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Norm Cates'
THE Club Insider NEWS
SEPTEMBER 2006

DONNA KRECH

Total Solution for the Obesity Pandemic!

"THE PITCHER ONLY HAD A BALL, I HAD A BAT."

– HANK AARON

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Norm Cates'
THE Club Insider NEWS

Donna Krech

Total Solution for the Obesity Pandemic!

By Norm Cates, Jr.

Donna Krech is involved in a very important coincidence in time. That is the crossing of her path in life with what is now a worldwide problem, an American and worldwide obesity/overweight pandemic with over 1 billion overweight/obese and 300 million of those, clinically obese.

Krech has spent over 25 years learning from and serving the obese/overweight American.

Her rising tide has now collided with America's obesity pandemic. She is fully prepared and ready. She shares here preparation, experience and knowledge with you here and now.

Donna Krech's destiny is to continue her passionate pioneering work and advance her current status as one of America's truest and most knowledgeable leaders in the fight against the obesity/overweight pandemic.

A candid - hard hitting interview with Donna Krech sharing her 25 years of experience, knowledge and focus on the overweight/obese human being

I am pleased to provide an interview with Donna Krech recalling her amazing 25 -year career chocked full of experiences, knowledge and focus on the minds and bodies of the overweight/obese population. She offers many solutions here to improve your club's bottom line.

Donna Krech truly believes her Thin&Healthy's Total Solution® programs, developed over years and years of work in both the weight loss center and the fitness center business, provides a truly "new -hybrid" weight loss way that may be adopted by clubs now to address this vast, virtually untapped market for health clubs. I believe she is

*(See **Donna Krech** page 12)*

Thin&Healthy's Total Solution® Team

Obesity Pandemic

By Norm Cates, Jr.

There are now over 1 billion obese/overweight people on earth. The problem is now worldwide and has officially been labeled a *pandemic.* Webster's dictionary defines the word pandemic "Of all of the people; widespread: general; medical epidemic over an especially widespread geographic area."

"This insidious, creeping *pandemic of obesity* is now engulfing the entire world," said Paul Zimmet, Chairman of the meeting of more than 2,500 experts and health officials. Zimmet, a diabetes expert at Australia's Monash University, said there are now more overweight people in the world than undernourished, who number about 600 million. Zimmet sounded this alarm during a speech opening the week-long International Congress on Obesity held in Sydney, Australia September 3 -9th, 2006.

The World Health Organization says more than 1 billion adults are overweight and 300 million of them are obese, putting them at much higher risk of diabetes, heart problems, high blood pressure, stroke and some forms of cancer.

People in wealthy countries lead in overeating and not doing enough physical activity. But, those in the poorer nations of Asia, Africa and Latin America are quickly learning bad habits, experts said.

Dr. Phillip James, the British Chairman of the International Obesity Task Force at the International Association of Agricultural Economists held in Brisbane, Australia said, "We are not dealing with a scientific or medical problem. We're dealing with an enormous economic problem that is going to overwhelm every medical system in the world."

In Brisbane, Australia, Professor Barry Popkin of the University of North Carolina, while addressing the International Association of Agricultural Economists said, "All countries, both rich and poor, have failed to address the obesity boom." He also reported that the number of overweight/obese people had topped 1 billion. Popkin said that changing diets and people doing less physical exercise was the cause.

Popkin said the change had happened relatively quickly as obesity was spreading rapidly, while hunger was slowly declining among the world's 6.5 billion population. He said, "Obesity is the norm globally and under nutrition, while still important in a few countries and in targeted populations in many

*(See **Obesity** page 10)*

• Inside The Insider •

Body Training Systems = Quality

By Norm Cates, Jr.

How many of you remember when the STEP did not exist in this industry? How many of you remember when wood boxes were first used for make-shift steps for group exercise participants? How many remember the inconvenience of movement of those heavy wood boxes, the torn carpets and the broken mirrors, caused by a heavy wood step being dropped too close to a mirror?

How many of you stepped with joy when The STEP Company began to sell the first ever molded plastic STEPs taking the club world by storm, ultimately arriving in 18,000 clubs in the US and serving literally millions and millions of health, racquet and sports club members?

Fast forward 17 years. The STEP Company still provides this great qual-

*(See **BTS** page 30)*

Norm's NOTES

• ***Hello everybody!*** This is your friendly ***CLUB INSIDER Publisher*** since ***1993*** checking in!

• *Be sure to copy and take our advertiser's exhibit list for the* ***CLUB INDUSTRY Trade Show*** *with you to Chicago. It appears at the bottom of this page. Please visit, learn from and buy from our advertisers. They will treat you right.*

• ***IHRSA's*** **search** *for a new and permanent* ***CEO/President*** continues… the best choice continues to be the one and only: ***Joe Moore.***

• I and many others were very moved by the video taped presentation at ***Augie's Quest*** in Las Vegas. ***AUGIE NIETO*** and his lovely wife ***LYNNE*** are brave people. Augie has ***LOU GEHRIG's*** disease. The disease is also known as ***ALS***. ALS was a big focus of the ***Muscular Dystrophy Association (MDA)*** Labor Day Telethon hosted by the one and only ***JERRY LEWIS.*** Augie Nieto and IHRSA's ***JULIE MAIN*** were featured with Jerry Lewis during the telethon when Augie presented MDA with two checks totaling ***$4.2 million.*** During the videotape airing Lewis was shown pulling out his red handkerchief and wiping his tears away, his tears were just like the tears I shed as I sat in the back of this big room watching these video segments. I am told there were many other tears in this room but I did not see them as I had to leave, fearing an outburst of my own personal emotion. I returned to my room in my Rio Suite and sat down and began to write. What I wrote does not fully appear here in this issue. It will appear at another time. But, the event continued and ***$100,000*** was raised for ***Augie's Quest.*** This followed ***$1,045,031*** and ***$2,813,649*** raised at two previous Augie's Quest events held in September, 2005 and March, 2006 at the ***NFTJ Show*** and ***IHRSA25.***

Part of what I wrote in my Rio Suite right after I left the Augie's Quest event is here and I quote from my yellow pad: "I just cried. Now, I have dried my tears. Tears of sorrow. Tears of heart break. Yet, tears of hope. I sit here stunned. I am stunned because of what I've just witnessed…the savagery of ALS, Lou Gehrig's disease … on Augie Nieto. It's Augie's disease now. This disease is a brutal, unrelenting, savage crippler of human beings. It attacks the greats, the near greats, the have beens and the never weres, without regard to status, achievement, notoriety or wealth. It is now crippling our good friend, Augie Nieto. My heart is in agony for Augie and Lynne and their family. My heart says Augie will win. My heart says Augie will make a difference. My heart aches for his condition now and pulses with agony in anticipation of the continued march on Augie's body. I urge all of you to give whatever you can to ***Augie's Quest. Let's change HOPE to JOY!*** Go to: www.augies-quest.com and give today because *Augie's disease* could be *our disease* on *any day*.

Norm Cates, Jr.

• The ***Augie's Quest*** event was part of the ***25th Annual National Fitness Trade Show Awards Banquet.*** We should all congratulate and thank ***WALLY*** and ***MESCHELLE BOYKO*** on their ***25 years*** of service to this industry. And, congratulations to ***LARRY SCOTT*** as he was honored with **WALLY BOYKO's** annual ***NFTJ Lifetime Achievement Award.*** Scott and previous winners are a ***who's who*** in the history of the health club industry. Congratulations to the following ***NFTJ Distinguished Service Award Winners: JOHN URMSTON, DEAN KATO, AL ROUSSEAU, CHRIS HENNO and GREG MALOLEY. Congratulations and thanks to CHUCK LEVE, MEREDITH POPPLER*** **and** ***TOM HUNT*** and the rest of the ***IHRSA Team*** on a ***job well done!*** The ***NFTJ Trade Show*** was held along with ***IHRSA's 2nd Annual Club Business Entrepreneur Conference*** and over 450 from around the country came to hear these terrific speakers: **THOMAS PLUMMER, CASEY CONRAD, MICHAEL SCOTT SCUDDER, MIKE KINCAID, WILL PHILLIPS, KAREN WOODARD-CHAVEZ, PAUL BROWN, ANTHONY BAYNARD, NANCY KOURIS and ANNETTE LANG.** In addition, ***ACE*** held its ***International Fitness Symposium, JERRY KAHN*** was there with his ***IPFA group,***

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

Thank You

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"Insider Speaks"
Stop the Pandemic!

PANDEMIC. WEBSTER's Dictionary defines pandemic as: "Of all of the people; widespread: general; medical epidemic over an especially widespread geographic area."

Now…1 billion people on planet earth are overweight or obese. 300 million of the 1 billion are obese. The 700 million overweight are on their way, *"eating bad foods and languishing in inactivity. Many of these 700 million earn their obesity stripes the hard way…one bite one case of beer one TV show one online session one car ride one sedentary day at a time."* And, America has a huge obesity/overweight *feeder system* that must be stopped…***America's children***.

As of the last official counts in both 2004 and 2005, approximately 41.3 million Americans are members of health clubs. That's just 14% of the U.S. population. That leaves 240 to 250 million others who are not members.

That is because the ***196 million*** overweight/obese *Americans and health clubs are significantly disconnected*. (As I wrote in my book "***Leaving FAT City"***).

There is a *huge gap* between the *minds of the American obese/overweight consumer* and *America's health and fitness club industry*.

This has been caused by: *a history of our industry* we must overcome; *a lack of TRUST* in our *industry's education, professionalism* and *caring hearts* and an *image,* a *belief by many American obese/overweight consumers that health and fitness clubs are ONLY for FIT people, not for them!*

FLAT LINE membership growth two years in a row in our industry? ***YEP***. And, during those same two years the industry added 1500 clubs per quarter or 6,000 clubs per year! (Says Thomas Plummer's during his comments in Las Vegas on September 7th)

If you are putting up new clubs rapidly I wonder if you are really thinking about the fact that club supply is overrunning potential membership demand before investing your money in new clubs.

And, I ask, "How many of you are simultaneously truly pursuing new opportunities for growth of your business ***within*** your existing clubs?

Those of you who seek the new opportunities from the *vast, untapped market* of *at least 187* million Americans* and untold others around the world, might truly be the ***smartest thinkers*** of America's 21st century health and fitness club industry. (*187 million calculated by subtracting 9 million morbidly obese from total of 196 million obese/overweight Americans.)

The question now is: "***WILL*** the health, racquet and sportsclub industry truly step up to this worldwide obesity pandemic challenge?"

Part of the answer is: A *few* club owner/operators have *already stepped up*.

The *rest* of the answer is: "There are *thousands* of club owners out there who would do well to *RETHINK everything in their growth plans. Are you amongst them?*

We all need to carefully consider the comments of one of the world's greatest exercise and fitness researcher and scientist: ***DR. STEVEN BLAIR.*** Dr. Blair made these comments at the closing session of IHRSA25 in Las Vegas in March 2006. Blair said and I will summarize, but not quote exactly here:

Blair - I found the Trade Show to be very interesting. In the front of the show were these huge exhibits filled with all kinds of equipment. In the back of the show were hundreds of small exhibits offering new solutions for this industry. The exhibits in the front of the show were overflowing with attendees checking out all of the latest equipment. The exhibits in the back had people there too, but in far smaller numbers.

Continuing and truly hitting home with the following comment Blair said, ***It will be very interesting to see 10 years from now if those big equipment company exhibits will be smaller and in the back of the room? And, if many of those small companies, now offering new and true solutions, are occupying the front of the room in much larger exhibits than 10 years before at IHRSA25.***

America, and now the world, is fighting a *new fight*…the *fight against the obesity/ overweight pandemic*. That means to *defeat* the obesity/overweight pandemic, America and the world will need *new weapons…new solutions now*. I am determined to provide you with some of those new solutions.

Who, amongst all of the 6.5 million people on this earth, are the most likely candidates to BE the SOLUTION for this pandemic? YOU are. The professionals in the health, racquet and sportsclub industry everywhere. *You already have amazing arsenals for this fight. Within those existing club arsenals lies the ability to win this battle.*

There may be 100,000 health clubs around the world. But, few ***TRULY understand the minds*** of the now 196 million obese/overweight Americans, how to reach out to them, how to attract them and get the obese/overweight human being into your club and most of all, how to work with them to *truly help change their minds, lose their weight and keep it off.*

A few truly understand how to attract and help the overweight/obese individual… but ALL of us truly understand America's fitness center business. Here it is: rent or build a box, fill it with equipment, put up a sign and sign up members who pay your club fees and dues to use your equipment.

Some hire unprofessional, uneducated, untrained and totally uncaring people to work in their clubs. And, many keep doing the same things over and over, yet somehow expect a different result.

So, what ***IS*** the ***SOLUTION?*** The solution is America and the world's health club industry *learning from those who know* about *adding a changed American health club message, product and presentation to suit the consumers during these pandemic times.* It's *as simple* and *as complicated* as that.

I have done several things to help America in this battle. And, I am working on more. I will not rest until we've won this battle in America.

#1) By age 54, I had lived for 54 years fighting with weight gains and loss and control. Six years ago I started my own program. I lost 110 pounds, 20 inches off my waist and have kept it off for 5 years now. I have something very important to say to America's obese/overweight in my book, "***Leaving FAT City***." My book is now in its final revision and editing phase and will be printed in October, 2006. "***Leaving FAT City"*** is now available to order for just $7 per copy plus postage. For ***$9.42*** this book will help you understand the mind of the overweight/obese person. Printed books orders will be delivered by November 15, 2006 and beyond.

#2) In Chicago at Club Industry I am founding a new professional association. I am not creating this new association to compete with IHRSA or Club Industry or anybody else. In fact, this new association is intended to help IHRSA and Club Industry focus on the obesity pandemic thus helping America and others around the world. For the Chicago meeting I've invited some of the very same leaders referenced above, people *who are truly in this fight already*, to become founding members of this new association. You will learn all of the details in our October, 2006 edition that will be produced the week after the Chicago Club Industry Show. My objective for this new association is to help America and the world's health and fitness clubs adapt, prepare and move aggressively forward with a laser-like focus on the problem of how to serve this market.

#3) I am currently featuring as ***CLUB INSIDER*** cover subjects those who've taken the lead in this American and world Obesity/Overweight battle. In July ***SHAWN VINT***, Founder and Publisher of ***Greenmaple Wellness Communications***; August, ***TASSO KIRIAKES,*** Founder and President of ***Bodez By Tasso***; September, ***DONNA KRECH,*** Founder and President of ***Thin&Healthy's Total Solution®;*** next month ***CASEY CONRAD,*** Founder and President of ***Communications* Consultants, *Healthy Inspirations*®** and now ***Take It Off***, a new weight loss program for clubs. In November, ***COLIN MILNER,*** Founder and President of the ***International Council on Active Aging (ICAA)*** and in December, ***ROBERT FERGUSON,*** the Founder and President of the ***DietFreeLife***, a web-based educational program, will grace our covers.

Next year we will feature more of the same with a focus on this realm by long-time club owners who've adopted and delivered weight loss education and services for their members for years.

I would like to hear from any long-time club operator who has successfully built a weight loss/weight maintenance component into their operations so we may share your expertise with our readers. We want to tell your club's great success story and for 2007 I will focus on club's who've been great over the long haul with a focus in their club on the obese/overweight market.

(See ***Insider Speaks*** *page 8)*

…Insider Speaks

continued from page 6

In this issue Donna Krech's in-depth interview really provides a handbook on how to attract and serve the obese/overweight for your club. If you want to truly learn about this subject, you should take all of the time necessary to read and study this interview carefully. Donna Krech's central message for club owner/operators is that *you don't have to change your club dramatically to be able to reach, recruit, attract and serve the overweight/obese American.*

Krech says it is wise to keep on *delivering your club's core marketing message* to the market while she encourages you to *add a special message and* presentation to your annual marketing portfolio. She believes that without a *special presentation and message for the obese/ overweight you will not see them in your club* and you *will not get the new business from them many of you need in your clubs today.*

By *crafting your message* and *how you're presenting your club product to consumers* who are sensitive about their weight issues you can increase the income stream in your club significantly from this sector. She has proof amongst her client base and she shares the secrets here that have made it happen.

By reading all of Donna's Krech's interview you will learn a lot. I learned an awful lot from Donna Krech from this in-depth, heart-based interview.

We are all in this together. America and the world will benefit from our laser focus now on this obesity pandemic until it is stopped.

- Norm Cates, Jr.

…Norm's Notes

continued from page 4

JEFF KLINGER and several hundred ***ANYTIME FITNESS owner/operators*** held their ***3rd annual convention*** and ***SupplementsToGo.com*** sponsored the ***fabulous MS. Fitness USA and Ms. Fitness World*** contests. All in all, this was one *great event* and provided ***a lot of learning. (Go to:*** www.msfitness.com *for the names and photos of the winners.)*

• ***Don't MISS*** the upcoming ***Club Industry Conference and Trade Show*** in Chicago ***October 4- thru 7th***. Check out our ***Advertisers Exhibit #'s*** on page 4. Also, congratulations to ***PAMELA KUFAHL,*** the ***Editor*** of what for the last year has been called: ***Fitness Business Pro Magazine.*** Pamela has led the way for the return of the magazine's world class and very well branded name and it's now called: ***Club Industry's Fitness Business Pro*** magazine! Congratulations also to ***ED TOCK,*** one of the principals of ***Sales Makers,*** on his excellent article entitled: ***Educating America About The Dangers of Obesity,*** in the Club Industry magazine August edition, page 22. At the end of his terrific article Eddie writes: *"Could it be that we could all be happier and more profitable if we would spend more time, money and energy fighting obesity instead of fighting each other for the same in-shape members?"* ***GREAT article and question Eddie!***

• *Does the fact that there are now more overweight people across the world than hungry ones, stir you yet?*

• Speaking of educating the public, let me point out that **Sportsplex Illustrated** is one of, if not the very best publications for members I've ever seen. Sportsplex Illustrated is published by the ***Sportsplex RDV mega club*** in Orlando, Florida. ***KARL DROPPERS***, Vice President, ***MVP Sports Clubs*** and ***MATT CARLEN, RDV Sportsplex Director,*** do a really terrific job with one of the most comprehensive health, fitness and sport complexes in the world. When you go to ***Disney World*** or ***Epcot Center*** or the ***Universal Studios*** in Orlando, it should be a ***MUST*** on your schedule to drop by and see this place. I know Karl and Matt and their world class team, former ***CLUB INSIDER*** cover subjects, will welcome you.

• Another place to see when you're in ***Orlando*** is ***Disney's Celebration Place Fitness Complex***, headed by ***DON JONES, CLUB INSIDER*** subscriber extraordinaire.

• Congratulations to ***COLIN MILNER*** and the ***ICAA Team*** as they've announced the ***AARP*** is going to promote ***ICAA'S Active Aging Week*** to its ***35 million members*** the last week in September. The 4th annual campaign will celebrate healthier lifestyles and culminates on October 1, 2006, the ***International Day of Older Persons. Check out:*** www.icaa.cc/aaw.htm

• ***Welcome back to my friend Jeff Randall,*** as he has restarted his ***JLR Associates ads*** on *page 12* in this issue. JLR Associates is a health, racquet and sportsclub industry specific executive search and placement firm. ***God Bless, you, Jeffrey*** as your eye, so severely damaged last winter by an ice hockey stick in a game, continues to recover.

• ***I have another good friend in this industry that has gone virtually blind!*** The disease he suffers from has a long name. But basically he can hardly see at all now. He can no longer drive a car. And, he views a 52' TV from about 2 feet away and can barely make out the TV images. He can read certain documents with a computer assisted enlargement system. He is getting medical help and there is a little bit of hope for him. But, I want him to know, because I know he still reads CLUB INSIDER, that even though he will not allow me to reveal his name, he is in my thoughts and prayers every single day. ***God Bless you dude!***

• ***Congratulations*** to a long time leader in the fitness industry as ***JOE SHANK's Almaden Valley Athletic Club (AVAC),*** celebrated 30 years of "health, growth, innovation and community service" with an outdoor dinner and dancing event, complimentary to the club's 10,000 members, on the ***club's 30th anniversary***, June 24, 2006. They will be celebrating their ***30th*** for the rest of this year and into 2007. So, look for a cover story on one of our great industry pioneers in 2007.

• It was exciting to learn that ***Town Sports International (TSI)*** staff has gotten great results and has ***saved six lives*** with their installation of ***Philips HeartStart OnSite Defibrillators*** (now in *every one of their 141 clubs)* serving ***466,000 members***. (As of June 1st).

• Here are a couple of tips to check out at ***Club Industry*** in Chicago: ***KOKO Fitness*** and the new ***CY-YO program.***

• The September 12th Bally Conference call ***left investors*** and **me cold.** The stock followed that day by dropping to $2.11, an all-time low and closed in that range Friday. ***Problems abound for Bally:*** many of the Bally clubs are ***worn out and need renovation*** and reequipping might total ***$250 million*** or more to accomplish and the ***debt is over $700 million***. The *Bally* ***$100 million*** credit line is fast becoming tapped out, with only about **$37 million left.** *All of this spells either opportunity or disaster, depending upon your perspective. Check out* ***Michael Scott Scudder's Bally Update*** on page 10 in this issue. ***He's our CLUB INSIDER expert on Bally matters*** now, as he has *13 years as a stock broker* under his belt to go with his *30+ years of club business involvement and work*. ***STAY TUNED!***

• It says here that the ***Atlanta Falcons*** are going to ***WIN the Super Bowl!*** Remember, *you read it here first!* ***GO Georgia BULL DAWGS and Atlanta's FALCONS!***

• ***God Bless our troops, airmen and seamen and their families*** as they fight for our freedom in ***Iraq, Afghanistan*** and around the world. ***God Bless*** our ***President GEORGE W. BUSH***, as he deals with a world that surely is tougher than any world he or any of us had imagined. ***God Bless*** our lawmakers as they seek to influence our national security. ***God Bless America*** as I worry for all of us because *worse, much worse*, could *yet come*. ***God Bless you all. We all need to be prepared.***

(Norm Cates is the Founder of CLUB INSIDER News and Publisher since 1993. Cates is a 32-year veteran of the health, racquet and sportsclub industry. In 1981 Cates was the 1st President of IHRSA and a co-founder of the Association with Rick Caro and five others. He was honored by IHRSA in March, 2001 when he was presented with its DALE DIBBLE Distinguished Service Award … an honor that was the greatest of his life. Norm Cates may be reached at: 770.850.8506 or at: clubinsidernews@mindspring.com or at: normcates@leavingfatcity.com Look for Norm Cates' new book in print for just $7 a copy by October 31, 2006. Go to: www.leavingfatcitycom to order.)

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Late Breaking...BALLY UPDATE

By Michael Scott Scudder

September 14, 2006 - As if the banged-around fitness giant didn't have enough problems, its Second Quarter Earning conference call of this past Tuesday (9/12) has not helped matters. In that call, interim Chairman Don Kornstein, interim CEO Barry Elson and CFO Ron Eidel didn't have much good to talk about. I will say that they handled it generally less evasively than previous CEO Paul Toback did in the June 28 conference, in which he made definitive statements that just two weeks later he had to recant.

In their opening remarks, Kornstein and Elson referred to Bally as a "…company with an overlay of real estate, subscription and contract membership businesses." They stated that they "…are not going to be caretakers, [they] are going to be aggressive in our actions." They believe that "Bally remains a unique branded fitness enterprise" and that they are "…aware of what needs to be done in turnarounds to create increased shareholder value."

Then came the bad news. The average price of memberships sold is down for the first 7 months of the year. Membership sales in total are down for the year-to-date versus the same time period in 2005. Net revenues are down…cash flow for the remainder of the year will be between 10% to 20% lower…six months 2006 operating income is down 11%. Their line-of-credit liquidity is dwindling rapidly, and while they can make it through the balance of this year, it is questionable at this point in time whether operations will carry the company beyond that point. CFO Eidel noted that the company "…needs to refinance the notes due in October 2007 by April 2007, or they will not have sufficient liquidity to pay off debt." Kornstein added that Bally has changed from its original focus of "…possible sale or merger" to a "…company now looking for short-term and longer-term financing efforts."

The stock market reacted by sending Bally to a life-of-the-company low stock price at $2.11 per share just yesterday. (As I send this, the stock is trading at $2.27 per share on heavy volume.) The stock, which traded as high as $9.92 per share just a few months ago, has lost shareholders over 75% in just a few months.

My commentary: All of that said, this is a company which still has the second-largest number of members nationally at 3.6 million, trailing only Curves at 4.2 million members. Bally still has 380+ clubs…granted, probably a third of them operating unprofitably…but they are still producing revenues of nearly a billion dollars annually, with better than 30% of that in non-member-dues income (which is a substantially higher percentage-of-revenues ratio than the average club in our business). I do not believe the majority shareholders, led by Manny Pearlman of Pardus and Liberation investment companies, are going to let this company go under. Call it asking for a miracle… but I believe this company will manage to re-finance near-term debt, create a marketing and management plan to right the ship, likely close a lot of unprofitable clubs in the medium term, and turn this company around in the long run. As one Wall Street investment-specialist friend of mine says: "There is a lot of 'intrinsic value' in this company and somebody will capitalize on it."

As if the banged-around fitness giant didn't have enough problems, its Second Quarter Earning conference call of this past Tuesday (9/12) has not helped matters. In that call, interim Chairman Don Kornstein, interim CEO Barry Elson and CFO Ron Eidel didn't have much good to talk about. I will say that they handled it generally less evasively than previous CEO Paul Toback did in the June 28 conference, in which he made definitive statements that just two weeks later he had to recant.

(This Late Breaking BALLY UPDATE was reprinted courtesy of Michael Scott Scudder from his first ever mid-month Supplement to his September MSS FitBizConnection a Private Subscription Newsletter for Quality Fitness Operators e-newsletter. The update also included several other news items that may be helpful to you. For information and to sign up for Michael Scott Scudder's FitBiz Connection contact Scudder at: mss@michaelscottscudder or call: (505) 751-4248.)

Town Sports International's Staff Save Six Lives with Philips HeartStart Defibrillators!

New York, NY – September 14, 2006 - Town Sports International Holdings, Inc. (NASDAQ: CLUB), the Northeast's largest health club network, has successfully saved six lives in the 18 months since it deployed Philips HeartStart OnSite Defibrillators in all 141 New York Sports Clubs, Boston Sports Clubs, Washington Sports Clubs and Philadelphia Sports Clubs locations.

In each club location, TSI installed an automated external defibrillator (AED) and trained its staff to be responders should a sudden cardiac arrest (SCA) occur at the gym during business hours. It was this training, along with the strategic deployments of defibrillators, that allowed for such a successful program.

"If it were not for the quick thinking of the trainers at Boston Sports Clubs and the HeartStart Defibrillator, I would not be here today," said Art Garofalo, 62-year-old SCA survivor and Boston Sports Clubs member. "I would have missed special moments that mean the most to me, like my son's wedding and reading to my twins." Art collapsed during a routine workout and was resuscitated by one of the trainers at his local Boston Sports Clubs.

Defibrillators provide treatment for SCA, a leading cause of death in the United States, claiming more than 340,000 lives each year. Today, fewer than five percent of sudden cardiac arrest victims survive, largely because defibrillators do not get to them in time. For each minute that passes before defibrillation therapy reaches a victim, the chance for survival decreases by about 10 percent. After 10 minutes, few attempts at resuscitation are successful.

"I never thought when I went into work that I would save a life that day," said Pam Riddell trainer at Boston Sports Clubs. "The training that the company provided helped to prepare me for the worst, and when it came, the HeartStart Defibrillator was just as easy to use in a real situation as it was in practice."

Many U.S. states have passed or implemented legislation making AEDs mandatory in a number of public places, including health clubs. TSI completed its deployment before it became mandatory for health clubs in New York, Boston, Philadelphia and Washington, DC to have a defibrillator available.

"TSI is proud of our trainers who have become heroes by using the Philips AEDs and saving the lives of our members," said Randy Stephen, TSI's COO. "Having AEDs in the gym is only the first step to safety. Having trained, dedicated personnel who are ready and willing to use AEDs properly makes this program a success."

Members have been saved in all four cities that TSI operates in the last 18-months. In each case, the HeartStart OnSite AED was put into use and the victim had regained a normal heart rhythm before emergency medical services arrived at the sports club. TSI honored all of the trainers who have taken the initiative to save a life in April at their annual High Impact Awards.

The HeartStart OnSite's clear, calm voice commands guide the responder through every step of the defibrillation process, even reminding them to call for emergency help. It provides voice coaching for adult and infant/child cardio-pulmonary resuscitation (CPR), with instructions and audio cues for each breath, as well as the appropriate number, rate and depth of chest compressions. In addition, the HeartStart OnSite Defibrillator can be used on infants and small children when equipped with specially designed infant/child pads, which reduce the amount of energy delivered by the defibrillator to a more appropriate level.

…Obesity

continued from page 3

others, is no longer the dominant disease."

Popkin urged governments to begin to develop better strategies to combat obesity. He said food prices could be used to manipulate people's diets and tilt them towards healthier options. He said, "If we subsidize fruit and vegetable production, people would consume more of it and would have a healthier diet." Government subsidies for fruit and vegetable production would lower those food costs to consumers.

University of Minnesota's Professor Benjamin Senauer, comparing lifestyles in the US with Japan, a country with low rates of obesity, agreed. He said other factors such as exercise, also played an important role. And he said, "Japanese cities are based on efficient public transport and walking. The average American commutes to work, drives to the supermarket and does as little walking as possible."

Will America and the world continue to expand around the middle until economies are ruined by rising medical care costs? Will the international health club industry truly step up and begin to learn how to do something about it? That is the question. We have some of the answers in this edition. And, we will deliver more and more as time passes by. *Stay tuned*.

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…Donna Krech

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right. And, I believe in her.

Before I go further, let me review the numbers: 196 million overweight or obese Americans. 9 million morbidly obese subtracted from 196 million leaves 187 million. I've carefully studied the numbers and estimate that only 3% to 5% (max) of 187 million are now members of an American health club. That leaves at least 95% of 187 million Americans as health and fitness club member prospects. With the recent obesity/overweight pandemic numbers shared above and the number growing every day, I would just say, "Houston…we've got a problem."

Do I have your full attention yet?

This is essentially the presentation of a "new-hybrid" paradigm where America's truly astute health club owners and operators will finally begin to understand how to attract the overweight/obese market in mass.

Donna Krech strongly believes America and the world's health and fitness club operators must present their club offerings to the obese/overweight public differently. She makes a very strong case for her hybrid Thin&Healthy's Total Solution® Club based in Lima, Ohio. And, she shares with vigor many ideas you can use starting as soon as you finish reading and studying this.

Krech has learned that identification of the obese/overweight consumer's *WHY's* are crucial to attracting his business. She uses many tools, tools such as her amazing story of the "Burning Baby", to drive home her point to her male and female clients.

Donna Krech is a brave, brave woman. She shares new hybrid ideas and information in this amazing interview that will provide you with a passport to this vast, untapped market.

But, I will warn you now, what she has said in this interview is going to irritate and might even antagonize some of you. But, I say, so be it. Read it, weep … even cuss if you like, my friends.

In this interview, Krech dissects the mind of America's health club operators. And, she shares the thoughts in the minds of the now 196 million obese/overweight Americans.

Krech brings together here *two vastly different worlds*: the *health and fitness club world* and *the weight loss center world, with comments only someone who has lived and worked in both worlds for a long time could possibly provide.*

And, even though she had fear in her truly brave heart for some of the things she has said to the health and fitness club industry in this interview, she truly has very candidly "told it like it is."

Donna Krech is passionate, gutty, determined, experienced, focused and driven by a higher being to achieve her mission.

And, she does her dead level best in this interview to bring it all home to you.

I think she hit a home run…*and if it gets you to truly open your eyes and your mind, read all 10,114 words and act on what you learn, it will be a grand slam home run over the center field fence for the entire health club industry*. She is *deeply determined* to help change the health and fitness club industry in a positive way that will help American and other clubs around the globe and the public worldwide.

This interview will help you immensely if you want to grow your club's total market penetration and your bottom line. This interview will give you important insights into marketing, recruiting for membership and service efforts for the overweight/obesepopulation…the "bigger crowd' out there. She explains why our industry is failing America now. She explains why bigger people who have needed your club's help for a long time, have been afraid to approach your club.

Donna Krech provides solution after solution after solution for you.

Read this interview with Donna Krech. Learn from her. Your club business and America will be better off for your "new" weight loss paradigm insight and knowledge as you grasp and apply it.

Q.- "Donna please share your early days with us? Where were you born? Where did you grow up? What were your interests as a youngster?

A.- I was born in Lima, Ohio and really have spent most of life here except for a stint at Bowling Green State University and six months in Midland, Texas.

I was the youngest of 7 children. There were 9 years between me and my older brother. So, I was kind of like an only child as my family lived out in the country with few other children my age around. I had to use a lot of imagination to entertain myself with pretend stuff as a child. I had a very early interest in fitness and health. It is actually written in my high school year book "What do you want to be?" section that my goal was to own my own health and fitness facility.

My father was an alcoholic and was very abusive toward most of us kids. I was very fortunate, as I was just a baby. While I remember him being very abusive and hard on my five brothers, I also remember lots of love from him. Therefore, we had a mother who was the bread winner and was a strong, strong, faith-filled woman. I am sure that's why today we are who we are. Virtually every one of my 6 brothers and sisters have achieved great things, especially given the history we have.

Q.- Tell us about your education?

A.- Well, I went to Bowling Green State University. I am one of those people, however, who graduated from college after a year without a degree. People refer to it as quitting. That would be me… (laughing out loud). I really was more into dance and fitness as opposed to athletics. However, I hold numerous certifications in fitness and personal trainer instruction, am a Professional Member of the National Speaker's Association and am a certified Life Coach and Business Leadership Coach. We have also founded a Weight Management Coaching Certification and Life Success Coaching Certification recognized

*(See **Donna Krech** page 14)*

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…Donna Krech

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through accredited associations.

Q.- Please tell me about your family?

A.- I have two children of my own, Chastity, 25 and Gabe, 19 and my husband John's, three children, Laura, 34, Heather, 31, Christy, 29.

John & Donna Krech Family Gathering

I worked from an office in my home early in my career. I had facilities in my town and other states and we had a corporate office. But I worked mostly from my home because my priority was to be there for my children to put them on the school bus and be there when they came home. I made a conscious decision not to pursue growth of my business as aggressively as some might encourage me to because I knew life is short and I would never get those days back with my kids.

I had to do what I knew was right and what was right was my being at home for them. Now, Gabe is a sophomore in college this year. So, I find myself working more in our corporate office and traveling now as we're growing the business exponentially.

My priorities absolutely are God first, family second and career third.

Q.- How and when did you become involved in the health club industry?

A.- I got involved in the health club industry in Midland, Texas in 1982. As a matter of fact, it was March of 1982 that I went to work in the weight loss industry and it was April, 1982 that I got involved in the health club industry. I have been involved in one or both ever since.

Q.- How and when did your involvement in the health club industry shift to a focus on the world of weight loss? What caused that shift?

A.- When I moved back to Lima, Ohio, I went to work in a local health club for a couple of years. Then, I went back into weight loss work.

In 1985 I became the manager of a Nutrabolic Weight Reduction Center here in Lima. In 1986, one year to the day after starting at Nutrabolic, I bought my first franchise. At one time I owned 8 Nutrabolic Centers and I was their #1 franchisee.

A neat part of that story is that when I was working part time in the health club I was also a seafood clerk in a grocery story. So, when I went for the interview with the Nutrabolic people and they offered me a management opportunity **---** I jumped on it.

In early 1989 I met my second husband John. I had gone through a very bad divorce. I had been married to a man with a lot of addictions. He was addicted to drinking, gambling, drugs and other women. He could have become addicted to throwing me up against a lot of walls had I allowed it to continue. I did not have money enough to even buy milk for my baby. I had nothing. This led to depression causing me to gain the weight.

So, I was divorced and dating someone who happened to be an executive with the Nutrabolic Corporation. We decided to get married. He went to the CEO of the company and told him. The CEO said, "That's really great, but you're a company executive and she is a franchisee and that's a conflict of interests. So, you'll have to decide if you want to work for me or marry her."

My husband chose to marry me and he left the company. That, along with some other reasons that were pretty obvious, I knew it was time for me to sell my facilities. They sold very, very quickly, which was highly unusual.

In 1990, right after John and I married, we looked at each other and said, "What are we going to do now?" We looked at a car painting business, we looked at little corner candy stores in malls, we looked at dating services and other opportunities. One day I said, "Wait a minute. I have all of these marketing techniques that were mine and left with me when I left the company. 20 years before John had 32 women's figures salons, the Elaine Powers, Gloria Marshall type of centers. So, we said let's do that again. Let's marry my marketing techniques that made my centers do so well with unconventional (at the time), zero to low cost marketing with the women's fitness concept. We started a company called Body Genics Fitness for Women in March, 1991.

We built 10 Body Genics Centers. They did well. Very well. We became quite well known in our communities. Again, it was something very new because women's fitness facilities were unheard of.

That is when I made a conscious decision not to aggressively grow the company. This was even before Curves, which started in Harlingen, Texas in 1992. John and I look at each other today and say "Gosh, maybe we could have been like Curves." But, I know I made the right decision to stay at home and be close to my family. So, that wasn't the thing for us to try to do.

In the meantime we noticed that the people that were coming to our women's fitness facilities did not have much weight to lose. They did not look at all like the clients that had been coming to my weight loss centers.

So, we created a program called FAT Freedom. We advertised it. We put the phone number in and we did not mention it was inside a Body Genics Women's Fitness Center. The FAT Freedom pull was phenomenal. The phone rang off the hook.

However, when we answered the phone: "We're getting great results here at Body Genics", 50% of the people hung up on us … once they realized it was a fitness center. Some did show up. This facility where we did this testing was inside of a mall. We had a big wall blocking the view right inside the door. You really could not see what was inside that location until you came around the wall. When these people showed up and came around the wall, 50% of them turned around and walked out when they saw the mirrors, the loud music, the bright lights…and in those days we were all still walking around in thongs and leotards. I mean I had created as intimidating an atmosphere as you could find for someone who needed to lose weight! So, they left. Those that stayed enrolled.

We now knew very quickly that we were missing a significant niche in the market.

We separated everything at that point. We created a separate staff, separate location, separate programs, separate phone lines, separate advertising, separate everything. We ultimately built and operated two separate facilities, one fitness and one weight loss, in ten different cities! And, we had two different types of clientele going to each one. Both models were profitable.

By that point in time, 1994, we knew that the overweight person just was not going to come into the gym. They just weren't going to do it. In order to meet that need, which is what we have a heart to do, we had to offer a facility that was comfortable for them to come into.

That's what started Thin and Healthy in 1994.

The POWERFUL WHY

Q.-Tell us about *Thin&Healthy's Total Solution*® Company?

A.- Thin and Healthy was a traditional weight loss center. It definitely evolved from there. By that I mean we provided one-on-one coaching much like what the weight loss world is used to when you think of a weight loss center.

But, we were very different because we also offered a Metabolism Retraining Component ® - an exercise component. We had a small separate exercise area that was very basic…it had a treadmill, a mat, some plastic dumbbells, etc. As we moved our company forward, we added an even larger fitness component.

We wanted to encourage our members to get involved in some form of exercise, which no weight loss company anywhere was doing. As a matter of fact, my training at the weight loss company years before said that when somebody got onto the scale and had gained weight, I was to scold them by saying, "You're not exercising ARE YOU?" The weight loss people felt that since people had paid us to lose weight we had to give them their mon-

*(See **Donna Krech** page 16)*

…Donna Krech

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ey's worth. (They did not tell us that they would all gain it back and more without exercise in the formula).

So, even though it made me feel so uneasy. I wasn't a decision maker. I just knew I was going to do something about that when I got out on my own someday.

We also added personal trainers…but, not personal trainers the fitness industry knows today. Personal trainers that we certified because we needed for them to understand the mindset and the needs of the overweight person.

They are not personal trainers who might say, "O.K. I'm gonna shape your delts…drop and give me 25." The member is just there… but they're NOT THERE with fitness YET!

So, we certified our personal trainers with emotional coaching and understanding, the "meet them where they are at today" mindset so that we could cause an overweight person to fall in love with the benefits of exercise and fitness. The focus with members was really for them to meet with this personal trainer once every other week and do the exercise on their own at home or wherever they could.

Well…that evolved into having a much larger exercise area because we found that they just were not doing it. So, we needed to give them a facility to come to so they would really do it.

Now…that evolved to where we have a very large motivational component we call LIFE SUCCESS. That's what has differentiated us from everyone. That's what caused us to move into the name: Thin&Healthy's Total Solution®.

Because the bottom line is this. If you ask someone who has just come in if he has cut calories to lose weight, he will say yes. Have you cut carbs to lose weight, he will say yes. Have you bought the most popular diet book, he will say yes. Bought into an infomercial, surely, decided to cut his portions back, yep, maybe cut out eating later at night, yes. I could go on and on Norm and people will say: yes, yes, yes, yes!

OH! So, then the revelation Norm is this is not about the food! Because there is a huge volume of nutritional knowledge available and our country's citizens are still getting heavier and heavier!

CLUB INSIDER – Thus the sign in your first room!

Krech- "It's not about the food!" It's not what is causing this problem! ***Food is not the enemy!***

So then Norm, let's talk about exercise. How many Americans have joined a fitness facility? How many have bought the latest work out video? How many have bought the newest gadget, the new fad thing from infomercials? How many have started a walking club with their friends from church?

*Well, then…**IT'S** not about the exercise either! When I say **"IT'S"** I am talking about a **permanent weight loss solution.***

*So, now we know **IT'S** not about the **food. IT'S** not about the **exercise**. Well then, what is **IT, permanent weight loss,** all about?*

Well, when you ask anyone that needs to lose weight this question, "When the next thing came along did you find yourself totally excited, they will say YES! Did you find yourself ready to go? ABSOLUTELY! Were you absolutely sure that THIS was the one for you and THIS TIME you were going to lose that weight? They will say YES, YES, YES! Then, when I ask them, "Did you find ten days to two weeks into it, you weren't following the program anymore? They will say YES again.

*Well, what happened? It was the **motivation** that went missing! It wasn't the food. It wasn't the exercise. It was the **mindset of understanding the goal** and **knowing and addressing in advance the obstacles** that this person was going to come up against in order to succeed. **And, mentally preparing and having the discipline and will power to overcome them before they ever came up against them**. **IT** is just like you,* Norm Cates, said in "Leaving FAT City"! ***ITS*** *all about your mind!*

*Knowing **WHY** they are doing what they are doing is so very, very important as well.*

The "Burning Baby" !

*When we teach someone how to find their **"POWERFUL WHY",** which is the KEY to really losing weight and keeping it off, I call it a **"BURNING BABY."** Here is how I explain it to a client.*

If I take this 20-foot long 2" by 4" board and lay it here on the floor in front of us and I say "Could you walk across this 2" by 4"? They will say, "Sure I can do that." Then I say, "O.K., let's put the 2" by 4" up on some cinder blocks. Do you think you could step up on that board and walk across it again?" They will say, "Well sure I could, absolutely!!"

Then I say, O.K., let's suspend that 2" by 4" between two 30-story buildings. I will secure it very firmly so it will not Fall. Could you walk across it now? People will inevitably say, "Not a chance. I'm not doing it!"

Then I say, "O.K. Let's suppose you are standing on one 30-story building. On the other 30-story building is the person you love more than anything else on this earth. That other building is on fire. They are about to be engulfed in flames…can you get across there now?" For me, this would be one of my babies, hence the name of the story. You'd better believe I'll get across! Every single person says, "Yeah…even if I have to dangle, if I have to crawl…I will do whatever it takes…I'm gonna get across there and save my baby!"

Norm, that's how important your POWERFUL WHY is. You must have a burning baby deeply engrained in your mind that says this is so important to me I will do this NO MATTER WHAT!

*Well Norm, wearing a size 6 is not important to us. You know…living a full life…fully experiencing everything…being able to run up and down the stairs with the grandbabies… being off all of those ridiculous prescription drugs…these are examples of the powerful **WHY'S**.*

The amazing results of losing your weight and keeping it off will give you your POWERFUL WHY. But, people sometimes must have help coming up with their POWERFUL WHY. No one addresses that. People just offer the next diet. And, quite frankly, from an economic standpoint, it's easier to just offer the next diet. You know… here's your diet, give me your money thanks…have a nice day!

But, that's not going to solve the problem. As a matter of fact, it's just making the problem worse because with every diet we put a person on we're slowing their metabolism down.

Thin&Healthy's Total Solution®

*Krech continues, So, Thin&Healthy's Total Solution® really came as an evolution of doing the right thing. Thin & Healthy Total Solution® is really a **"new-hybrid"** for the club industry.*

I had been in the weight loss business for a long time, so I knew what it was about. I had been in the fitness business for a long time, so I knew what it was all about. And, I knew that these two components separately were absolutely NOT solving the problem. I even married the two and still found I wasn't successful in getting the overweight person to move.

Thin and Healthy… we're the 'new-hybrid' weight loss program. Our program has 3 parts:

#1) ***Healthy Foods Education*** **®-** the nutritional plan,

#2) Metabolism Retraining ® - exercise and

#3) Life Success ®- motivation.

Weight loss facilities have not solved the obesity problem, neither have our fitness facilities.

If you stand at the back of the room when our group fitness class is happening Norm, you will see hardly anyone with less than 25 pounds to lose, some have 40, 50, 60 or more, some even 100! You don't see that in any other club.

We're a "new-hybrid" of permanent weight loss that includes the most important component that was missing from both. What's that component? Norm, our mantra is: "IT'S ABOUT THE MOTIVATION!" It's ***our core philosophy*** for our members, it's *our core philosophy for our* team (which is a key reason why we don't lose people) and I believe it's a *core philosophy for life!* If I had to sum up who I am, what our company stands for and what we believe, I would scream one thing at the top of my lungs --- ***"IT'S ABOUT THE MOTIVATION!"***

This "new-hybrid" cures the issues with people who need to lose weight, but who don't exercise, and fitness center's inability to get them to come into their facilities

We offer the industry a turnkey opportunity including all aspects of training from certification for weight management coaching to marketing that produces results to business education to a retention program showing us at a 90% rate!

Once we added Life Success and we added a place for them to function, we're not only seeing phenomenal results, more importantly, we're seeing them keep their weight off. I know what we're doing is totally different than anybody else is doing and we want the club world to learn about it and use it.

Q.- How many Thin&Healthy operations are there that you own and how many do you license?

A.- The Thin & Healthy program is currently being offered in 150+ locations.

Amongst those 150, we have 32 licenses. Those are in health clubs, chiropractic offices and a few are stand alone as well.

We have about 63 facilitated models. That is the Thin and Healthy group model and can be set up in health clubs, inside a business, in a gym at a school or even in a church meeting room.

And, we also have 50 or so affiliates. The affiliates are people who don't necessarily want to hire staff and don't have the money to invest, but do want to have a weight loss program. They refer our online program to their members. People may take advantage of a weight

*(See **Donna Krech** page 18)*

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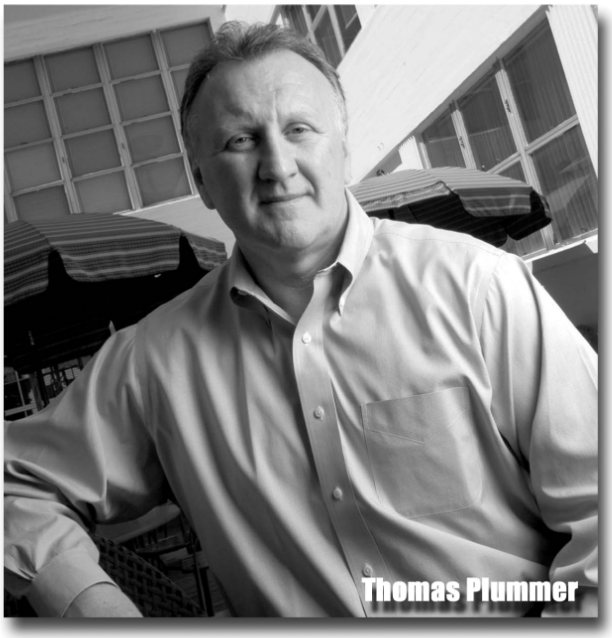

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Why you might consider a seminar this year...

We understand how hard your job is, which is why our seminars have been so popular for so many years. More competition, extreme price discounters, chain clubs opening all around you and staff nightmares are all a part of what you do every day in this business.

If you own or manage any type of fitness business, we have new ideas that will help you make more money and compete successfully against anyone. During the last year, Thomas Plummer Seminars have attracted thousands of people, including small training centers, the biggest chains in America, independent club owners, wellness and hospital facilities and even clubs that are in new categories.

It's been hard to make money in this business during the last several years but we have the ideas and resources to help you change what happens. New ideas and leadership is what the Thomas Plummer Company is all about, and we promise that if you give us two days, we can make a major difference in how you make money.

In Their Own Words...

-Every club owner, no matter how long they have been in the industry, needs to attend a Thomas Plummer seminar.
Jason West
North Columbus Athletic Club

-Thomas Plummer is very fun and inspirational, the information is top notch, and I just enjoy being around other gym owners for 2 days.
Ken Laurie
World Gym Express

-I look forward to attending and sending my staff to a Plummer seminar every year. I take something back each time that will help take my business to the next level.
Mike Shirley
Double Diamond Athletic Club

…Donna Krech

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loss program that way.

The reason I offer all of these different options for involvement is that we realized that to get this message to be heard we had to reach and make it available to consumers anyway we could.

Quite frankly Norm, I am one of those "rags to riches" stories, so I have to tell you my heart is very deeply involved in providing opportunity to people to get involved. I've been at the place where I had no idea how I was going to buy milk for my baby. I literally had no money. I so want people to know there is hope and success can be had. I'm living proof! I know this is why I have such a passion to offer opportunity. I have a heart for the underdog. I was one. I relate to those fighting for a cause and working hard to become a success.

The main crux of the message of our company is ***providing help, hope and opportunity.*** What I mean by that is that there is such an enormous opportunity in this world with this program and this message. I wanted to provide an opportunity for people to study, share and benefit from sharing this message. So, I created what I call LIFE CODE, an acronym for all the different ways for a person to get involved from a business perspective with our company. (See sidebar this page).

By "person" it could be a 150,000 square-foot multiplex owner all the way to a member who isn't in business at all. The licensing opportunity requires a bigger investment of time, human resources and money. I've got some clubs that are adding $100,000 NET because of our licensing program.

We don't just try to meet our members where they are, with regard to eating, movement and motivation. We're trying to meet every business person where they are and work with them.

Illuminating Comments On Marketing, Sales and Why Many Health Clubs Are Not Reaching This Vast Market

Q.- Donna, you have described what I call the FAT Friendly Health Club mindset quite a well in this interview. Your Lima, Ohio Thin&Healthy's Total Solution® facility seems to have not only the perfect staff and environment, your operation seems to have all of the ingredients needed to appeal to individuals with serious weight loss issues, as well as those who just want to keep their weight where it is and maintain their personal fitness.

I would say the biggest thing is *"Meeting them where they are." I market directly to the market I am seeking.* There's no doubt about that. *I market to the weight loss consumer, someone who has weight to lose.*

My ads contain *"Before"* and *"After"* photos. They absolutely are *not "hard-body" ads.* I've been size 2 since 1990. So, I'm not my customer. *But, I do understand the heart and the mind of my customer. And, I have to show them…this is a place where you're going to feel safe.*

We sell on the BENEFITS. We do NOT sell on the features that we offer. We sell on HOW THEY ARE GOING TO FEEL. How they are going to be emotionally involved.

We sell very much on the "BURNING BABY." We sell very much on the "POWERFUL WHY."

I believe that we bring it all together in a way that is safe and comfortable. When you talk to our members you will hear they have ventured to a traditional gym. *They tell me they didn't stay long. They tell me they left because they felt **judged**.*

One of my members told me she left a gym because they didn't want to pay attention to her, they only wanted to pay attention to the people who were already fit. ***Whether we want to acknowledge that or not, that is what we do as fitness professionals.***

We don't even mean to judge, ***we just do***, because we're already experiencing the benefits of fitness. We're so in love with those benefits that we ***FORGET WE HAVE TO REACH OUT TO AN UNFIT, OVERWEIGHT PERSON.*** They're not going to just come to you. You've got to give them a comfortable place to be, but you've also got to extend that hand, so that they will come and be there.

We offer Weight Management 101 Coaching and as I mentioned Metabolism Retraining ®. ***We offer motivation.*** And, we keep the member involved by what I call an *"Octopus Approach",* attaching ourselves in as many ways as possible to that member. So, if there is a part they don't want to be attached to anymore, we're still attached in other ways. If there is a part they don't need anymore, we're still attached. Our *Life Success Program* totally sets us aside from the competition.

So, I would say we are absolutely a "FAT Friendly Health Club!" But, I don't market my club as a health club that way. I tell club owners that if you really want to attract the overweight population, you really need to do some different and separate marketing. ***It doesn't mean that you must turn your club into something that you don't want it to be in order to attract the overweight population.*** But, you are going to have to SEND A MESSAGE that is ***OTHER*** than the message you have been using for your traditional health club marketing. Remember the "new-hybrid."

I am convinced that is the only thing that is going to create the solution. Our industry SHOULD BE the SOLUTION…but right now, we actually are part of the problem.

Q.- What are the ratios of men and women in your club?

A.- We're about 30% men. That's much higher than it used to be. At one point it was about 10%. Still, women are the ones who will admit they need help losing weight. Much more than a man will. A man will just say to himself all I need is to get on a treadmill…need to work out. But, the ratio of men is now much higher and it's a broad range. It goes up and down. It is also based on the ad I am running at the time and is based on the time of year.

Q.- Donna, tell me about the competition in your market?

A.- We have about 30 facilities within a 12-minute drive.

A Terrific Team

Q.- I was really impressed with your staff, particularly the long tenure of your key people all of whom have over 13 years with you. Would you please comment on why you think your people have stayed with your company all those years?

A.- I have been blessed with amazing people. I would say that they would tell you that it is because they know that we're in it for them. We know what all of their goals are. We work like crazy to get them to their goals. They know our motives are to provide help, happiness, hope and opportunity. They know that. They're behind that.

We're big practitioners of *Life Success*™ around here. *Everybody is in a constant growth mode*. I would say that most importantly, it's *philosophy* and *values.* I don't know how popular of an answer this will be, but I can tell you we start every day covering each other and our business with our group prayer. We've become a family.

Our values are the same: Goal driven, work ethic, balance, *vision, integrity, being ahead of trends, willingness, a servant's heart, good attitudes and a positive solutions mindset.* But, I would say most importantly we have this LIKE philoso-

*(See **Donna Krech** page 20)*

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

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

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Association Insurance Group

…Donna Krech

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phy…we truly want to honor God with who we are.

And, I've got to tell you…*it's not always a cake walk*. *We've had our issues*. Sometimes I really thought those issues were going to break me down and I know some members of the team did too. You know what? Once we *swallow our pride* and *step forth with some humility*, we not only work through the issues, but *we grow to the next level of skill and achievement*. The bond just becomes *tighter*.

I think in relationships, it's not the yippee, skippy times that make you close and tightly bound, it's the *difficult times*. *That's when you really know if you have a relationship or not*. There are certainly times when we fight in our little family. We fight with one another some days. But, we *fight FOR one another every single day.*

CLUB INSIDER - We asked four of Donna's core team members to answer three questions for us. Here are the questions and their responses follow with each respective question number appearing before each response:

#1) Describe your job duties? What do you like the most about your job?

#2) How does your passion for your work help you and the company?

#3) If you could tell our readers three of the most important things to remember when dealing with the overweight/obese client, what would those three things be?

Marcia Bigler #1) My goal as a ***Licensing Specialist*** is to make a difference in everyone's life. Ultimately my goal is to get everyone I talk to involved with us at some level. Since we have Life Code we have a way to not only help licensees make money, we also help provide a life-changing program for their members.

The thing I love most about my job (By the way, it's not a job to me when you're having fun!) is that I work in such a positive, fun-filled atmosphere. I also love that it keeps me young and full of energy, not to mention, it's helping me hit my financial goals.

#2) My passion has been fitness and weight management for nearly 40 years. But, I am more excited than ever because we now have a program that really is "The Total Solution". It's so easy to sell something that you believe in. I sincerely believe that because of my passion and God's will, I will hit my financial goals and help our company hit it's financial goals.

#3) If I could tell your readers three things to remember when dealing with overweight/obese prospective members, the first thing would be to remember they are just fed up! They have been on so many "diets" in the last 3-5 years that they really are just tired! Second, they really are looking for a way to lose all their weight and keep it off, hence, The Total Solution. Third, they are very sensitive so you must meet them where they emotionally are today.

Sandy Esterle - #1) As ***Network Support Director*** I consult in our systems on leadership**,** management, sales, service, marketing and administration. I assist our licensees with the production aspect of their business … all the way from creating forecasts to establish training programs to completing strategic planning to negotiations to building a presence in each territory.

The thing that I enjoy most is seeing licensees achieve their own goals.

#2) My passion is "winning." Failure is not an option. Our systems are proven to work 100% of the time when plugged in exactly as described. My passion to ensure that those systems are given in a detailed turn-key package to our licensees is one of the things that helps all of us win!

#3) Well Norm-that's an easy one for me. I was a former club owner myself and I work with club owners every day. The following 3 things are the key business aspects that we as club owners need to remember in order to attract and keep the overweight person as a member:

1) Communication about fitness: One example that comes to mind is the following: The worst thing we could have ever said in the fitness industry is "No pain, no gain." The average person doesn't want to work or be in pain (have soreness.) It's vital that we meet our members where they are at today allowing for moving to be fun!

2. Marketing: Market your club separately from your weight loss concept and create an ad the overweight person can relate to.

3. Location: Having a non-intimidating private area of the club where coaching can take place for the overweight/obese person is important.

Beth Hammond- #1) As ***Director of Passive Income*** I am responsible for taking our amazing programs and products that have helped so many people in our bricks and mortar business and allowing the millions of people to be reached with our message via the Internet. As far as the passive income part — so many people don't realize how easy it is to pass on our life changing message/ programs/ products. We make it possible to share what we have through our affiliate program and they make great commission in the process.

I love that I get to work closely with Donna. She is a true visionary. I have spent over 13 years with this company because there are not many other careers out there that allow you to make a true impact on people's lives the way Thin&Healthy's Total Solution® can. With Donna leading us there is nothing we can't accomplish as a team—the sky is the limit!

#2) Having the belief and passion that we are going to reduce the percentage of the overweight population—including the children (this is the first generation that may not outlive their parents) helps drive me. Our work is so important. We have the ability to make the difference that is needed in this world—How many people can say that about their company or their career?

#3) They aren't overweight because they are lazy or not motivated and should not be treated as such. The most important thing I can say is not to pre-judge someone when they walk through your club door. They spend enough time being discriminated against in the public—your facility should be a safe haven for them to be built up in, never torn down.

Janice Brown - ***#1*** - As the ***Thin&Healthy Total Solution - Home Office Director*** what I love about my position is the ability to develop businessmen and women into great leaders, sales reps or coaches as they hit their business and personal goals. I have run the Lima center for the past 8 years and have maintained the top numbers in the company. My responsibility is to maintain budgets, focus on profiting the center, hiring and training, staff evaluations and managing the sales department. I oversee three service managers and their department. Prepare and run meetings. I set center and much more, staff goals.

#2 - the passion I have for my position is my driving force to success. It pushes me to strive to be the best in everything I do, along with requiring the same for my staff. My passion brings energy, creativity amongst the members as well as the staff. It has caused people to talk about us and want to be a part of our company, whether it's a prospect that has referred a friend or a staff member telling all their friends and family about the great place they work.

#3 something about an overweight person that will help you is the hardest step for an overweight person is to *admit they failed and need help*. They have not experienced the benefit of exercise so they are not motivated to move. Once it is introduced at their level of understanding they grab on to it, however it takes a lot of patience from the trainer.

*(See **Donna Krech** page 22)*

"Because we've always done it that way"

If you're like me, "because we've always done it that way" is one of the few phrases that can get you a little hot under the collar. Understandably so. With advances in the way we conn duct our businesses accelerating almost too fast to keep up, doing things the way you've always done them is simply unacceptable.

And although club operators wouldn't think of placing an old piece of strength or cardio equipp ment in their facility, many club operators…too many, aren't using today's advances in techh nology to assist their communication, sales and marketing efforts.

Greenmaple Wellness Communications can make your job a lot easier and a lot more effecc tive by providing the simple tools and resources needed for your staff to communicate with the people who matter most to your business.

This is a personal note to all the club operators who have enquired and subscribed to our services since reading the July cover story in Norm Cates' Club insider. Thank You!

1)By attaching our Online Magazine directly to your existing website, fully customized for your club and automatically delivered to the INBOX of every member, you are establishing your facility as being very service focused. It's a big differentiator

2)By providing your sales team with automatic follow-up tools for the "be-backs" walking through your club daily, we'll make sure you convert more of them into members in a manner that your club can be proud of. If you, like me, don't believe in "high pressure" selling, you really need to give us a call.

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3)By providing you, the club operator, with the reporting and tracking necessary in today's highly competitive business environment, we make your ability to make decisions based on sound knowledge easier. These tracking and reporting features also ensure that every department in your facility is accountable for their communication efforts.

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…Donna Krech

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CLUB INSIDER – *Now I realize why you always stay so fired up Donna!*

John & Donna Krech's Personal Fitness

Q.- Donna, you look great…have you ever had a weight problem and if you did, what did you do about it? How do you keep looking so terrific?

A.- Thank you. In 1982 when I was in Midland, Texas I was a size 12! I was a pretty big girl. I was eating out of depression and boredom. Remember I told you I was married to a man with a lot of addictions? It's hard to be in that place. That, having no money and being away from a family support system, led to the depression eating which caused my weight gain. Here's what's really funny Norm…I was working in a fitness club at the time!

Keep in mind I am only 5'1". I think thin is different for different people. For some people it's a number on a scale, for others a certain clothing size, for others an energy or strength level, for others it's a body part looking a certain way or getting a certain health report from a doctor. For me it's a body part looking a certain way. I don't know how much I weighed then because I avoided the scale at all costs when I was size 12.

When I came back to Ohio and I had some people around who supported me and felt a little better about myself, I went down to size 10. When I went to work at a place where I was really starting to do something and getting some recognition and my self confidence was growing I went down to a size 8. When I went into management and my home life and finances were a bit more stable, I went down to a size 6. When I got into ownership and really started achieving, establishing independence, confidence going through the roof, skills accumulating, family very strong, I went down to size 4. And, when we started Body Genics and I really got into fitness in a big way I went down to size 2.

Nowhere in that story did I mention food. It was all about life success issues. Motivation, self-confidence, stability, security, strong emotional stability…I know that's how I lost my weight and I know that's how I keep it off.

My husband and I started a program that we stick to carefully and call: *10 Years Younger.* It's really about having the right supplements being put into your body…vitamins and minerals. All kinds of information on these things can be found on: ***www.10yearsyounger.com***

Of course, we eat our favorite foods, just like we tell our members to do. We practice moderation compensation. And, we work out regularly. We pretty much live by our 10 Years Younger program. I know that I keep the weight off by living Life Success. I am absolutely convinced that's the #1 reason. It's about overcoming obstacles, having a powerful why and building self confidence.

When you see yourself as the person you want to be and you put yourself in that picture so clearly that you can actually feel what it's like to be that person, you become that person. Whether it's losing weight, accomplishing a goal at work, achieving a relationship goal, you literally just become that person.

It is almost like magic. I've seen it work so many times in my life. I don't think it's just about secrets we've used to maintain youth. I think it's the secrets we've used to achieve things in our lives. My husband has beaten cancer four times in five years. It's pretty powerful stuff.

CLUB INSIDER – Donna, Thin&Healthy's Total Solution® really is a compilation of your total life experiences put into application to help people.

Krech (laughing) - Yep!

The Thin&Healthy Solution® Program is based upon a person's 20 favorite foods. We did that because we've been in the weight loss business for so long we know the ***#1 reason a person falls off a program is deprivation.*** They can only eat so much tuna and lettuce you know.

So, we find out what their favorite foods are, we make sure they are incorporated into their program because those are the foods they are going to eat for the rest of their life. The right program, whether it's Thin and Healthy or another program, the right program for somebody to follow is one that they can follow for the rest of their life.

The same thing goes for movement. I call it a "Ziglar block." When our friend, Zig Ziglar, first started to run to lose his weight, he could only run around the block one time. The next day he ran around the block and one mail box. The next day he went around the block and two mail boxes. So, we encourage our members to go around a Ziglar block because adding just a little bit more is a basic of fitness frequency duration. Adding just a little bit more of intensity is going to speed up your metabolism.

The fitness professionals can recite this stuff in their sleep. But, the person that needs to lose weight doesn't understand how it's applicable to them. The average person just doesn't understand the benefit of it.

People who need to lose weight feel like exercise is a punishment…they don't understand and it's our job to scream it from the rooftop. There are so many benefits. Let losing weight be one of the lower reasons to exercise. Let's go for the powerful whys. I could go on forever. It's not rocket science.

Q.- You're in the process of developing quite a TV Show resume' Donna. Tell us about that please?

A.- We have now aired 8 different shows of *Fitness Insider*, a show broadcast on Oprah's Oxygen Network. The concept was to go to trade shows and show the American public what goes on at trade shows, what the new trends are, what the up and coming equipment and new programs are out there and available. I hosted that show with Bruno Massel. I learned a lot. Masters Entertainment was the production company. I have also been invited to host several other shows.

Driving People Into Health Clubs!

Q.- What will be your next foray into television?

A.- We're looking at a show called ***Total Solutions***. We will really provide the 3 key ingredients of the solution…the things I've described to you. *Fitness Insider* was wonderful. But, the interviews we were doing were about products for club owners, which is wonderful, but that doesn't build club membership.

What we want to do is drive people to the club industry. So, we believe our show, *Total Solutions*, will do that. My original idea was to travel the country and find health clubs that are safe, comfortable and friendly to people who have weight to lose. I want to find clubs where people who have weight to lose feel comfortable going and those clubs offer them programs that are suitable for them and again, meet their needs. I think America would watch that because I think they believe those clubs don't exist.

CLUB INSIDER- I think that's a great project!

Rising star Donna Krech has also been invited to consider hosting two other shows. ***The Success and Training in Network (TSTN)*** has invited her to host a show called ***Life Success***, focusing on maintaining motivation and a one-on-one live coaching show called ***Donna Krech, Life Success Coach.*** *STAY TUNED!*

Q. You're linked with some big names in the teaching world, Donna. People like Zig Ziglar, Jim Rohn, Brian Tracy, Laurel Langemeir and others you've mentioned to me before. Tell us about those alliances and how you achieved them please?

A.- We contacted them because we wanted to develop our Life Success program. I wanted a program that provided well rounded, life success, WHOLE health and balance. Inspiration and education and tools that a person could use, not just for losing weight but keeping that weight off. The LIFE goals. I've been speaking in the personal development field for years. I knew the success goal – minded individuals had and knew if we could marry that mindset with weight loss and fitness, we'd have a winner.

So, I went to the experts. I had an affiliation with Zig Ziglar. I went to Kyle Wilson, the President of Jim Rohn International. I told Kyle my vision and what I wanted to do. He thought my idea was way ahead of the trend and was willing to prototype the program and see how it would do.

The program they were providing had a 99% retention rate, but Rohn International was not marketing it to fitness customers; he was marketing it to the professional development consumer crowd.

So, we took the prototype program, made some adjustments to customize it further and marketed it to our members. That modified Life Success program had a 90% retention rate! I am pretty sure this contributing author lineup of stars has had a lot to do with our retention rate being so high.

How many people do you know who eat out of emotion? And, their stress has a lot to do with their finances. So, we're going directly to the root of the problem. Instead of putting a band aid on the cancer, we're going to the root of the problem, so to speak.

A Club Industry "Buy-In"

Q.- Your company is an Associate Member of IHRSA. What, if anything, do you think IHRSA could do to make your Associate Membership more valuable?

A.- I was discussing this with a colleague the other day. We weren't an Associate Member of IHRSA in the beginning. We were a club member. But, we were so viewed as a vendor that we became an Associate Member. I would say that what IHRSA could do to help me in this cause is get behind my message.

To my knowledge Norm, I don't think there is anyone that is doing what I am doing or who has done what I have done from the standpoint of having been in the fitness business and in

(See Donna Krech page 24)

…Donna Krech

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the weight loss business and now effectively combining the two into a "new-hybrid" with a motivational component and attracting people who need to lose weight.

Listen I've got to tell you, I don't care whether someone enrolls in Thin&Healthy's Total Solution® or Healthy Inspirations or ABC weight loss or whatever, as long as the goal is achieved and it's achieved with a good program.

I think it's a matter of having the biggest vision. The big vision some people have is: come join my program because it's the best. I think the bigger vision is: come join my program it's going to give you phenomenal benefits. ***But, I think the biggest vision is my vision and it is about selflessness: saying you've got to get these benefits. I don't care where you go to get them.***

To be very fair about it I think it is my responsibility that I didn't present myself this way. I allowed myself to be seen as a vendor, I conformed. But, I would like my facility and it's accomplishments in the area to be known and what it's done in weight loss to get noticed by IHRSA and many others.

Instead, in 1997, at Club Industry in Chicago I was the first club to introduce weight loss to the fitness world. Therefore, I got labeled as a vendor. It was not well received because our industry did not want to hear what I was saying. Now, obesity in our country has become a pandemic.

Q.- You Donna, Casey Conrad, Tasso Kiriakes and very few others in our industry have the truest 'visions' of where you see the health club industry going in the future. And, you all are taking your businesses in that direction. What should health club owners think about going forward?

A.- The health and fitness club industry in America should ***be the solution***. Instead, we're the problem. But, we should ***be the solution.*** Our clubs should be where most people are going.

This is movement, nutrition and motivation. Our industry specializes in these three things and people are avoiding us! How frustrating is that?

They are avoiding us because of the way we present ourselves. In 1997, when I introduced weight loss to the fitness industry, it was almost as if there were crosses being burned in my yard. Almost as if tomatoes were being thrown. I mean this figuratively.

I was saying to the industry, "Guys, they are not going to come to us if we present ourselves in the future as we're presenting ourselves now and in the past. We have to market to the obese/overweight market differently. We have to reach out and speak to their needs."

I had three different responses from club owners Norm and I can categorize them. And, there are still only three:

#1- Club owners that said, "You know what? I don't want to deal with them. I don't care about people that want to lose weight. I want to deal with people that want fitness. I don't want to mess with those other people." I could only say, "O.K.…that's your prerogative." That is a club owner's right to have that opinion. And, I respect his right to think however he thinks.

#2- Club owners that said, "Well Donna, I don't know that we have to market to them differently. We're going to figure this out and show you that we've gotten the overweight people to come to our club." To them I said, "Well, O.K. good luck with that."

#3- Club owners that said, "O.K., help us. Tell us how to bring these people into our clubs and consequently Norm, I've got club owners that have added $100,000 to their bottom line. I am not saying I have all the answers, I don't. I just have so much experience now and I can help them."

We need to make the transition into becoming the 'new hybrid' weight loss. We HAVE to be seen differently so people will know we're different!

Norm, let me add something about the three different responses we get from club owners, one of them being that they just don't want to 'deal' with the person who has weight to lose.

I will be vulnerable and admit something--- I understand their feelings. It IS easier to operate a facility for fitness members only. They don't need nearly as much guidance. They come already aware that fitness is their solution or at least a big part of their, solution.

The weight loss customer is one that doesn't want to exercise. They just don't understand the benefits like we do. Temporary solutions like 6-week programs, meal replacement plans or introducing some other fad program won't be the solution. Those solutions don't give the overweight person what they need and they won't bring the overweight person in.

Yes, it *is* easier to deal only with people who know they want fitness... it can be frustrating at times, trying to create a solution for such a huge, devastating problem... but as an industry we must persevere and do what's right. We must become the solution. I believe in our industry. I believe we're motivated individuals who always get the job done. I believe we'll do it!

I believe a permanent solution to this problem is to provide a continuity plan. Continuity by definition means a connected and continuous whole. Any area of life requires this. In business we have to continue learning and changing. With finances we have to save and invest wisely all our lives. In marriage we have to continue the courting relationship so our marriage stays alive.

As people we have to practice introspect so we can become all we were created to be. Even with God we need to study, pray and share fellowship on an on-going basis so our relationship with Him becomes strong.

Why would we think weight loss, fitness and health is any different than these other crucial areas of life? We wouldn't ask someone to play the stock market who didn't understand basic budgeting. We can't ask someone to lift weights who doesn't understand why it's good for *them* - you know

(L to R) Gail deLeede, Donna Krech & Donna Riley at Club Industry Show in Chicago

… the benefits *they* want to receive. It all requires a continuity plan. We've created Life Success™ as a continuity plan. It's available to anyone who's interested in it for themselves or their members.

What Legacy Are You Leaving?

Q.- Donna, any other closing comments?

A.- There is a phrase that I live by. That phrase is: "Life is short. Don't miss a minute of it!" You asked the question "Why my team has stayed with this company for so long?" It is because of the bond that we share.

We know life is short, so we don't hold grudges. We work through our problems. We know there is always a solution. I live by that phrase, because as you know, my husband's last cancer had a zero percent cure rate. I'll tell you, it's like we're on our honeymoon and we've been married for 16 years. We've learned first hand how short life is and we're not missing a MINUTE of it!

One of the key ingredients to this interview is that we teach this to our members. We all live for experiences. We want to experience certain things with our spouses, our children, our grand children and our friends. We don't work for money, Norm. We work for the experiences money can buy. People don't lose weight to get into a size 6. People lose weight for the experiences they can have. Life is short and we don't want to miss experiences.

I ask myself and I ask my Team on a regular basis, "What kind of legacy are you living today? What kind of legacy are you leaving today? Every time you talk to another human being, whether you want to or not, you're making a mark that is going to make a legacy.

We ask our members, "What kind of legacy are you leaving?" We have a children's program now because we need to be teaching these children how to be healthy. You can have healthy, happy, hope filled children. Now, we're going to have the opportunity to teach young people that.

Unfortunately, we've had our children adopt lifestyles where they don't move. Now, they're overweight too. Things that we so took for granted, riding a bike, playing hop scotch…most kids don't know about movement and physical activity for FUN anymore.

I boldly ask club owners now, "What kind of legacy are you leaving?" I understand you're leaving a legacy of personal fitness…that's great! But, what kind of *business legacy* are you leaving?

Are you a business that offers hope and solutions? Or, are you a business that offers a place to come and work out?

Ohhhh…(big sigh) I just hope I don't become the enemy after this. If I do, I do. I am so passionate about ***IT***. You know what they say about pioneers? They take the arrows first. Somebody said to me once, "You were the first person to bring weight loss into the fitness business, how does that feel? "

I said, "Ouch!" It hurt

*(See **Donna Krech** page 26)*

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After their successful launch in the U.S. market The Alliance Fitness Corporation, founder of the EASYZONE WEIGHT LOSS & NUTRITION CENTERS, has announced that their EASYZONE WEIGHT LOSS DIVISION has expanded internationally. With over 50,000 plans sold and 9 million dollars in profit to club owners the EASYZONE has exceeded initial projections. The plan is specifically designed for health clubs and personal training studios.

The EasyZone Weight Loss & Nutrition program is a personalized 8 week simple to follow plan that clubs offer to their members. Presented in an attractive easy to follow exercise and nutrition journal the plan utilizes grocery store foods. Each meal plan is a safe, scientifically sound method of weight loss based on individual goals, body fat percentage and activity level. The guidelines and food categories utilized ensure that the member stays within the necessary caloric intake for safe, successful weight loss.

One week of on site training makes it easy for existing staff to administer the program which does not require a dietician or nutritionist.

Chris Hibbs, CSCS Fitness Director Greater Waterbury YMCA comments: "We found that one of the best aspects of purchasing the Easy Zone was the training. Not only did it educate our trainers on nutritional concepts and the Easy Zone process, the additional insight into running a personal training business was invaluable."

Al Lamoureux, General Manager, WHR Fitness, Rhode Island notes; "After several years of extensive research I chose the EasyZone for our facility. Our goal in bringing this much needed component to our members was to provide a nutrition program that did not include pills or supplements, and one that did include exercise. The EasyZone is a perfect fit! It is based on real food, without the need to supplement with pills, and the program not only includes exercise, but weaves it into the foundation of the program. We are looking forward to increasing retention, personal training & ancillary income sales through the EasyZone.

The one time licensing fee includes 20 free meal plans and initial marketing materials to offset the investment. Meal plans and snacks are available to the clubs on an as needed basis.

FOR MORE INFORMATION CONTACT EASYZONE@COGECO.CA OR CALL NORMA JONES AT 866-LOOK-FIT (566-5348) WWW.EASYZONECORP.COM

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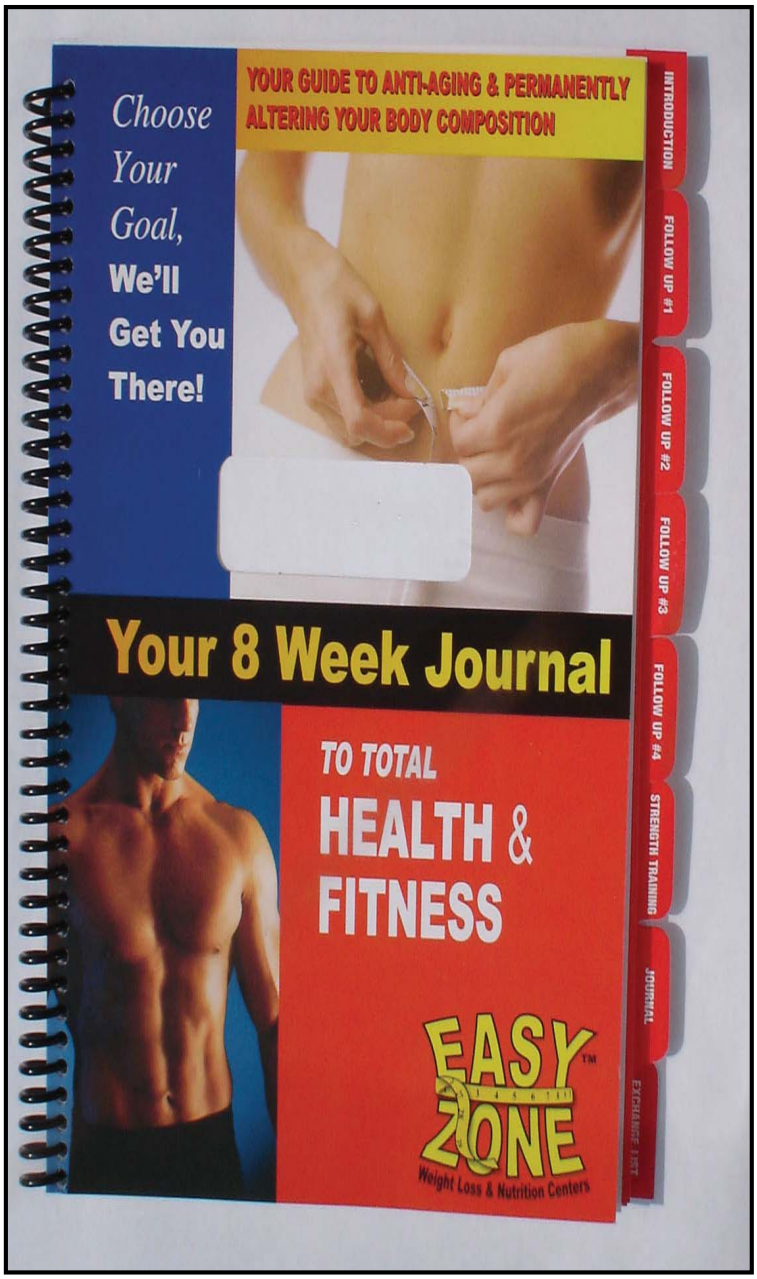

…Donna Krech

continued from page 24

a little bit, but it hasn't shut me down. I am more fired up now than I've ever been. God is good all the time."

CLUB INSIDER – God bless you, your family and your Thin & Healthy's Total Solution® Team, Donna.

(Norm Cates, Jr. is the Founder of CLUB INSIDER News and publisher since 1993. Cates is a 32-year veteran of the health, racquet and sportsclub industry. In 1981 Cates was the 1st President of IHRSA and a co-founder of the Association with Rick Caro and five others. He was honored by IHRSA in March, 2001 when he was presented with its DALE DIBBLE Distinguished Service Award … an honor that was the greatest of his life. Norm Cates may be reached at: 770.850.8506 or at: clubinsidernews@mindspring.com or at: normcates@leavingfatcity.com Look for Norm Cates' new book in print for just $7 a copy by October 31, 2006. Go to: www.leavingfatcitycom to order.)

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We appreciate and LOVE you.

Very sincerely, Norm Cates, Jr.

Master Mind Groups

By Will Phillips

'A Master-Mind mind may be created through the bringing together and blending, in the spirit of perfect harmony, two or more minds. Out of this blending the chemistry of the mind creates a third mind which may be appropriated and used by one and all.'

-Napoleon Hill, *Laws of Success*

Having been the strategic coach to several hundred business owners and currently the chair for a dozen master mind groups in the club world, I have a very good idea of the primary reasons for joining such a group. There are six. But ultimately they all enable and support a higher performing, more competition proof business and a more fulfilling life.

Six Reasons for Joining a Master Mind Group

#1- Better Decisions: No one easily sees all sides of an issue. The parable of the blind men and the elephant is a charming reminder of this challenge. Every business owner and executive I have worked with over the last 30 years sees their business through a set of colored glasses. The tint is typically the accounting-financial tint, or the innovative-creative-easily bored tint, or the human interaction-social-customer service tint or the get organized-follow the system tint. Of course there are other tints and some have a set of glasses with a different tint in each side. Basically, this means that with a system tint that owner-manager will excel in systems and is likely to have a blind spot or weakness in the human resources or creative arena. This means you will make decisions that don't take these areas into account. Such decisions are less likely to be effective. Your ideas, plans and decisions are strengthened and improved when they are questioned by other caring, smart business thinkers. This can only happen when you build a team with the right chemistry-confidential, smart and trusting. Testing out your ideas, decisions and plans with others, wearing other tints, gives you a chance of making much better decisions and plans.

 # 2- Being Challenged: Complacency sets in; we adjust our goals to meet our performance; we think we are doing the best we can. Then you expose your business to a smart set of other business owners who challenge you to grow and improve in a way your employees never will.

Learning that a group member has better retention and lower labor costs becomes a challenge for you to understand what you can learn and apply to your business. I saw a very clear image of the power of being challenged the first time I saw Arnold in *Pumping Iron.* This was in the mid 70's. I was not a body builder; I did not belong to a gym, but the scenes in the movie clear demonstrated how a buddy who challenged you could improve your performance. Now remember, this was not personal training. It was a pair of buddies. You challenge me and I'll challenge you and we both benefit. The cost? Zero in terms of dollars. To benefit, however, you must be *willing to be challenged.*

#3- Being Appreciated: You make a stunning accomplishment and your staff says, 'Oh, that's nice.' Only other business owners can truly appreciate your challenges and successes. It is energizing and deeply rewarding to share your successes and have them fully and deeply appreciated by your peers.

#4- Clearer Thinking: Many times a business owner simply needs to be listened to as he or she works through a situation or problem—thinking out loud with understanding and attentive listeners enables you to hear yourself more clearly. Frequently this leads to modifying and fine tuning your initial thought. It is a way of testing out your own thoughts before putting them into action. In a way a Master Mind Group is like have your own board of directors.

#5- More Experience and Resources: If you have never converted a racquetball court to fitness, it is valuable to chat with someone who has. If you never have had a flood or fire, it is great to chat with someone who has gone through the recovery. Bringing different owners together to share their experiences and the resources can be very valuable. With three people in a Master Mind Group you can increase your experience 300%. Add the benefits of thinking together and discussing issues and you increase the benefits to 500% or five times greater than acting alone.

#6- Being Held Accountable: Accountability can improve performance in two ways. Owners are often able to come up with new ideas and improvements for their business. Their failure is in disciplined follow up and implementation. This is a primary reason that their sales force is not as powerful as it can be. You don't need another presentation on how to sell; you need to apply what you already know. Secondly, the owner frequently knows what changes are needed (fire this person; move that person; eliminate this product), but the decision drags on and on as performance and profits suffer. A strong Master Mind Group will hold you accountable in a way that your banker, your spouse and your staff never will.

Master Mind Groups were conceived by that master of personal self help Napoleon Hill in his famous book '*Think and Grow Rich'.* His book is still an excellent guide for those individuals who want their business to achieve at the most successful levels.

Will Phillips

EXECUTIVE EDUCATION

The majority of executives want to improve their businesses and believe that if they learn more they will do better. This belief fuels the executive education business. It motivates executives to read books on business, magazine on their industry and attend industry conventions and seminars. Four reality factors undermine this educational strategy.

Statistics on seminars show that 70% of what you decide to take back home will disappear unless you follow-up and commit to put it into practice within seven days. Even then day-to-day pressures will do their best to erode your commitment.

Second, when presenters present they polish their example to prove their case. Tom Peter's *In Search of Excellence* was a best seller, yet within six months of publication most of the excellent companies no longer met Peter's criteria for excellence. More recently the validity of Jim Collins *Good to Great* has been serious challenged in a Harvard Business Review article.The rapidity of business fads brings together an earlier fable *The Pied Piper of Hamlin!* Thirdly, the basic seven principles of adult

*(See **Will Phillips** page 30)*

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3. **Mail:** Stamp and send completed invitation by **September 23, 2006.** You may photocopy invitation for additional registrants. Mail photocopies to:
   Club Industry East Registration, c/o CDS, 107 Waterhouse Road, Bourne, MA 02532
4. **In Person:** After September 23, bring completed invitation to Registration Desk at show

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2. PROFILE

1. Which of the following BEST describes your facility? (Check one)
AA ❑ Multipurpose
BB ❑ Gym/Fitness Only Club
CC ❑ Racquetball/Tennis Club
DD ❑ Golf/Country Club
EE ❑ YMCA/YWCA/JCC
FF ❑ Swim Club
GG ❑ Corporate Rec. Facility
HH ❑ Hotel/Resort/Spa
JJ ❑ Weight Loss Center
KK ❑ Wellness Clinic/Hospital/PT/Medical Fitness Center
LL ❑ College/Univ./Institution
MM ❑ City Club Park & Rec/Public Works/Comm. Ctr.
NN ❑ Developer
PP ❑ Government (incl. Military)
QQ ❑ Aerobic/Dance Studio
RR ❑ Comm. Dealer/Retailer
SS ❑ Martial Arts
TT ❑ Indoor Climbing Center
UU ❑ Other Club_____

2. Which of the following BEST describes your title? (Check one)
AA ❑ Owner
BB ❑ President
CC ❑ Vice President
DD ❑ Manager
EE ❑ General Manager
FF ❑ Program/Fitness Director
GG ❑ Director
HH ❑ Assistant Manager
JJ ❑ Personal/Athletic Trainer
KK ❑ Fitness Instructor
LL ❑ Other _____

3. In which of the following ways are you involved in the purchase or leasing of fitness equipment, products or services for your club/facility? (Please check all that apply)
AA ❑ Final decision
BB ❑ Specify brands
CC ❑ Recommend
DD ❑ No role in purch. process

4. What specific categories of products & services are you interested in seeing? (Please check all that apply)
AA ❑ Cardiovascular equipment
BB ❑ Strength training equipment
CC ❑ Food/bev./nutritional supps.
DD ❑ Club mgmt. software/svcs
EE ❑ Entertainment/sound/music
FF ❑ Financial services
GG ❑ Insurance
HH ❑ Flooring/carpet/court surfaces
JJ ❑ Spa equipment & services/saunas
KK ❑ Other_____

5. Are you coming to the show with specific plans to purchase any of the above products or services?
AA ❑ Yes BB ❑ No

5a. If yes, what is your timeframe for making such a purchase? (Check one)
AA ❑ Purchase at show/within 1 month
BB ❑ 1-3 months
CC ❑ 3-6 months
DD ❑ 6 months-1 year

6. What is the size of your club?
AA ❑ Under 5,000 sq. ft.
BB ❑ 5,000-9,999 sq. ft
CC ❑ 10,00-19,999 sq. ft
DD ❑ 20,000-29,999 sq. ft
EE ❑ 30,000-49,9999 sq. ft.
FF ❑ 50,000-79,999 sq. ft
GG ❑ 80,000 sq. ft. plus

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Do You Have *Success Apathy* in Your Health Club?

By Jim Thomas

Successful people sometimes tend to think they are successful at the health club business because of some *instinctive understanding*. They are good and what has happened is… *they've done it once*; *they think can do it again and again*. At some point club owners and managers start to eliminate some of the key details and some of the reasons they were successful and they get a bit apathetic to the ultimate detail and fundamentals that made them successful in the first place. They take things for granted. They don't plan and train their staff quite as hard. They forget that success is guaranteed to no one.

In membership sales, *key items* such as the *master appointment book*, *daily phone contacts, daily appointments, regular sales training* and *prospecting* for *new leads* can be *taken for granted* and even *overlooked*. *We become reactive in our approach instead of proactive.*

Poor Communication

People listen in different ways. Some people like to read, some people like to look at their email, some people like people to call them and tell them, some people like meetings, some like text messages, etc.

I suggest that you come up with several different ways to communicate with your employees (and members for that matter) and make sure you follow up to get confirmation of the *fact that they got the message*.

You might want to use signs, communication log books at your front desk, office banners, emails, text messages, newsletters, phone calls, formal training classes and informal training. *Don't expect one form of communication to get the job done.*

One of the common statements I hear from club owners and manager's is, *"Well, I told them."* What they mean is, *they told them once* and *then expected it to be done.*

If it were that easy, the *job of management wouldn't be necessary*.

Accountability

Accountability is… what the job is, who is going to do it and when. This *needs* to be *in writing* and *confirmed* so that *everybody involved in this accountability* has a *complete understanding*.

You should understand that *everybody needs to be held accountable* for completing their assigned job duties *on time* and in an *effective manner*. You'll see as you go along where accountability falls into…generating reports for salespeople…reviewing reports… getting a job done, or an open house. One of the things I hear is, *"I was way too hands-off, way too easy going, way to worried about being a friend to my people and not holding them accountable."*

Earn their *respect*, *not* their *friendship*. *Inspect* what you *expect*.

When we go into a facility and conduct an *Operational Analysis*, we will conduct interviews with key staff members. One of the questions we ask is, *"What is your job description?"*

We go to the club owner and ask the *question: what is your* _____ *(position title) job description?* It's always interesting how *often the answers differ*.

Be sure you're on the *same page with what's expected*. Your *silence* will be interpreted as *acceptance*.

Fun

We know that the *health club business should be fun*.

And, we want to run a tight operation, but we want to treat people well…we want to make sure that they are enjoying their work and that we are providing an environment that allows a motivated person to act.

The club business can be too much fun, if you are not careful. Other health club businesses can be *too dry*. So, somewhere in the middle, you, as the owner or manager, holding people accountable, need to have all of this process in place.

Jim Thomas

You must think in terms *wanting it all to be done*, but *wanting it to be enjoyable* as well.

Have a System and Have a Plan

We all know that the *most valuable asset in any facility is our people*.

However, one of the keys to *avoiding success apathy* is to *manage the system*. Whether it's a long-term employee or a new hire, *the system remains the same* and should be implemented and followed up on each day. Don't simply *assume* they are going to *do it*. *Everyone needs leadership and direction.*

Have a plan for recruiting and training staff, for advertising and marketing, for membership sales and a plan for resolving conflict.

Be sure you are *following a proven system*…. and *follow up*.

Now, go score yourself!

(Jim Thomas is the Founder and President of Fitness Management USA. Jim may be reached at: 800.929.2898 or by email: jthomas@fmconsulting.net or www.fmconsulting.net)

…Will Phillips

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learning are rarely used in designing conventions, books or workshops (if you'd like to see these visit the Locker on REXonline.org.)

Third, when executives share at a convention or as friends two errors occur. First, they rarely tell the bad news, the mistakes and the failures. Mostly, everything is 'GREAT' and 'how's by you?' When they do talk seriously, they often fail to share the last 5% and it is often in this last 5% of the story where the truth is revealed.

Last, no valuable insight you gain from a book or presenter can be applied back home----without you doing two things. First you must re-engineer the insight to fit your style of management, your staff, your business and your members. This is no simple feat. Second, you must follow up the redesign, in the early implementation to learn how to fine tune it and finally you must persist in its implementation. How often do I hear a CEO say, 'Wow! That's a brilliant idea. You know we used to do that.'

These four factors all erode the effectiveness of executive education to such an extent that several years ago a Rutgers University study found that CEOs felt that 95% of all executive education added no value to their business.

And when we don't achieve the level of performance we want, it's off to another seminar, convention or a new book. Master Mind Groups, especially when their members are in the same industry are the single best investment for improving business performance because they are designed by real business leaders (not professors and industry experts) to counter the above four factors which undermine the relations between executive education and business results.

Next month in Part II entitled: ***"How to Form and Run a Master Mind Group (MMG)*** " To access Part II now go to: www.REXonline.org and look under Management Briefings.)

(Author Will Phillips is the Founder and CEO of REX Roundtables for Executives which operates 24 industry roundtables including 10 for club owners and GMs in the US, Canada, Australia and New Zealand.)

…BTS

continued from page 3

ity STEP product that literally never wears out.

Now, Body Training Systems (BTS), a Division of The STEP Company, is delivering high quality group exercise programs and music to the best clubs across America.

BTS is an American company delivering the very best quality programming, instructor training, marketing, sales assistance and music available in this industry.

A huge differentiator for BTS is the new membership sales boost their clubs obtain from BTS programming because of member referrals and the Madison Avenue quality marketing support provided by BTS.

BTS provides much more than world class programming, training and marketing support. BTS also provides world class group exercise management training, an area that influences your new membership sales and member retention. .

BTS, based in Marietta, Georgia, U.S.A., has elevated the *quality of group exercise production and delivery to a science.* The company now provides six programs and each one is done with a sharp eye on one primary objective: ***QUALITY,*** not quantity.

The world class quality BTS programs are: ***Group Power™, Group Step®, Group Centergy®, Group Ride™, Group Kick™ and Group Groove™.***

The BTS science of group fitness pays close attention to every single detail necessary to deliver quality group programming for your club members in every BTS class.

Rich Boggs, one of The STEP Company's Founders, was moderator of a Leadership Panel at the BTS Summit at the World Congress Center in Atlanta, Georgia. Five club owner/operators representing 15 clubs participated in the panel. The format was an open format designed for other owners and GMs to ask questions regarding how these five owners had achieved the outstanding results. Three of the owners started with BTS in the last year and the other two had more than four years experience with BTS. There were approximately 50 owners and GMs who participated in a lively three hour Q&A.

Boggs opened by commenting on the three key ingredients for a successful group fitness program: Boggs said, "If you ask any participant to evaluate the class they just experienced, their response will involve these three things: 1) the program 2) the instructors and 3) the environment.

So, we look carefully at what we do. Breaking down these various components of what creates that great experience is part of what this last day and a half has been about. It's interesting because we both share 50% of this. Our part is the programming. That's 100% BTS. If we don't perform and provide very high quality programs for you, it doesn't matter how great your room is or how great your instructors are. If the programs aren't good, it's not going to be a great experience."

Clubs are responsible for the room or the environment. We can suggest, we can help, we can consult, we can do all of those things. But, if you have a bad room, a bad sound system, bad lighting, it doesn't matter how good the program and the instructors are, you're not going to reach the potential that exists.

Now, in the middle the programs and the room are the instructors. We share that responsibility. The club selects them and BTS trains them. If our training program is lousy, it doesn't matter whom you've selected, they are not going to be particularly good. If your selection process is lousy, it doesn't matter how good our training program is, the outcome is not going to be good. So, we each have 50% of the three critical components that create a great experience for the member or guest."

Boggs continued,

*(See **BTS** page 34)*

More Than 450 Independent Club Operators Attend The 2nd Annual IHRSA Club Business Entrepreneur Conference

BOSTON- September 14, 2006- The International Health, Racquet & Sportsclub Association (IHRSA) recently held the 2nd Annual IHRSA Club Business Entrepreneur Conference in conjunction with the 25th Annual National Fitness Trade Show (NFTS) from September 6-9 at the Rio All Suites Hotel in Las Vegas, Nevada.

More than 450 independent club operators and developers attended the event, which has been called the profitability conference for the independent club operator. The National Fitness Trade Show, which featured 80 exhibiting companies, attracted more than 1,500 attendees. Also, 250 fitness trainers from around the world attended the American Council on Exercise (ACE) International Symposium, held for the first time in conjunction with the Conference. **And in addition, event attendees turned out for the Augie's Quest fundraiser to raise money for ALS research. The event raised more than $100,000 and marks the third time that IHRSA has hosted such an event.**

In addition, Anytime Fitness, one of the nations fastest growing franchise companies held their annual convention and awards banquet in conjunction with the Conference. Approximately 150 Anytime Fitness owners attended the Conference and over 300 Anytime Operators attended their awards banquet on Friday, September 8th.

"The goal of this great event is simple," said Joe Moore, President & CEO of IHRSA. "It is to provide industry entrepreneurs and independent club operators with the necessary resources, information, and motivation to jump-start their business, increase sales and become more profitable. It also provides a priceless networking opportunity and forum to discuss the issues that are unique to independent operators and developers in this dynamic industry."

The featured world class speakers are many of the industry's leading experts and included Thomas Plummer, Paul Brown, Anthony Baynard, Casey Conrad, Mike Kincaid, Nancy Kouris, Annette Lang, Will Phillips, Michael Scott Scudder and Karen Woodard-Chavez

The 3rd Annual IHRSA Club Business Entrepreneur Conference, 2nd Annual Ace International Fitness Symposium and 26th Annual National Fitness Trade Show will take place September 5-8, 2007 at the Rio All Suites Hotel in Las Vegas, Nevada.

Norm Cates' THE Club Insider NEWS

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...BTS

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"But, there's a flaw. Club owners are so busy that you don't have time to do many of those things. So, what we have to do is support you with lots of professional help and backup. When you get into what we've done this morning on sales, marketing, programming and how we look at things, we have tried to make this as much of a turnkey business as possible because we know running clubs is very challenging." (Author's note: Rich Boggs and his partner Ray Irwin should know, because they built, owned and operated seven Sportslife Clubs, one of America's best club operations for years prior to selling it in the mid 90's to Doug Levine of Crunch Fitness.)

What we are going to do is hear from these three gentlemen who've had the BTS program or programs for less than one year. They are still in the set up phase. Still new. It is important for you to learn about their astonishing results. Then we will break and you are going to hear from three more people who've had BTS programs for more than four years. After hearing from all six individuals who will respond to presubmitted questions we will open the floor for follow-up questions to them."

Boggs then introduced the first group of three panelists:

Mike Arteaga, 35-year veteran and owner of two All Sports Clubs, market leaders in Poughkeepsie and Ulster in upstate New York. Arteaga's clubs are 50,000 and 25,000 square-feet. Arteaga launched Group Power™ and Group Step® in the past year. Arteaga has experienced a 44% increase in total group fitness attendance since installing just two BTS programs. Arteaga pointed out while Boggs was speaking that he had already contracted to install a brand new 4,000 sq.ft. group exercise room addition to the six-story office building where his club already occupies the first two floors.

Mike Silva, the owner of the very popular 25,000 sq.ft. The EDGE club in Ramsey, New Jersey. Silva's club has four competitors within a couple of miles and 10 competitors within 10 miles of his 20+ year old club. He charges $65 per month. Prior to BTS Silva's club had been averaging 12% of total visits to group fitness classes and within one month of launch that had increased to 21% of total visits. IHRSA reports that clubs average between 10 – 15% group fitness visits.

J***ohn Miller,*** General Manager of five, highly successful, 45,000 sq.ft. Courthouse Athletic Clubs in Salem, Oregon. Boggs commented that 9 years ago when BTS launched its first barbell class that Courthouse elected to develop their own barbell class and called it The LIFT. One year ago, Miller made the switch to BTS. Boggs said, "John Miller did more due diligence on his decision than anybody I've ever worked with at BTS." Miller started in October, 2005 and experienced a 37% increase in group fitness participation after his first launch, Group Power™. Boggs pointed out that Miller reduced his cost per participant from $1.20 to $.96, and the difference became bottom line profit. Miller produced a massive launch and great experience rolling out Group Power™ and Group Ride™ as his first two programs.

This first panel of commentators included operators with new BTS experience in 5 clubs, 2 clubs and 1 club and in all kinds of markets. So, the attendees were able to hear true comments from an excellent cross section of highly successful club operators who have been totally thrilled with their first year BTS results.

Each panelist responded to the same question. For this report we will cover the first question this group responded to. Next month in our October issue we will have more from this group of "raving BTS fans" and comments from the second panel of veteran "raving BTS fans" who have four years or more providing BTS programs for their members: Gordon Johnson, owner and recipient of numerous, prestigious awards for his three Gold's Gyms in Douglasville and Marietta, Georgia, and James and Susan Viar, owners of three extremely successful Gold's Gyms south of Atlanta.

Question: What was the single largest impact of Body Training Systems on your club business?

Mike Arteaga – BTS has had a huge impact on my business. We've had some low price competitors come into our market and the competition in our market has increased a lot in the last few years. BTS just had a tremendous impact in terms of energy in the club, in terms of creating a Team in the club. We have so many members crossing over from equipment to group fitness, too. To a large degree, our most successful instructors are people who've never been group exercise instructors. By following the BTS formula and with their personalities, it just had a huge impact on the energy of the club and our future.

Mike Silva – "I see some owners in this room who are waiting to see what is going to happen and they hope it is going to be great. I think BIG. That's the way I went into this program. BIG. I went to BTS wanting to increase participation.

I had a staff that was a diamond in the rough. Now, I have people who are working like one person, who've gone through the BTS training and now they're delivering a product that will help people. We never really did that with group fitness before. My staff came through. With the help of BTS they implemented this new product really well.

That's a big thing because my staff had never been part of developing something they could take ownership in. They took immediate ownership of this BTS program. There is a reason for that. We included them, probably for the first time, and that was partially my fault. I did not include them in the bigger decisions in the past. They are part of it now. Now, instead of having me trying to cheerlead, I have 17 people that are cheerleading from all different directions in the club.

I have two particular staff members that have developed into totally different employees. They are not the same people they were prior to the training. I can't emphasize that enough. I've watched them develop as people. I've watched them change and now they want to make fitness their choice for their careers. I've seen major changes in all of my staff in that regard.

I have a passion to really do this. I want to see this be successful for our club. Now, I see this passion oozing out of my staff members. Every member that comes in is seeing the same thing. They are excited about BTS. It's all because of my staff. I remember the atmosphere outside of the group exercise room before we had BTS. Now I've got people walking out of the classes raving and saying, 'God, that's unbelievable. I can't wait to get back here tomorrow.'

I can't even tell you… we're handing out schedules as fast as we can print them out! It's because of the staff. The staff has changed the atmosphere. The positive feelings in the club are incredible. They are so excited and you just can't help but feed off of it. I think a positive factor was my personal involvement. I attended the training and became totally involved in this. I think it's important to make this point about the training. My involvement, being vulnerable as the owner by doing something that I am not trained to do, helped this effort. We started helping each other and that triggered a lot of camaraderie between me and my team."

Mike Arteaga added, "I was a total novice at this. But, when you see this immediate reaction to this program right up front you realize this is fantastic. If you're in this business to help people, this is just a 'no-brainer'. When we were investigating this, Rich said to me, 'When was the last time you saw someone get off a treadmill and say,'WOW that was fun and let me tell my friends!'"

John Miller – "I thought about this question a lot. What we did was jump into this BTS thing with two feet. Everybody in our five club organization is now involved. It's really been a great success for our organization for the last year.

A niche we've sought has been the non-exerciser. How do we help them make regular exercise part of their lifestyle? Our past experiences with group fitness have not been nearly as successful as the BTS programs have been for the past year. BTS has really helped take the non-exerciser and make regular exercise part of his lifestyle. In terms of the expertise of leading those people in there, we're really trying to hone our skills and it really helps to have a fully trained staff."

STAY TUNED for more ***"raving Body Training Systems fan"*** commentary next month!

"Before BTS we were servicing only 12% of our visits through group fitness. Now we are approaching 60%. This has resulted in our retention rate sky-rocketing near 80%!"

James and Susan Viar, Gold's Gym

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