do I do what I do because of who I am?"*

In 1947, Mom went to work for Stanley Home Products. At 90 years of age (65 years later), she still had a cabinet full of stock and a handwritten inventory on the door. One day when I was taking care of her, a call came in for an order. She still had the marketing magnet on her car with

her phone number on it so prospects could reach her. I took the order from the woman, checking with my mom to be sure I had everything correct. She said, "Get a pen so I can make sure my contact information is on everything."

She then told me where she kept her thank you gifts, and even with it so hard for her to still write, she scribbled a handwritten Thank You Note, like she had always done. Of course, we included a catalogue with contact information, too, to make it easier when they needed to order more. She believed that, once they'd experienced Stanley Home Products, they'd never go back to using anything else. She was dedicated and loyal to her product, as it should be. She taught us that marketing means making a positive difference and selling means serving.

H.W. Point # 6: Always be marketing, serve when you sell, deliver with an authentic smile, ask them to purchase more and purchase again. This is the key to building monetary wealth, as well as the kind of wealth money can't buy. Display contact info everywhere. Send hand-written Thank-You Notes. Send an unexpected Thank You gift. Educate and inform, then ask your prospect or member to purchase more. *Over-deliver with joy and enthusiasm*, and they'll never purchase from anyone else. Remember, these are philosophies I've applied in my company, going from 0 to \$100 million dollars worth of our programs sold. These philosophies will make your club more money.

If you asked her what someone should do who wanted to be successful, she'd reply plainly, "Well, they should go into sales, of course! Sales is still the highest-paid profession in the world!" She won contest after contest, trip after trip, and trophy after trophy, with Stanley. I felt it fitting that I continue her Stanley business, as she raised us to knowing how to sell the products, recruit others to succeed and make deliveries with a smile so people would be happy and buy again.

H.W. Point # 7: Sales is the highest paid profession. Profit, Commission, Bonus and Profit Share are where the money is. "Wages will make you a living, but profits will make you a fortune." No matter what position you hold in your club, be sure you have no limit to what you can make. A percentage of the sale will make you the greatest income.

It's clear why she had so much success in sales. It was the same reason people



Donna Krech

loved her whether she sold anything to them or not. She was never distracted or preoccupied. She was always present, right there with you when you talked with her. She made you feel as though you were the most important person in her world when you were with her because you were.

H.W. Point #8: Make the person with you the most important person in your world. When I sold memberships, I felt the prospect in front of me was so important that I tuned everything else out. In my presentation, I'd tell them, "You're the most important person in my world right now, so getting you to your goals is the most important thing to me." I closed 100% of the folks I talked to. Why? I believed in what I was doing, and I'd learned from the best teacher ever.

Not only did she know the best way for someone to make money, she taught us how to spend it wisely. All of her family still redeem coupons even though we don't have to.

H.W. Point # 9: Money should be made-and spent- wisely. My brother is a very successful television producer. I own several multimillion dollar businesses, and all my siblings sell. We do well financially, and we spend well, too. We look for sales, deals and coupons. "When we're faithful with little, we'll be trusted with much."

• • •

Next month, in Part II, I'll share more of what my Mom, my mentor in life, did to create an incredibly happy life. Want to know more about building Healthy Wealth now? Accept as my gift to you, free training videos featuring none other than my Mom. Visit www.youtube.com/DonnaKrech. Click Success Stories and look for Meet My Secret Weapon.

advice, etc.

I Found The Edge Over The Competition I've Been Looking For

I didn't think about Weight Watchers or Jenny Craig as competitors even though I've been in the fitness industry for 30 years. Although I never shopped a weight loss center in the past, I understand how valuable that can be now.

- KATHY PACIFICO



AUGUST 2012

A s a club owner, I know that in fitness, we generally penetrate only 14% of the people in our market share. What I found to be alarming is that 67% of people who overweight or obese would never even consider joining a health club. This statistic opened my eyes to the opportunity we have in providing a much greater service and solution within our community. Weight loss is such a huge market! Thin&Healthy's Total Solution (THTS) gave our club more substance and a program where people can really enjoy the success of what they came in for.

What sparked my interest in weight loss was the ability to differentiate ourselves in the industry, and be able to provide a high quality, guaranteed weight-loss program. We wanted a program that drove weight loss. Through the success of our Group Fitness and Personal Training programs, our club was known to help "ordinary

people create extraordinary results". THTS gave us an opportunity to take that mission and vision to another level, with a system that has it all etched out. They are true experts in the weight-loss industry. Not only have they further educated myself and my team, but they have helped us enhanced our presence within the community.

I've always incorporated personal development training with my team, but having the THTS program enabled me to make our systems even more effective. The way the Life Success program is integrated into the system gives my team more purpose. With them being more purposeful, they are happier, the production is better, it's a different energy, and our club culture is just better overall...a true win-win for everyone.

What captured my interest with THTS was that it helped me close a HUGE gap on a market I didn't have a handle on, which was the weight-loss industry. Our business of fitness and wellness is to help people reach their potential and enjoy a better quality of life. Our mission was to create a world-class facility that would accommodate everyone from beginners

to athletes and everyone in between. We want our doors to be open and be welcoming to EVERYONE, including people who may be uncomfortable coming into a health club. We pride ourselves on being a resource for healthier living, and are excited to provide such a complete solution for such a vast majority of people.

Probably like most in the fitness industry, I didn't think about Weight Watchers or Jenny Craig as competitors even though I've been in the fitness industry for 30 years. Although I never shopped a weight loss center in the past, I understand how valuable that can be now.

We investigated many other weight-loss strategies before THTS but they didn't have a lot of substance and they didn't have the systems. THTS offers such a complete and comprehensive program. The quality of the support and detailed structure provided are very different than the other programs I investigated. The training you receive with the THTS license really gives the proper tools to create success within the system.

Entrepreneurs and people in business want to be successful and are always

looking for an EDGE. Their program gives you that. Being able to offer weight loss as another business within our business was a phenomenal opportunity. As a health club, unlike a freestanding weight loss business waiting for people to walk in, we have a viable group of people walking in every day. A huge percent of them want weight loss. And I am very excited that we now have the solution, the TOTAL SOLUTION.

My goal is to create awareness and inspire, at the very least, 30% of my membership to experience the benefits of the THTS program. But really, if 70% of people desire to lose weight, why would I stop at 30%? I am so passionate about what this THTS can do for people and the success they can experience in all areas of their lives, I'm not going to stop. I strongly urge you to experience the revolution in weight loss, movement and complete life success that's happening right now. It's a breakthrough you don't want to miss. X

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Johnson Health Tech Acquires Magnum Fitness

COTTAGE GROVE, WI - Johnson Health Tech (JHT), the parent company of such fitness brands as Matrix, Vision, AFG and Horizon, announced that it has acquired Magnum Fitness, the manufacturer and marketer of high quality performance strength equipment, based in South Milwaukee, WI.

"For more than thirty years, Magnum has developed commercial strength training products that have produced tremendous value for its customers. Their initiative, knowledge, expertise and focus on the health and

fitness industry complement our culture and philosophy at Johnson Health Tech," said Jason Lo, CEO of JHT.

"With the acquisition of Magnum, JHT now has a comprehensive commercial strength product portfolio that greatly increases the competitiveness of our product offering in adjacent channels of the commercial market," said Mark Zabel, Vice President of Global Product Development and Marketing for JHT.

In addition to rounding out the existing product portfolio, the acquisition of Magnum also gives JHT North American-

based manufacturing capabilities.

"This acquisition allows us to offer customization and flexibility options to our commercial customers that simply were not feasible before," Zabel continued. "We're excited about the possibilities."

"We're pleased to join Johnson Health Tech," said Larry Nelson, Vice President of Sales for Magnum Fitness. "It's a well diversified company with strong brands, exceptional products and a team of dedicated professionals passionate about fitness. It's an exciting organization to be part of."

Over the next twelve months, the JHT management team will evaluate how to best integrate the existing Magnum team, product lines, distributors and facilities into its existing operations. Ron Carrangi will serve as General Manager of the manufacturing facility. Prior to this post, Carrangi served as a director of engineering at JHT for nine years and brings experience in managing strength manufacturing facilities to his new position.

New Fitness Club For Redstone Companies Hospitality

HOUSTON, TX - Redstone Companies Hospitality has finalized an agreement with Kinder Morgan to own and operate what previously was its dedicated employee health club in downtown Houston. The new club, *Health Club at Travis Place*, is a state-of-the-art, 25,000 square-foot health club located on the 8th floor of the Travis Place Parking Garage in downtown Houston. The club includes strength training machines,

free weights and cardiovascular equipment with individual television screens. In addition, the club has a running track with exterior views of downtown, a group exercise/spinning studio, a racquetball court and basketball court. Members enjoy top-level fitness instructors, group exercise and wellness programs to fulfill their health and fitness wellbeing.

"We are extremely excited to have

Health Club at Travis Place in our portfolio of private health clubs in the Houston area," said Mark Stevens, Regional Director, Houstonian Health Clubs and Spas, and currently, IHRSA Board Member. "The club offers us an opportunity to extend our health and wellness programs not only to the employees of Kinder Morgan and EP Energy, but to those looking for a downtown club for their health and fitness needs."

In addition to *Health Club at Travis Place*, Redstone owns and operates *The Houstonian Club* at The Houstonian Hotel and *Houstonian Lite Health Club - Pennzoil Building*. Redstone also manages *Houstonian Lite Health Club - Wells Fargo Building*.

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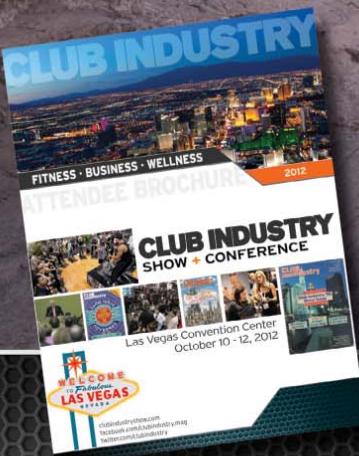


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Capitol Hill Briefed on the Power of Prevention

WASHINGTON, D.C. - IHRSA attended a briefing on Capitol Hill late last week that discussed whether or not public health investments could help prevent chronic disease and reduce escalating health care costs. The event was sponsored by the Alliance for Health Reform and the Robert Wood Johnson Foundation. According to the Alliance for Health Reform, who moderated the discussion, compared to expanding insurance coverage and

improving quality of care, expanding community and behavioral prevention saved the most money and the most lives.

"Community prevention was the ONLY intervention that saved lives and money in the long run to the tune of four and a half million lives and nearly \$600 billion over 25 years," the Alliance said in a statement.

"Diabetes and other chronic illnesses can be prevented or greatly

delayed with solutions beyond or outside of medical care. Many fall into the category of health-related behaviors, such as whether we smoke, get exercise, eat a healthy diet, factors that are newly falling into the spheres of public health or population health," the Alliance added.

Representatives from the Centers for Disease Control and Prevention, the New York City Department of Mental Hygiene, the Tobacco-Free Kids Campaign



and the Congressional Budget Office all spoke at the briefing.

U.S. Olympic Committee and 24 Hour Fitness Celebrate Opening of Team USA's High Performance Training Center

LONDON, ENGLAND - The United States Olympic Committee (USOC) and 24 Hour Fitness, a proud official sponsor of the USOC and Official Fitness Center Sponsor of the U.S. Olympic and Paralympic Teams, celebrated the opening of Team USA's High Performance Training Center at the University of East London Docklands with a ribbon cutting ceremony on July 26, 2012.

Two U.S. Olympians, the USOC,

USA Basketball and 24 Hour Fitness were on hand to welcome the nation's best athletes to this state-of-the-art training facility, developed to help the 2012 U.S. Olympic Team train and compete to the best of its ability in London.

"As a proud USOC sponsor since 2004, we are honored to host this special day with our partners in support of Team USA," said Carl Liebert, President and Chief Executive Officer, 24 Hour Fitness.

"It is our hope that this world-class training center, elite support team and equipment from 24 Hour Fitness provides our nation's best athletes with the tools they need to prepare and compete at their best as they pursue gold."

Also announced was the extension of the relationship between 24 Hour Fitness and the USOC. 24 Hour Fitness will continue to sponsor the U.S. Olympic and Paralympic Teams through the 2016

Olympic Games in Rio de Janeiro, Brazil.

"24 Hour Fitness has been a valuable contributor to the U.S. Olympic Movement through its sponsorship of the USOC, our NGBs, and its support for our High Performance Training Centers," said USOC CEO Scott Blackmun. "This continued partnership reflects the company's commitment to assisting America's athletes as they pursue their (See 24 Hour Fitness Page 25)



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...24 Hour Fitness

continued from page 24

Olympic and Paralympic dreams, as well as its commitment to supporting all Americans with their personal fitness goals. We thank 24 Hour Fitness for its continued support."

Ribbon Cutting Ceremony of HPTC

The ribbon cutting ceremony was hosted by 24 Hour Fitness President and CEO Carl Liebert and USOC Chief Marketing Officer Lisa Baird, who welcomed the following special guests:

- **Geno Auriemma**, Head Coach, 2012 USA Basketball Women's National Team;
- **Tony Azevedo**, 2008 Olympic silver medalist in water polo and Team 24 Hour Fitness Athlete;
- **Jerry Colangelo**, Chairman, USA Basketball;
- **Mike Krzyzewski**, Head Coach, 2012 USA Basketball Men's National Team;
- **Kerri Walsh**, 2004 and 2008 Olympic gold medalist in beach volleyball and Team 24 Hour Fitness Athlete.

"We are honored to help celebrate the opening of the world-class HPTC," said Jerry Colangelo, Chairman, USA Basketball. "24 Hour Fitness will provide tremendous resources to support the training needs of the 2012 USA Basketball Men's and Women's Teams competing during the Olympic Games."

24 Hour Fitness worked closely with the USOC to plan, develop and outfit the HPTC, which was designed and built to meet the training needs of Team USA as they prepare for competition in London.

Additionally, the company assigned a team of 27 Fitness Ambassadors to staff the facility to ensure athletes have the tools and support they need for optimal performance during the Olympic Games. Selected from more than 21,000 employees in more than 400 - 24 Hour Fitness clubs across the U.S., this elite team was chosen based on merit, performance and their successful track record in helping people reach their fitness and performance goals.

24 Hour Fitness first partnered with the USOC in 2004 for the Olympic Games in Athens. Since then, the company sponsored and staffed the HPTC at Beijing Normal University for the Beijing 2008 Olympic Games. Like the facility at Beijing Normal University, the HPTC at the University of East London Docklands will be left behind as a legacy to serve university students and faculty for many years to follow after the Games.

10 Reasons Your Gym Business Could Stagnate

By: Jim Thomas

We work at both ends of the fitness industry, with those gym owners who are just starting out and want to shorten the learning curve, and those who have been in business and are in need of a turnaround (and, everything in between).

There are many reasons why some gyms grow and others stagnate. Of course, there are factors like market size, competition and consumer demand. But, there are also other factors that have to do with operations, leadership, accountability and systems.

Based on what we're seeing across the country, here are some thoughts on why gym owners and their businesses have stagnated.

1. Success apathy. Just because you have had success in the past doesn't guarantee success in the future. Simple complacency... We take our eye off the ball. An independent gym is usually a reflection of the club owner's needs, desires and personality.

2. The right staff. You cannot build a successful gym business without the right people in place. This requires both the proper hiring and training process, as well as the willingness to make the changes that become necessary as the business grows. This is easier said than done for many gym owners. It takes dedication to the process.

3. The lack of standards, systems and controls. It's not enough to have high standards in your gym without implementing the control systems that assure those standards are met. Without the controls, you will have *good intentions*... accompanied with *bad results*.

4. The member attitude. Not the member's attitude but the gym's attitude toward its members. There is nothing more destructive than gym staff who dismiss difficult members as *nutty* and concludes that there is no way to make them happy. The problem is that most *nutty* members have not so *nutty* friends, and word of mouth travels fast these days.

5. Technology. New technologies can do many great things but can also be overwhelming and time consuming for gym owners. Acquiring the financial, technical and staff resources necessary to solve a technology problem can be very difficult for a small gym. But, there's not much choice; the marketplace does not stand still.

6. Marketing. This includes everything from branding to advertising to market analysis. How your gym executes may be the major driver of its success. But, how your gym is perceived is also crucial. The other reality is that small gyms can have a difficult time finding resources to help them with this critical part of their business. That

means that the success or failure of a small gym's marketing frequently comes down to the abilities of the club owner. Few people are good at everything.

7. Stale fitness services. Whether you are talking about fitness products or members, the market is always changing. Your products and services have to change with it. If you're fortunate, the changes are slow and subtle; sometimes, they're dramatic.

8. Lack of investment. Whether it is for more new gym equipment and accessories, new technology, a bigger facility, or more employees, *growing gyms require more cash than non-growing gyms*. Getting this cash may require borrowing money, finding more investors or using up whatever cash is on hand. It's ongoing. Some gym owners tire of the demands and decide to slow down the investments, and that slows down growth of the gym.

9. Stubbornness. It is stubbornness that helped the gym owner get the club off the ground, get through the learning curve, survive the recession and cope with every problem along the way. At some point, though, focused adherence to what you know can limit a gym's ability to adapt to change and get to that next level. Policies and strategies that might have worked when you had ten employees can hold you back when you have 30. A common example is when you start to hire higher-priced



Jim Thomas

managers who have different expectations than a \$10-an-hour employee.

10. Leadership. This includes vision, courage, fortitude, attitude and gym culture, all of which should create an inspired staff. And, of course, there's the often-used word that is many times called the secret to it all: Passion. Here is the real secret: Passion is critical. But, it can't make up for deficiencies in the other categories. I have seen many owners struggle in the gym business that had plenty of passion. Passion will *not* be enough.

(Jim Thomas is the President of USA Fitness Management USA and may be reached at 800 - 929 - 2898)

Jim Thomas' Fitness Management Launches New Program

DALLAS, TX - Jim Thomas' Fitness Management is pleased to announce a gym start-up program designed to assist new gym owners with all aspects of starting a gym or fitness center without the franchise fees.

According to Jim Thomas, President, "The number of people belonging to health clubs and gyms has doubled over the past twenty years, and it is expected to continue to grow at a rapid pace in coming years. This is because of the aging Baby Boomers looking for

ways to stay in shape and look younger."

The acclaimed Fitness Management and Consulting team is here to help. With over 25 years experience in fitness center startup, the Fitness Management and Consulting network will help with financing assistance, real estate and site selection, build out and design, pre opening, grand opening, ongoing training and support, gym equipment and accessories, website and social media, billing and collection and no franchise fees. You stay in control.

"The health club industry has proven to be recession-resilient, averaging an 8% annual growth rate since the early 1990's," said Thomas. "We help people buy into this very profitable industry and then help them with professional management to assure their success."

Usually there are hefty franchise fees, royalties and long-term contracts to pay after buying a successful franchise

business. But, under Thomas' proven program, these all disappear, saving the new gym owner thousands of dollars per year.

"We help people realize their dreams of owning their own gym or health club," said Thomas.

Whether you operate a health club, fitness center gym or other fitness vertical, Jim Thomas' Fitness Management and Consulting have a program to fit your needs, expand your market base and keep you productive and profitable.

Make It Fun!

Why Everything in Life is About Fighting Change

By: Thomas Plummer

The original title for this article was going to be something about a day in the life of a consultant and what we all can learn from a typical day's worth of calls that I do whenever I am in town. Even as I wrote the first sentence, I found myself bored.

But, as I started to look at the themes from all of my calls during

the last few weeks, a pattern started to emerge. Virtually every call out of 30 could all be broken down into one theme: an owner's inability to accept rapid change and then move on. Each problem was not a problem of business, but an underneath issue of an owner who was fighting change that was being inflicted on his business by outside forces.

There was a book out a few

years ago called, *It is not the big that eat the small, it is the fast that eat the slow*, by Jennings and Haughton, that seems to become more relevant every day. In small business, and especially our industry, change is occurring at the most rapid rate in the entire history of the industry, and few owners and managers are geared toward managing and adapting to this change.

Here are a few of the reasons accepting change is so hard for so many:

• **Many were lucky rather than good:** Being first in a market, owning a great location, owning a new concept or just being the only option in the market might make you wealthy, but it never proved you were any good at this business. Increased competition always validates one thing: you either have talent or you were the luckiest dude on the planet. Many are lucky, few are good operators when the pressure arrives, and you realize that you never really understood how to make money in your business.

• **Some were indeed successful once, with tools that suited that time and era:** There were owners who mastered the draw box (card board boxes in cheap restaurants where you enter and win a trip and everyone else gets two weeks to the gym/everyone won the two weeks and got called for an appointment), the pressure close in an office, discount marketing and price specials and other tools from the '60s - '80s that were used to make money in this business.

An owner using these tools now would die a quick and horrible death in this business. But, I still occasionally take a call from one of the old players that usually begins, "I just can't find good people to work for me anymore. I know more about making money in this business than anyone else, and I used to be somebody in the '80s when I had my ten clubs, but you just can't get anyone to do the work it takes anymore to be successful."

What this really means is that he can't hire anyone who can be successful at making cold calls, working draw boxes, beating clients up for referrals and drop closing (showing one price and then showing a much lower one if you sign today and today only), because no employee wants to do work that is embarrassing and ineffective. This old owner does not know more about making money than anyone else; he knew more about making money than anyone else back in the day when all that demeaning crap might have worked. Being successful back in the day is absolutely no indicator that anything you did will even work five years later.

• **Failure to adapt one more time:** In the



Thomas Plummer

Anne Rice vampire books, most vampires only lived about 400 years because they just could not keep adapting to newer and ever more complex societies. They overloaded and just quit living versus the pain of adapting to the new and different technology and culture they were forced to live with each decade.

There is an enormous number of owners who would qualify as vampires when it comes to change, although you can work in the blood sucking jokes here if you would like to reference a few of the big chains. How we market now electronically versus old radio and newspaper ads; how we sell through extended trials versus 1-visit pressure and especially how we train people moving away from technology that hasn't worked successfully for a client in decades toward a holistic, total body approach is just too much for too many owners and managers. They only know what they knew, but don't know what they need.

Simply put, most just refuse to take the time to learn or keep up. The operative word here is lazy, as in lazy in the mind and body. Yes, you would have to admit you don't have all the answers if you want to grow, and yes, you would have to pay someone to help you either as a consultant or tutor. But, in the end, you still have to take responsibility that you are no longer competitive, because you no longer possess the tools you need to stay in the game. In other words, you are the last guy still writing checks by hand, has a website with still pictures and a lot of words or refusing to post on Facebook because you don't understand how it works. Lazy in the mind is just another way of saying broke and irrelevant.

• **The failure to make a decision and react:** Gone are the days where most decisions, especially concerning daily business operations, can be put off or ignored at some mythical point in the

(See Thomas Plummer Page 29)

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Stuck in the Middle

By: Karen Woodard-Chavez

Part I

Stuck in the middle... What does that conjure up for you? Perhaps having to sit in the middle seat on a long flight... or being the middle child where you got your older sibling's hand-me-downs and your younger sibling got the new stuff... or middle school where the experience for some was less than lovely every day... When you think of being stuck in the middle, there is rarely a positive association.

Stuck in the middle is where many clubs have found themselves over the past ten years with the advent of so many low-cost providers on one side that, frankly, do a good job of providing a self-service, equipment-oriented experience. On the other side are the higher end operators who provide a more customized luxurious experience. How does the middle market operator compete successfully to get new members without lowering prices or without huge capital improvements, and furthermore, to keep the members they have?

Middle market operators have the distinction of "no distinction." More than likely, they have some of the same facilities, equipment, programs, service and staff. The elements just mentioned are five of the six areas that *can create a sense of differentiation* if the middle market operator possesses unique offerings in these areas. Yet, you may find some of the exact same things at each price point in the market.

So again, what does the middle market operator do to *earn a competitive edge*? Any of the following seven practices will help, but implementing ALL of them will give you an edge that the majority of club operators have not embraced, and frankly, are silly not to.

1. Decide you must make a change. How much longer are you willing to lose money and get beaten up by low cost providers that have a bigger marketing budget than you? Yes, you may have a "family feel" to your club, but there are no sacred cows other than *value and results*. When I refer to *value*, I am *not* referring to the cheapest price, I am referring to whether or not your members can say that they are getting more than their money is worth. If you are providing a better *value and better results* than your competitors at a higher price, then you are in a good position. If you are not, your members will leave you for the lower price operator, or even the higher price operator if they believe they

will get *better value or results from your competitor*. You must decide to *deliver these two elements differently*, which means you will need to make some operational changes that are perhaps different than anything you have ever done before. This may make you uncomfortable. What is more uncomfortable: Venturing into new possibilities of abundance or losing your business?

2. Differentiation: Know what makes your business unique from your competition. Go to all of your competitors every 2 - 3 months and research what they offer in terms of **programs, service, staff, equipment, facility and operational culture**. It is critical for you to stay abreast of your position in the market based on the position of your competition. You do not need to be obsessed with your competition. *You need to be obsessed with how your business can be the best and offer things that your competitors do not*. Then, you can truly offer unique *value and results* that cannot be found elsewhere. Then, your members will not leave you, and you can attract new members who want that unique element. And then, *you will not have to compete on price*. You should *be able to define 2 - 3 unique elements in each of the six categories in bold above*. If you cannot, then you need to do some redefining of your offerings. Note that the best way to create differentiation is in your operational culture because, as we mentioned earlier, programs, service, staff, facilities and equipment can be easily copied by all your competitors. Operational culture issues will be addressed in Practice 5, 6 and 7. If you would like a *Competition Analysis Form*, or an article on *SWOT Analysis*, please email me.

3. Speak in terms of your differentiation. We attempt to create *differentiation* in our marketing messages (hopefully through programs and unique benefits, NOT price), and often times, we forget to do so on the tour with the prospective member (PM). We sell our club, but we don't sell how our club is *different from the competitors*. The importance of this happening is paramount to your ability to sell, because when you are successful at creating differentiation, you establish in the buyer's mind that you are *undeniably* the club for them. How you will integrate this into your tours and conversations is very simple and it sounds like this:

"Ms. Prospective Member, you mentioned earlier that you are concerned about not coming to the club regularly and getting the value from your membership. What you

will find makes us different from the other clubs in town is that, on a monthly basis, we print a report of all members who have not been in the club during the previous month. We then contact those members to determine how they can best utilize their membership. What that means to you is that we don't let you slip through the cracks and waste your membership. Have you had that service with any other club? Does that sound like it would benefit you?"

4. Speak in terms of benefits relevant to the member. Too often, we become tour guides giving tours that are *informative* but not very *inspirational, persuasive* or *exciting* for the PM. We do not build any desire for them other than the visual of the facility. When we build desire, we are taking the information they have already given us and utilizing it to build anticipation for them to become a member. In short, we are *building desire to escalate it into action*. The action that sounds like "yes, I want to be a member now!"

Let's review some basics: A feature is a *thing* that we offer a member. A *benefit* is what they will derive by using the *feature*. Too often, membership staff just talk about features, which means you are breaking the number one rule of the tour: Make the tour about the PM, not about the club. The other problem with just talking about features is that not every PM knows what that feature will do for them, so they will not understand the full value of that feature. This is why when you are touring the club, and you show a feature, it is imperative to immediately tell the PM why they would want to use it, what benefit they will get from it and utilize a trial close question. It sounds something like this:

"Suzanne, let me show you our treadmills because you mentioned that you really like to run hills, but with the weather getting cold and wet, you are considering coming inside.

Something you will find different with our treadmills from other facilities is that you have both an incline and a decline function, which allows you to simulate running up as well as down hills.

The reason this is important to



Karen Woodard-Chavez

you is that you mentioned you really like the balance you get in your quadriceps and hamstrings by not just running up but by running down hills as well. We can provide that for you. Does that have value for you?"

In this example, you will notice I did not say:

"Okay Suzanne, here are our treadmills, we have 30 of them." That would be just pointing out a feature. Instead, call attention to the feature and explain why it would help her achieve her results. There is an imperative here: You must know the answers to her I,M,N,U and POH before the tour.

In **Part II** of this article in next month's **September Edition** of the **CLUB INSIDER**, we will discuss the practices of: #5 - Creating a plan for your Members, #6 - Managing Member results and #7- Compensating your staff for the big picture and the long haul to be able to create a much more competitive edge whether you are *Stuck in the Middle*, or just stuck.

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

Make It Fun!

How Blind Are You?

By: Will Phillips

Over the years, we have noticed many of the 180 club executives in REX meetings speak at times with frustration about certain issues in their business. The frustration usually arises when a problem appears again and again and there does not seem to be an obvious solution. Often, these issues have to do with the followers who do not behave and make decisions in the way that the leader wishes. If you are like me, the natural response when others don't do what I want and wish--particularly after I have trained, explained and educated them-- is to feel frustration and a twinge of upset. On top of this, I generally blame them and rarely look at myself for the solution. If you are an accomplished club leader and wish to expand the impact and effectiveness of your leadership, you might consider a contentious perspective: **Every single problem in your business is a result of what you, the leader, have done or not done.**

Now, that can be an uncomfortable statement to accept because it feels as if you are blaming yourself for everything that's not going the way you want. Yup! That's exactly the intent of the statement. Because your other option is to blame other people or blame circumstances. In either of these cases, you have shifted the focus of control away from you onto the larger world, such as current business conditions or your employees' attitudes or intelligence.

When you begin to look at your contribution to every single problem, or staff behavior that is not satisfactory to you, you open a new set of doors. When these doors are opened, you have new options on how to permanently address these issues.

One *blind spot* can undermine all your strong leadership abilities. They are called *blind spots* because we are unaware of them, and such lack of self-awareness prevents our correcting or compensating for our weaknesses. Truly successful leaders often succeed by being aware of and compensating for their *blind spots*.

Blind Spots Are Hard Wired Which One Do You Have?

The phrase *blind spot* comes from the study of our eyes' visual physiology. Each eye has a blind spot that is a space on our retina where there are no visual receptors. It is the exact place where the optic nerve enters the back of our eyeball. Google the phrase *blind spot*, go through the exercise and follow the directions to demonstrate that, in fact, there is an area for each eye that is blind.

When we close one eye and look at the world, we don't see any missing visual information. That occurs because the computer system in our brains fills in the blank spot like a Photoshop clone tool. When we look at the world, we mostly blank out what is easy to see but blind spotted, such as the rims of our eye glasses and our nose.

Another way to see how our eyes are not accurate, and can trick us, is to try the exercise that all beginning shooters of guns and bows go through to find out if they are right-eyed or left-eyed. Artists who draw and paint from life models learn this, too. Put one hand straight out in front of you and make a circle with your thumb and forefinger. Now, choose something on the other side of the room --a light switch, the top of a chair or a person-- and with both eyes open, put that object you've chosen in the middle of the circle that your fingers have formed. Holding that object right in the middle, close your left eye. If the object is still there, you are right-eyed. Now close your left eye. If the object is not there, you are right-eyed. The fact is, when you sight an object in a straight line through the circle of your fingers, or a gun site, or a bow site, one of your eyes is at the end of that line of sight. The other eye is totally dismissed and not used. Normally, we don't see this because the computer in our brain cleans up everything.

These two brief visual exercises are meant to point out that what you see is not what is out there. It's what you and your experience and your brain has composed and built of what's out there. Author Anaïs Nin commented, "We do not see the world as it is, but as we are," and the same is true with our leadership *blind spots*. In REX's effort to help club owners and executives improve their business's performance and the quality of their lives, we have identified twelve different *blind spots*. I'll describe a few of them, and if you would like to learn about all twelve, you can send a note to will@rexroundtables.com.

...Thomas Plummer

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future. Time is not your friend in the world of small business, and the book I mentioned highlights this theme. In the old days, the chains could destroy an independent operator, but today, a small quick moving chain of gyms can master a market by being able to make quick and decisive decisions in their operations.

Need to add more, large group training? The quick can train everyone up over a weekend, order the equipment,

Going It Alone

This *blind spot* is the #1 most common and easiest to notice. It usually happens with people who are extremely experienced, competent and impatient. When they want something done, they want it done now. They don't have time to train anyone. They may not have time to even explain it to anyone. And, even if they did have time to train and explain, that person would not do it fast enough, so they would step in and take over and complete the project. This occurs not only with doing work but also with making decisions and thinking. The fact is such individuals are extremely competent. The staff that reports to a going-it-alone leader easily sees the *blind spot*, and before long, they learn to shut up, sit back and let the leader take over because he's going to do it anyway. Even if they tried, it will never be quite good enough, or fast enough, and he'll step in and take over.

If *going-it-alone* leaders do have really good people working for them, it's usually for only a brief time because there would be no room for such people to use their *"really good."* So now, this leader ends up with a group of less than really good people surrounding them. Of course, this will make it difficult to address issues, solve problems and identify some of the lurking elephants tromping around in the business because it reinforces the leader's beliefs.

Of course, *going-it-alone* people have a great rationale for why they should jump in. "I'm smarter, faster, and generally right. Why shouldn't I jump in?" The fact is that statement is truly not a question because there is a reason for not jumping in, although it is unlikely that a person with that *blind spot* is able to appreciate it without relating it to their own experience.

George was a frontline manager who fit this pattern. Much of George's conversation with me expressed his frustration at how slow, incompetent and irresponsible his staff was. In listening to him, I began to realize he was a *going-it-*

change the price structure, eliminate unneeded equipment and have a new program up in a few weeks. The chain players, on the other hand, need months if not years, to make any significant change because the constant need exists to constantly fight the culture of, "We have always done it this way, why change now?"

Change is inevitable: It is how you deal with change that separates you from the players that fight against the flow and fail. Perhaps the greatest skill of any owner, and maybe consultants, is to understand



Will Phillips

alone type. Then, the conversation shifted to talking about George's first son, who had been born recently. George was excited and proud that Eric was just starting to walk. He described what we're all familiar with as learning to walk. First, you're holding onto things. Then, you try to take a step and tumble. As George went on and described this, I realized we had an interesting insight analogy forming. I asked George if he wanted his son to walk, why didn't he just stand up, hold Eric's hands and lead him across the room? And George immediately responded, "But then he'd never learn to walk." At that point, I suggested George might apply that thinking to his managerial style.

Avoiding Difficult Conversations

My dad was an expert at this *blind spot* #4. Anything that was too personal, or made either him or me in the least bit vulnerable, or had anything to do with our inner feelings was uncomfortable. As I look back on my childhood, I probably picked up my dad's discomfort with such difficult conversations at an extremely early age. Many years later, I commented to my mom that dad had always seemed remote and distant. That triggered her reflection

(See Will Phillips Page 30)

the nature of change and to understand not where we are, or worse where we were, but where we are going to be in five years. Embrace what you fear the most, and for most of you, it is change.

(Thomas Plummer is a 30+ year veteran of the health and fitness club industry and the Founder and Owner of The National Fitness Business Alliance, America's premier traveling health and fitness club industry educational source. Thomas may be reached at thomasplummer@mac.com)

...Will Phillips

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about how my dad treated me in the first two years of my life. She said he would get down on the floor, giggle, play, roll around and just look like a total fool, having a delightful time with me.

Somewhere, something transpired so that my dad began creating distance between us, and we had lost that intimacy. Many years later, I found out that, when my dad was about ten years old, his father was murdered. I never truly understood the impact of that on his relationship with his three sons. Much, much later in life, when I had screwed up my courage, I began hacking down the barriers and having difficult conversations with my dad. I was rewarded by his positive response. It changed the nature of his relationship with his sons and his grandsons.

If we are uncomfortable with difficult conversations, with the expression of emotions and feelings, vulnerability and intimacy, it will prevent us from having all the important conversations at work that will enable us to build commitment with staff. Engaging with other REX members to discover how they have successfully dealt

with difficult topics helps us gain the skills to have these necessary conversations.

Lack of Intimacy, Lack of Trust

Patrick Lencioni, in his world-class book, *The Five Dysfunctions of a Team* (spoke at the IHRSA convention recently), points out the absolutely critical nature of vulnerability to building trust, to engage in conflict, to build commitment and to then get the results that we want. His logic is clear that failure of intimacy prevents trust, which prevents difficult conversations because they are unsafe in this environment. As a result, we never talk about the real stuff, and the real stuff never gets resolved. All our teaching, education, announcements, bulletins, memos and conversations are never really taken in and owned by staff because they never have an opportunity to engage us in the conversation that will help clarify what we are saying.

As an aside, as one that addresses REX's commitment to improving its members' quality of life, I can categorically say that fear of difficult conversations is the cause of all divorce. See the TED video I recommend at the end of this article.

Being Right

The eleventh blind spot is a *strong need to be right*. Once again, I have to own up to having this *blind spot* in full force. Whether I'm in a discussion with a client, a co-worker, or a family member, I love to be right. My desire to be right is one of the major contributors for two of my marriages ending. I'm happy to report I'm 22 years into the third one and partly have succeeded by realizing that I'm not always right.

It was only by partnering with a spouse who was strong enough to point out how easily I could manifest this blind spot in my tone of voice, the lifting of an eyebrow, the changing of my position to let the other person know that what they're saying is not right, and they should be quiet and listen to my solution. A strong need to be right can lead to a lot of wrong or weak business decisions.

Resources:

- *The Five Dysfunctions of a Team* by Patrick Lencioni;
- *The Dance of Intimacy and The Dance Connection: How to Talk to Someone When You're Mad, Hurt, Scared, Frustrated, Insulted, Betrayed or Desperate* by Harriet Lerner;
- View The Power of Vulnerability by Brene Brown;
- This is one of TED's top ten videos: <http://huff.to/Oh8mgA>.

(Will Phillips is the founder of Roundtables for Executives, REX, which serves 180 club executives around the world, in groups of 12 to 15 non-competing peers that meet regularly to improve the performance of their business and the quality of their life. Will can be reached at will@rexroundtables.com)

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Thanks and Appreciation

We're excited at CLUB INSIDER because, if the **good Lord's** willing, we'll celebrate our **20th Anniversary** of this home-based health and fitness club trade newspaper in November, 2012. The thought that this newspaper was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. But, before our Anniversary time arrives this fall, I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to 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 **224** monthly editions! **Thanks and Appreciation** to all of our readers. Sincere **Thanks and Appreciation** to our **CLUB INSIDER Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, **National Gym Supply**, with over 18 years advertising with us and one, **Affiliated Acceptance Corporation**, with over 19 years as they have advertised in every single edition of CLUB INSIDER since the first month that we sold advertising in June, 1994. We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *hundreds and hundreds* of excellent articles to help our readers with their Best-Business-Practices. **Thanks and Appreciation** to IHRSA for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 20 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including occasional writing for us. All of this is done part time at night and on weekends as he now has an additional full-time job in web development that keeps him busy 8 to 5 every weekday.

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 in fact, survive. He would like to give sincere **Thanks and Appreciation** to the power that made that survival happen: **God**.

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

Norm Cates, Jr.

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