

Norm Cates'

# THE Club Insider

## NEWS

*The "Pulse" of the Health, Racquet and Sports Club Business*



(L to R) Chris Lafferty, Helen Below, Judy Houck and Bill Houck



***Bill Houck Brings A Country Club Perspective to the Health, Racquet and Sportsclub Industry***

*An interview with Atlanta's Legend...Bill Houck*

My decision to place a Thin & Healthy Total Solutions inside my Ladies Workout facility has completely changed the way we do business. It has restored my joy and passion for my business. The support and training that I received after signing with Thin & Healthy has been phenomenal! I don't feel like I am out there all alone trying to figure out what works and what doesn't. The staff at Thin & Healthy has a heart for small business and relates to where I've been and where I want to go and is dedicated to helping me get there. Since adding the Thin & Healthy to our program, we grossed over \$47,000 the FIRST MONTH! My advice to anyone wanting to immediately increase their bottom line is this.... DON'T WAIT! Thin & Healthy will change your business AND your life.

Elizabeth Delagrange  
Ft. Wayne, IN



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Thin & Healthy's Total Solution



# Norm Cates' THE Club Insider NEWS

## The "Pulse" of the Health, Racquet and Sports Club Business Bill Houck Brings A Country Club Perspective to the Health, Racquet and Sports Club Industry

An interview with Atlanta's Legend...Bill Houck

By Norm Cates, Jr.

Bill Houck, has been a good friend of mine for many years and he is truly "one-of-a-kind". The best way to describe him is: "Bill Houck, putting the 'P' in personality."

Bill Houck has a very unique combination of talents: he has a sterling personality, he has a mind like a steel trap, he is a quick study in all he does, he is a guy possessed by being nice, he's a fellow with an amazing ability to know the names of all of his members, he's a man focused on knowing

what his members want, he's an operator who produces what his members want in an environment full of fun and he's as skilled at promotion as anybody I've ever met. Moreover, you'll not find a more family focused guy anywhere. Judy, his loving wife of 31 years and his son, Chris, 23, work with him at the club. And, several of his staff members have family members who work on the team at the beautiful 156-acre Brookfield Country Club in Roswell, Georgia.

Everybody in the health, racquet and sports

club industry will benefit from reading this cover-story. Bill Houck's nuggets of experience, wisdom and learning about people, and how to treat them, are embedded in this interview. It is very likely that you will find new ideas and concepts that Houck has employed in his successful career and at Brookfield Country Club for the past few years. You may decide to adopt, as is, and employ some of his ideas to benefit your club business significantly. Or, you may modify them to fit your club (See Bill Houck page 16)



Brookfield Country Club Management Team

Left to right, bottom to top: Carlen Webb, Bill (yellow shirt), Judy and Chris Houck, Les Hudson, Stuart Cobb, Kurt Harris, Helen Below, Jerry Matthews, Sharron Roach, Chris Lafferty and Glenn MacKinnon.

## IHRSA Applauds Trust for America's Health National Call to Action to Combat the Obesity Crisis

BOSTON- September 11, 2007- Given the recent release of the Trust for America's Health report, "Fat as in Fat" and its troubling findings, it is apparent to IHRSA that now more than ever we are a nation in need

of effective and strategic solutions to our nation's obesity and physical inactivity crisis.

"The link between sedentary lifestyles and the precipitous rise in obesity and chronic disease is undeniable," said Joe Moore, Presi-

dent and Chief Executive Officer of IHRSA and member of the Advisory Board of the newly formed Partnership to Fight Chronic Disease. "These findings tell us that exercise is a critical component of preventive health care

to most Americans. However, they are losing the struggle to balance the demands of work and family with personal health and need greater support. Americans need access to the tools necessary to live healthier lifestyles." (See IHRSA Applauds page 6)

To truly effect change in our nation's collective health, a coordinated effort must occur. While individual Americans need to take charge of their own health choices, our political leaders

(See Robert L. Rice, A Great Man...Passes

## Arthur Jones... the Legend Passes

By Norm Cates, Jr.

I first met Arthur Jones, the genius and now legendary man who invented Nautilus and later, MedX, at his amazing Jumbolair Ranch

in Ocala, Florida in the early 1980's.

Get this picture from my memory of the first time I met Arthur Jones. Imagine a sprawling ranch with a long winding driveway leading up

to a beautiful white columned mansion with huge Oak and Weeping Willow trees scattered across the huge front lawn and to the right a 10,000 square-foot ballroom...all sitting (See Arthur Jones page 22)

## Robert L. Rice, A Great Man...Passes

Robert L. Rice, health club industry veteran, community leader and philanthropist, passed away on August 29, 2007. He passed away peacefully, surrounded by his family, after courageously

battling multiple melanoma cancer for the past 3 years.

Bob was born on August 15, 1929, in Farmington, Utah, the second of five children of LeGrand and

(See Robert Rice page 28)

## • Inside The Insider • Celebrating 15 Years and Counting!

- Selling the Value of Your Club to Prospective Members
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- IHRSA Chairperson Michael Levy's Letter Shares Public Policy Successes
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- Tony deLeede supports Olympics
- A take on New product announcements
- Grondahl's Team Meets customers
- Low levels of weekly exercise help
- Maurice Morin and Family Celebrate 35th Anniversary of ForeCourt Club

# Norm's NOTES

## Thank You

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• **Hello everybody!** This is your friendly **CLUB INSIDER News Publisher Since 1993** checking in! Take some time for news!

• Seeing **AUGIE** and **LYNNE NIETO** and **Athletic Business and Fitness Management Magazine Publisher** and owner, **PETE BROWN**, in Las Vegas at the **IHRSA/NFTJ** event, was an amazing experience for me and I am sure, for all who encountered them. Augie, suffering from **LOU GEHRIG's** disease, also known as **ALS**, moves about in a wheelchair now and no longer has the use of his arms or legs. Additionally, his ability to speak clearly has deteriorated significantly. But, the man and his dedicated and loving wife, Lynne, just won't quit. With the help of many generous people inside our industry and many non-industry folks as well, Augie and Lynne are doing big things to fight **ALS**. **AUGIES' QUEST** has raised **\$10,387,463** in 23 months with a goal of **\$18 million within 36 months**. Very importantly for everyone considering a donation, per Augie and Lynne's creative efforts, **ALL of those funds have been separated from the Muscular Dystrophy Association**, where donations for ALS normally go. **By separating the funds, Augie and Lynne are targeting with a lazer-like**

**focus, new revolutionary genetic research that truly has the potential to find a cure for ALS very soon.** Augie and Lynne sent the following email to me yesterday as a follow-up to our agreed plan in Las Vegas where I will produce our October cover story about **Augie's Quest** and his new book. Augie and Lynne wrote yesterday: **Norm** - Thank you for reaching out. Your words of encouragement are the fuel for my fire. It is friends like you that make life worth living! My vision for the story is the following: The book, **"Augie's Quest.....One Man's Journey From Success to Significance"** is the story of my transformation. (Augie's book was co-authored with **T.R. Pearson**.) I have attached a summary of the book that you could publish. I feel that with the book coming out in November, it could set the stage for a good article. Let me know what you think. I would also like to share with you a project that we have worked hard on. For an amazing video about ALS click on this Five For Fighting link: <http://www.whatkindofworlddoyouwant.com/videos/view/id/382360/page/1> Every time the site is viewed, \$1 goes to Augie's Quest. The comments are amazing! They are from the friends who take the time to leave their thoughts. Enjoy

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the video, forward it to all of your friends and take the time to read the wonderful comments. We will find a cure! - **Augie** So, please go to the website above and view this truly amazing video. Additionally, at **IHRSA San Diego (the greatest IHRSA Convention location ever!)** in March a **"Beach Bash" for Augie's Quest** is planned. I must write these words to all of you: **"Were it not for the grace of God..there go I."** I write these words to encourage all of you to **learn about ALS and the fact that it could hit you or any of your loved ones or friends at any moment**.

That truly...truly means that Augie and Lynne Nieto are not just fighting ALS to save Augie's life. They are fighting for the lives of **250,000 Americans now suffering from ALS who will die from it if a cure is not found**. Please think about this and get involved. Go to: [www.augiesquest.com](http://www.augiesquest.com) and give whatever you can. Also, please input the website address above into your computer with a note above it that says: **"FIGHT ALS!"** and post it in your clubs, in your newsletters and wherever else you can. **Augie and Lynne are in a race for his life**. But, win or lose this race, Augie and Lynne will always be remembered for the brave and hard fight they are fighting. And, I will promise all of you this, too...if Augie loses this race with time ... he will never be forgotten. And, their brave fight against ALS will NOT end. We, as an industry, will go on from now until kingdom comes until a cure for ALS is found. I promise Augie and Lynne and all of you that.

• **Augie's site:** <http://www.whatkindofworlddoyouwant.com/videos/view/id/382360/page/1>

• I hope to see you in the **Windy City ... Chicago**, at the **Club Industry Show, October 10-13<sup>th</sup>**! Check out **The CLUB INSIDER News advertiser list on this page**, and please visit with our terrific advertisers who bring this publication to you every month. They are terrific folks



**Norm Cates, Jr.**

and every one of their companies can help your club prosper over the short and long term. They will treat you right. Check out: [www.clubindustryshow.com](http://www.clubindustryshow.com) for registration and information. **My exhibit # is: 106** and my friend, the lovely **HOLLY SNOW**, my friend **LYLE SHULER**'s significant other, will be helping me work my spot. As in Las Vegas, September 4-7<sup>th</sup>, where I was well assisted, I will be **Celebrating the 15<sup>th</sup> Anniversary for The CLUB INSIDER News!** I'm offering a **15<sup>th</sup> Anniversary Subscription Special Offer of 15 months for \$89 or 15 one-year subscriptions for \$1,000!** If you're a vendor and want to be part of this great trade show, contact **SAM POSA** - (800) 525-9154 email: [Sam.Posa@penton.com](mailto:Sam.Posa@penton.com)

• **MICHAEL LEVY**, **IHRSA's Chairperson**, is now in his 2<sup>nd</sup> year of **service as the leader of the Board of Directors** and his fourth year on the **Board. His teammate, IHRSA President and CEO, JOE MOORE**, served on the **IHRSA Board of Directors** for four years, including his last year as the last **President** ever, by title, of IHRSA. **These two fine guys work their butts off for both IHRSA and this industry**. When I write, "both IHRSA and this industry" I mean this. You and your club(s) may or may not be IHRSA (International Health, Racquet and Sports-club Association) members. But, ONE thing is for sure, **(See Norm's Notes page 6)**

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**...Norm's Notes**

continued from page 4

IHRSA member club or not, Michael Levy and Joe Moore work for you and your club, too. After almost 27 years IHRSA has an awful lot going on and all of it is good for your club business, IHRSA member or not. One of the most important things IHRSA has going is the **ILC, the Industry Leadership Council**. The ILC exists for the sole purpose of changing the climate in Washington, D.C. and the State capitals of America with respect to the laws the elected legislators consider and ultimately pass. Laws that might impact our industry in very positive or very negative ways. Please take the time to read the letter on this page that IHRSA's Chairperson Michael Levy has written. Contained therein, you will see a list of very impressive achievements by IHRSA and the ILC. But, we need you on board this train to influence Washington and State legislators! **HELEN DURKIN**

**...IHRSA Applauds**

continued from page 3

also have a responsibility to develop policies that support healthier lifestyles. This means providing accessibility for all Americans to sidewalks, parks, and other areas where they can exercise; removing federal barriers to exercise—such as taxes imposed on consumers for their memberships to exercise facilities; and providing incentives for health plans, doctors, hospitals and other health-care providers to improve how we treat chronic disease.

IHRSA has strived to promote exercise as a health-care solution for more than twenty-five years. In the effort to combat the monumental human and financial costs associated with sedentary lifestyles, IHRSA currently conducts two national health promotion campaigns, *Get Active America!* and *I Lost it at the Club!*, in which our member clubs motivate individuals to become active in order to live longer, healthier, and happier lives. IHRSA is also an ardent supporter of federal legislation, such as the Workforce Health Improvement Program (WHIP)

and her **IHRSA Public Policy Team** who work hard in D.C. and across America for you all cannot do it alone. For their work in Washington and each State to be successful they need your participation, support and funding. Your participation will strengthen their efforts and the funding has been and will continue to be used to employ the absolutely necessary D.C. lobbyists who are helping IHRSA become linked with our elected representatives. I urge you to read Michael's letter and step up, support IHRSA and the ILC. Together, let's all make something HUGELY POSITIVE happen in Washington, and across America. On a State level, please participate and respond each time you become informed by IHRSA or anyone that some legislator is proposing potentially industry damaging laws. **IF you participate in IHRSA and the ILC and help out**, some day very good things could happen on a Federal level that could boost your club membership more

Act and Personal Health Investment Today (PHIT) Act, which would make exercise more affordable and more accessible for all Americans.

Despite the concerning rise of inactivity and its related diseases and illnesses, IHRSA is encouraged by the growing awareness of exercise as medicine, both as a preventative and rehabilitative necessity to improving the quality of life for all Americans. However, change can only occur with the cooperation of policymakers, individuals and institutions to create a culture of wellness that will begin to reverse the nation's obesity problem.

IHRSA is a not-for-profit trade association representing over 8,800 health and fitness facilities, gyms, spas, sports clubs and suppliers worldwide. IHRSA is committed to taking a leadership role in advancing physical activity, which is critical to America's health and the battle against obesity and disease. IHRSA supports effective national initiatives to promote more active lifestyles for all Americans and is working to pass laws that will help affect societal changes toward a more fit America.

than you can imagine right now. The positive legislation IHRSA is working on, the **WHIP and PHIT Acts**, can be passed. When passed these measures will become vital to significant new membership growth across America. **IF you remain silent and unininvolved**, your club might literally find itself put out of business by lawmakers who are unformed on how bad the laws they are proposing might be for the American club industry. Our industry is one that could someday

become vital to the future of America, instead of what it is today...an industry that is still misunderstood by most Americans. Without our industry providing input to them the legislators might just go along on their blissful way and unintentionally pass laws that essentially damage your club operations forever...these matters are that serious. Please don't ignore lawmakers ... thinking you can't make a difference. The potential upside is HUGE. The potential downside could

be devastating. So, please don't miss Michael's letter. Then, pick up the phone and become part of this very important club industry movement to be heard and to influence America's lawmakers. **Please call IHRSA at: 800.228.4772 and join**. Or, if your club is an IHRSA member club now, just pick up the phone, get involved and **give to the ILC Fund**. Someday you may be very, very happy you did. To the contrary, someday you could wish you (See Norm's Notes page 8)

August 15, 2007

Dear IHRSA and ILC Members,

As we look back at a very successful 12 months for our industry and our organization, I want to reach out to you all and offer my sincere gratitude for all of your hard work and sheer determination. We are now significantly closer to our goal of making the health club industry an integral part of healthcare in this country. IHRSA and the Industry Leadership Council (ILC) are truly at the forefront of our industry and I am confident that we will continue to meet and surpass our goals.

Without the effort of the ILC we would not have been able to make the strides we have made this year. With your help, this year IHRSA has accomplished the following:

- Reintroduction and bipartisan sponsorship for the WHIP Act and PHIT Bill.
- Successful in amending AED legislation to include liability protection for use and non use, staffing requirements, compliance dates and keycard facilities in legislation that was adopted in two states (IN, MA). As well as amending or defeating flawed AED legislation in 5 states (CT, HI, MO, NY, TX).
- Fought and won 100% of our efforts to block legislation seeking to tax health club dues.
- 100% success rate in defeating bills that would prohibit or restrict automatic renewal.
- Leveraged all opportunities to advance a proactive health and wellness agenda, actively supporting tax credit/wellness legislation in 11 states, and physical education/wellness legislation in 30 states.
- Added resources to Federal legislative team.

In addition, the success of the 5<sup>th</sup> Annual Legislative Summit has increased the number of co-sponsors for WHIP Act and PHIT Bill. I was proud to see our members bring to Capitol Hill their extensive knowledge of the industry and the pending legislation important to it. The energetic lobbying effort of those who joined us in May in Washington D.C. laid important groundwork for the passage of WHIP Act and, we hope in the coming years, the PHIT Bill. Members of Congress who are in our corner are working hard to make this a reality. During the Summit, IHRSA gained recognition nationally with the addition of Joe Moore to the Partnership to Fight Chronic Disease.

We must stay very active both in Washington and in state capitols across the nation. The Summit gains strength every year, and I am looking forward to seeing our numbers increase in 2008. As the numbers grow, so does our influence in Washington. As individuals it is hard to be heard, but our collective voice is stronger now, becoming louder each year.

While our accomplishments this year have been significant, I know our group can do much more. I am challenging all of you to try to raise the bar in 2008. We need your continued support to make the difference this year. Please help us by making a donation. We cannot do this without you!

Sincerely,  
 Michael S. Levy  
 Chairperson, Board of Directors

# Selling the VALUE of Your Club to Prospective Members

By Ed Tock

As an industry, we have an opportunity to effect everyone's life in a positive way. To achieve that, you need to position your club as a vital health resource for your entire community.

Consumers will spend money today more than ever before. But, only when they see value. People are willing to pay higher rates only when they understand the differences in your club and appreciate the values it offers. To successfully sell value rather than price, you need to have a proven system of sales, service and retention that can positively affect your long-term growth. If you have a *customer-based value proposition* every time you meet with a prospect and that value proposition has **REAL VALUE** for the customer, it will give you a consistent approach, consistent engagement and a consistent competitive advantage. That competitive advantage

takes price off the table as an issue.

An objection to price is a clear indication that the prospect does not have enough information to make a positive buying decision based on value. Your role is to provide enough information on the values of your club, so the prospective member feels comfortable making a decision to become a member.

Is your club selling value or selling failure? Today's marketplace has five to 10 times more competition than just a few years ago. We're seeing the emergence of more demanding customers that want value for their money and most of them want more than just a "gym". Many customers ask "aren't all treadmills and weights the same?" If you have a fitness only club and think you're giving them real service and value, think again. The retention rate at most fitness-only clubs is only 40-50%, at best. This is the heart of the retention challenge faced by every

club in every market. Customers do their talking with their feet (and their money).

Most of the new membership growth in this industry in the years to come will come from non-exercisers looking for help and guidance — not just access to a piece of equipment. However, according to the recent IHRSA study of "Why They Don't Join", intimidation is still the #1 reason that non-exercisers do not join. The study reveals clearly that members want to focus on maintaining a healthy, active lifestyle and not on an "ideal" weight or body type. You need to make exercising in your facility fun. It is suggested that clubs develop marketing materials, brochures and print information, that depict "average" clients, not overly fit ones.

Achieving growth in your business will require you to sell value, not failure. I am convinced that most Americans are *looking for an excuse not to exercise*. When we give them *intimidating*

clubs dominated by very fit staff and members, crowded clubs, no service and no results, we *fulfill their excuse*. This environment will force clubs to show how they are *different*, not better. Most consumers don't believe you when you say your club is better, because every business claims they are. You *must find your niche*, articulate the *differences in your club* and then you'll own that position in your market. *Differentiation* in your club must be based on value, which includes continuing value after the sale.

As new members ask that question, they are holding us accountable for creating and selling value. In these competitive times, our businesses are also holding us, as owners and managers, accountable! Accountability simply means being held responsible for your own actions and results. When sales managers or club owners wait until performance results are in, it is too late.

**Ed Tock**

Instead, it is better to *create the most effective environment for success*. First, you must *create a soft sell sales culture* that says that sales staff must be willing to accept that they alone are responsible for their own successes and failures. Second, you must have a system in place for holding staff accountable. If you don't have a system for accountability and a performance management system that evaluates factors

(See *Ed Tock* page 22)



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### ...Norm's Notes

continued from page 6  
 had not remained silent.

• **Congratulations to MR. BILL HUBNER** as he was honored in Las Vegas with **WALLY** and **MISCH-ELLE BOYKO's National Fitness Trade Journal Lifetime Achievement Award**. See photo below. Joining Mr. Hubner, and also honored with the **NFTJ's Distinguished Service Awards**, were **STEVE STRICKLAND, GENE BRUTON, SEAN HARRINGTON, PHIL PATTI, LES WIEHE, RON HEMELGARN** presented the award to Mr. Hubner after comments from **LARRY GURNEY**, Hubner's friend and partner in **The RUSH Fitness Complexes**. Mr. Bill Hubner, a man with an 8<sup>th</sup> grade education in school and a **Ph.D. in life**, has lived an amazing life and today enjoys much success on many levels including in his 52-year running **Paramount Fitness**, his **Fitness USA** club chain and his partnership in what will soon be 13 **RUSH Fitness Complexes** with Larry Gurney. In attendance were past Lifetime Achievement Award winners: **RAY WILSON, RUDY SMITH, RON HEMELGARN, JERRY KAHN, BILL PEARL, KEN MELBY and AUGIE NIETO**. Previous winners of this high honor, but not in attendance because both had passed away shortly before the event, were the late **ARTHUR JONES** and the late **ROBERT RICE**. (Mr. Rice was represented by two of his Grandsons.) Additional previous winners not in attendance were: **JACK LaLANNE** (who sent a nice video message), **JOHN McCARTHY** and **LARRY SCOTT**.

that held its **International Fitness Symposium**. Excellent speakers **THOMAS PLUMMER, EDDIE TOCK, JEFF MASTEN, CASEY CONRAD, DONNA KRECH, MIKE CHAET** and **DR. STEVEN LUNDEN**, Author of **"The Fish Philosophy"** and many other industry experts, presented at the event. The **Trade Show** saw increased traffic, as well. The **Top 3** finishers of **WALLY** and **MISCH-ELLE BOYKO'S Ms. Fitness USA** and **Ms. Fitness World** contests were: **CARA KOKENES**, of Illinois, **HEIDI MALANO** from Colorado and **NIKKI CRAWFORD** of Oregon. The **Top 3** in **Ms. Fitness World** were: **ANASTASIYA KORLOVSKAYA**, Ukraine, **VANDA HADAREAN**, Canada and **KATERINA KOSENKO**, Ukraine. Someday, a **MISS CONGENIALITY AWARD** would be terrific. This year I'd nominate **Mollie Ann Holt** of Dallas, Texas, for the honor! More photos are on: [clubinsidernews.com](http://clubinsidernews.com)

• **PETE BROWN's** annual **Athletic Business Conference and Expo** is slated for **November 28-Dec 1<sup>st</sup>** in Orlando at the **Orange County Convention Center**. To register call: **800.722.8764** or email: [conference@athleticbusiness.com](mailto:conference@athleticbusiness.com) or check out: [www.athleticbusinessconference.com](http://www.athleticbusinessconference.com)

• **CONGRATULATIONS** to **MAURICE MORIN** and his family! They celebrated the **35<sup>th</sup> Anniversary** of their **ForeCourt Racquet and Fitness Club** in Cumberland, Rhode Island on September 15<sup>th</sup> with a **Member Appreciation Day**! A full day of events was held, including an evening **Gala** featuring music by the **Silvia Brothers**, ballroom dancing



(L to R) Mike Uretz, Augie Nieto, Bill Pearl, Ron Hemelgarn, Ken Melby, Honoree Bill Hubner, Jerry Kahn, Ray Wilson, Rudy Smith and two Grandsons of Robert L. Rice (Photo courtesy of NFTJ & [www.samivaskola.com](http://www.samivaskola.com))

• The **IHRSA Club Business Entrepreneur/National Fitness Trade Journal** event in Las Vegas was terrific and seems to get better every year. This event brought together attendees from **IHRSA**, the **World Gym** and **Planet Fitness Forum** and the **American Council On Exercise**

with **KEVIN DiLORENZO** of the **Paris Academy of Dance** and **hypnotist, FRANK SANTOS**, all providing entertainment. I wish I could have been there!

• **Congratulations to IHRSA, the IHRSA Institute Faculty and the (See Norm's Notes page 10)**



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**...Norm's Notes**

continued from page 8

**60+ attendees** at the **19th Annual IHRSA Institute** held August 6-10, 2007 at **Babson College** outside Boston. This is the highest level club industry learning experience available anywhere and it was a great success again this year. The prestigious faculty of industry experts included: **Rick Caro, Jarod Cogswell, Brent Darden, Bob Esquerre, Nestor Fernandez, Gary Graham, Philip Racicot, Jill Stevens Kinney, Lori Lowell, Julie Main, Bill McBride, Roger Ralph, Debra Siena and Ed Tock.**

• **TODD LIPTON**, the owner of **Fitness Acquisitions, Inc. d/b/a Club Brokers**, informed me that

his firm will represent **The Fitness Company** in court-ordered bidding on assets of the company. The Fitness Company filed **Chapter 11 Bankruptcy** in Delaware.

• **LARRY GURNEY** and **BILL HUBNER'S RUSH Fitness Complex** organization is growing with new clubs planned in **North Carolina's "Piedmont Triangle" – Greensboro, Winston-Salem and High Point**. Gurney says he has plans for as many as **20 clubs** by the first quarter of 2008. Grow carefully, Larry!

• This just in from **IHRSA President and CEO, JOE MOORE**: "World deaths from "lifestyle" diseases will double by 2015 unless all-out efforts are taken to combat them, the **World Health Organization (WHO)** warned

Friday, September 14th. WHO said about 17 million people die prematurely each year as a result of the global epidemic of largely preventable chronic diseases -- the leading cause of death in the world today. High on the list are cardiovascular diseases -- mainly heart disease and stroke -- cancer, chronic respiratory diseases, diabetes and obesity." Congratulations to Joe Moore as he has been named to the Advisory Committee for **The Partnership to Fight Chronic Disease**. Check out: <http://www.fightchronicdisease.org/>

• **Congratulations to BIG JOHN McCARTHY and JOE MOORE**, all past and present **Board Members and the entire IHRSA Team** as **IHRSA has now grown to 8,800 member clubs worldwide!** That includes **5,660 U.S. clubs!** Both of these great men, all Board Members and ALL of the IHRSA Team deserve **big-time kudos** as these figures are for the end of IHRSA's fiscal year, July 1, 2006, the day after John retired from IHRSA.

• My previous note about the **value and importance of IHRSA** and why your club should be a member is well exemplified by news shared here from IHRSA in its **Capitol Report** about alliance building with the medical profession. IHRSA announced that **PETER AILUNI, D.O.** the new president of the **American Osteopathic Association (AOA)**, in response to a letter from

IHRSA, affirms his "presidential theme" of "Fit for Life" and expressed interest in partnering with IHRSA to achieve our mutual goal of a healthier America. During his recent inauguration as the 111th president of the AOA, Ajluni laid out his vision for a focus on fitness through a three-fold plan. The first aspect of the plan asks that all members devote themselves to becoming healthy examples for their patients. In his letter to IHRSA, Ajluni discusses a number of steps that he has taken thus far including: instituting a program for staff members to receive discounted health club memberships; organizing a "fun run" during the AOA convention; working with state and specialty osteopathic associations to create fitness opportunities at their events; creating a task force to help their members and patients lead healthy lifestyles."

• The **Greenwood Athletic and Tennis Club** in Greenwood, Colorado is **Celebrating 20 Years** with **Member Art Installation**. This is from a Press Release I received from the club: "Members of Greenwood Athletic and Tennis Club often say that visiting the club is the best part of their day. As the club reaches its 20th Anniversary, Greenwood Athletic and Tennis Club management found a way to honor their most important asset—the loyal members – with new artwork to be installed throughout the club. Some of the members that were cho-

sen for the art exhibit have been with the club since the first day it opened and all were the embodiment of what membership at Greenwood is all about." **PAULA NEUBERT**, General Manager of Greenwood Athletic and Tennis Club commented, "It is not just their physical attributes but a strength of spirit that we wanted to acknowledge and celebrate which is why the members chosen to be models are of all ages, abilities and interests. The artwork will be around for the next year replacing all the pictures that were on the walls and we are encouraging visitors to come by and view our art exhibition."

• Here is a special message from **American Specialty Health**, a San Diego-based organization about the **Silver&Fit Full Program**. "Poor health is not an inevitable consequence of aging. The average 75-year-old has three chronic conditions--most of which are preventable. The Silver&Fit Full Program provides unique exercise classes, healthy aging education and social support to give members the incentive to join your fitness facility. Silver&Fit is offered to Medicare members (65 years of age and older or on social security for two years or more) who are eligible through their health plan or employer group. Benefits to Participating:

1) No fees to apply to the Silver&Fit fitness club network; 2) No-cost marketing: - No-cost listing in network directories that go out to health plan members- No-cost listing on [www.SilverandFit.com](http://www.SilverandFit.com) Web site; 3) Non-exclusive program: You may also participate in other fitness network contractual relationships; 4) Be a part of a new initiative in the health care and wellness fields; 5) Turn-key application process 6) Attract a market segment that is difficult to reach. Go to: [www.SilverandFit.com](http://www.SilverandFit.com)

• How about those **new American life expectancies** that were just announced! In 1955 the American life expectancy was just **69.6** and the now the new life expectancy is **77.9**, based on 2005 figures released this month! I am so proud of my **DAD, NORM CATES, SR.**

(See Norm's Notes page 12)

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**Health Risk Assessment**

**Before & After Imaging**

The screenshot displays several windows of the Visual Fitness Planner software:

- Top Left:** Shows a 3D female member model with a grid overlay for tracking progress across various body areas.
- Top Right:** Shows a 3D female member model with a grid overlay for tracking progress across various body areas.
- Middle Left:** A chart titled "DISEASE RISKS" showing the risk levels for Heart Disease, Diabetes, Heart Disease, Stroke, and Cancer across different BMI categories (Very High, High, Moderate, Low).
- Middle Right:** A chart titled "RECOMMENDED CHANGES" showing projected changes in BMI and body composition (Fat, Muscle, Water) for different exercise levels (Very Low, Low, Moderate, High, Very High).
- Bottom Left:** A "Health Age" calculator showing three circles: Actual Age (35), Current Health Age (46), and Goal Health Age (32).
- Bottom Right:** A "3D Health Club" interface showing a 3D male member model and various fitness program options.

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**...Norm's Notes**

continued from page 14

and his wife, **LOUISE**, as they've both have exceeded the new life expectancy by over 10 years and they are moving right along in life. So folks, here's **more evidence that the 50+ market is huge** and growing and should be **tapped** into by your club.

• The best **50+ "tapper"** for Senior programming I know of is **SANDY COFFMAN**! The photo below depicts **DAVID PATCHEL- EVANS** giving **SANDY** the **Can Pro Fit Lifetime Achievement Award** in Canada while Can Pro Fit Director of

currently recommended would boost overall fitness and heart health. The study showed that **even low levels of weekly exercise** - below currently recommended levels -- has major health benefits. In the study, 30 minutes of brisk walking three days per week was enough to drive down blood pressure and improve overall fitness in a group of healthy sedentary adults. (Courtesy of IHRSA's Wellness Report).

• **TONY deLEEDE**'s is at it again! Following up on great success and experience with the **1996 Atlanta Olympic Games (AOC)**, deLeede's engaged **Fitness First Australia** with the **Australian Olympic Commit-**



**(L to R) David Patchel-Evans, Sandy Coffman and Maureen Hagan**

Education, **MAUREEN HAGAN** looks on.

• This out of **Pennsylvania** and courtesy of **IHRSA's Capital Report**. The **Pennsylvania Attorney General** announced last week that a local health club and a Florida-based telemarketing firm must pay fines and investigation costs to resolve complaints from consumers who received phone solicitations while on the **Do Not Call List**. The club was also cited for other violations including failure to register with the Attorney General's Office, failure to post the financial security required by law, and use of contracts that do not fully disclose the consumer's cancellation rights as required by the **Pennsylvania Health Club Act**. The business will pay a combined \$16,000 in costs and penalties and must fully comply with Pennsylvania law before conducting any future business in the Commonwealth.

• **DR. MARKA. TULLY** of **University of Ulster**, Northern Ireland, and colleagues designed a study to see if exercising at a level lower than

tee in an eight-year deal for the **2008 Beijing** and the **2012 London Olympic Games**. deLeede comment, "Fitness First will join forces with the AOC to manage and staff the Australian Team's Recovery Centre which is an integral part of post training and competition - it truly is an honor to be able to support the Australian athletes at this level." Our "mate from down under" Tony deLeede is a **promotion machine!** **Good on 'ya mate!**

• You don't ever hear much from me about so called **"new product announcements"**. That's because during almost 15 years of publishing I've found that all most companies want to do is *sic their PR firms on me so I will write about them for free*, and use my paper and *ink* that I've gotta pay for to help them sell their products. So, my advertisers and subscribers end up paying for product promotion of *free loaders* who may be their competitors! I don't think that's fair. I have advertising that is intended to help all of us pay for this publication each month and those folks have

*(See Norm's Notes page 14)*

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**...Norm's Notes**

continued from page 12

kept us going for nearly 15 years. So, if I use up space for *free-loaders*, that means our great vendors and manufacturers and service providers don't get the space I do have available. *I never turn down a request from my advertisers for editorial support* and when necessary, I spend extra dough to provide it for them. But, the nice Espresso PR people have done a good job of bugging me, so I'm gonna make an exception today. I'm going to tell you, in case you've not seen and tried it out already, about **Expresso Fitness**, a supplier of interactive cardio fitness systems. *Expresso Fitness* provides a *FUN cardio workout* for your members and guests. I've briefly checked out *Expresso Fitness* at a couple of trade shows and do believe this product line might

be a smart addition to most any club. But, that's as far as I'll go until they start advertising with us. But, I did want to bring this 3-year old product to your attention so you can check them out at **Club Industry** and **IHRSA San Diego**.

• The following people will play a huge role in the health and fitness industry over the next ten years and beyond: **MIKE GRONDAHL**, **MARC GRONDAHL**, **CHRIS RONDEAU** and **BEN MIDGLEY**. They are four of five panelists at the **Rio Conference Center**, in Las Vegas, where the newly minted **World Gym International, Inc.** owners and leaders sat with all around nice guy and industry veteran, **MIKE URETZ** to chat with their customers for the first time since Grondahl acquired WGI. Word is the price tag was **\$10 million**. **MICHAEL SCOTT SCUDER** was the **Master of Cer-**

**emonies.** The truth is Grondahl needed to wear a zebra striped shirt and a whistle, as he was served as kind of a referee! But seriously, this was a *really good happening*. Past due perhaps, as one attendee asked, "Why has it taken 8 months for this to happen?" I think **Planet Fitness** and **World Gym International** (now with about 500 locations combined) CEO, Mike Grondahl, is a very smart guy. I am gonna nickname Mike: **"The KING of the one liners."** But, the things I am impressed with about Grondahl are that he really is a smart operator in his industry segments and he did not try to BS anybody in the room. He takes no prisoners. In one case, and yours truly weighed in on this particular conversation, a highly successful, 20-year **World Gym** owner of three big locations ranging in size from 40,000 sq.ft. to 120,000 sq.ft. described his operation to Grondahl with sort of a question about whether he should try to plan to continue as a **World Gym**, even though new licensing arrangements and expensive fees might apply. Grondahl flatly said to successful long time operator, "This might not be for you." Well, I objected to Grondahl's utterance at that point and I object now. This successful WG veteran seemed to accept Grondahl's comments forthwith, as provided, as if he believed Grondahl is not a reasonable man after hearing his one liner. However, I don't think WGI clients should necessarily believe that Mike Grondahl is going to be hard assed about this. At least, not as hard assed as the new Gold's Gym International owners, **TRT Holdings** of Dallas have been with their long-time Gold's owners. I think Grondahl is wiser and has good horse sense and will work with everyone of those long-time **World Gym** branded club owners. I think he knows these club operators have worked hard and invested a lot of money to make successes of their **World Gym** club businesses. I hope he will work something out so they can afford to keep what invariably are well branded **World Gym** market identities...**World Gym** identities carved out over many years.

I think and hope Grondahl will do that. Moving on, this two-hour session included lots of comments and questions for the five-man panel from the audience. Several times, a second panel with folks like **JOE PEPI**, a long-time **World Gym** operator in the Northeast who has actually very successfully converted his **World Gyms** to **Planet Fitness** operations, provided feedback to the audience. This deal boils down to this. Mike Grondahl has, in my mind, emerged as the #1 club brander in this industry with the ongoing and amazing success with **Planet Fitness**, now about 200 clubs strong. I mean with people hitting **\$120,000** or more **on EFT in 12,000 to 14,000 sq.ft.** clubs, they have to be doing something right. And, everybody should keep in mind that Grondahl didn't just fall off the turnip truck. He's been operating **Planet Fitness** clubs for 14 years and tinkering with his formula ever since. I believe that **Planet Fitness** is truly here to stay in this industry.

• That's why I think everybody in the industry will do well to learn from our cover story subject this month,

**BILL HOUCK** about learning what your members want and giving it to them, thus bonding them to your club, learn from **EDDIE TOCK** of **Sales Makers** about the **VALUE POSITION** in your club and learn from **WILL PHILLIPS**, who provided a terrific article this month entitled: **"Customer Service Is..."**. I say this because whether you like it or not, **Planet Fitness** might just be coming to your community next. If that happens, that arrival will be even tougher to deal with than a big box like **LA Fitness** showing up, because of **Planet Fitness'** market entry price point. The only way your club will NOT be impacted if a **Planet Fitness** or an **LA Fitness** comes to town is if it and your team are fundamentally strong *and* your market is strong enough to have 8 to 10,000 members sucked up overnight. So, *stay tuned folks*. We will be heavily on the subject of helping prepare you and your club for the continuation of what I think is a rampant overbuilding in our industry right now.

• **JIM LOMBARD** is

a friend of mine here in the **ATL** and he's written a cool book entitled: **"Lom's Words of Wisdom To the College-Bound Male"® ...46 Facts of Life and Common-Sense Responses To Issues You Will Encounter In Your College Years and Beyond.** Jim's a **University of Tennessee** graduate and a die-hard **Tennessee Volunteer football supporter**. To order Lom's book for yourself, as it's a fun read or your college bound son(s) or son(s) who is/are already in college, just send an email to: [Orders@lomswords.com](mailto:Orders@lomswords.com) or go to his Website: [www.lomswords.com](http://www.lomswords.com) Please tell him Norm sent you!

• **My DUMB ASS MISTAKES** for August—Last month was not good for perfection as I made *three mistakes*: #1) Apologies to **JEFF MASTEN** of **Sales Makers** for misspelling his last name. #2) **ED WILLIAMS**, the **CEO** of **Wellbridge**, sent a note informing me *he had attended ALL 26 of the IHRSA Conventions*, thus my list of four who have now has five people on it. If you've attended all 26 call or send a note and I'll add your name to the list! #2) The **Crossword Puzzle blank** for August had an error. The **full Crossword Puzzle blank and clues** appear again on page #30. #**MY BAD's and I do apologize to Jeff, Ed and y'all!**

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

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**...Bill Houck**

continued from page 3

*business and then use them.*

I spent several hours with Bill at the beautiful Brookfield Country Club before producing this report. But, because I had already known and been friends with him for over 15 years, the real "inside" story on Bill Houck was easy for me.

The huge subdivision and golf club formerly known as Brookfield West had never utilized the words *country club* in its name. This caused an idea to explode in Houck's mind. He convinced 85% of the 920 home owners to change the name of the Brookfield West subdivision (featuring homes ranging in price from \$350,000 to \$2.2 million) to The Brookfield Country Club. The single act of the name change to Brookfield Country Club, combined with the improvements Bill Houck implemented in the club operation, facility, swimming pool, tennis facilities and of course, the golf course, caused the average home values to jump 30% in just two years, truly bonding these home owners as members of the club!

I came away from my visit amazed at what Bill had achieved in the few years at the helm of this formerly member-owned and managed club. Prior to Houck's arrival, the country club was languishing, as many member-owned and operated country clubs do. It was in need of improvements in most areas.

The CheckFree Health and Fitness Division ad on page #5 says, "**STAY AS YOU ARE. DON'T EVER CHANGE. AND YOU WILL CEASE TO EXIST.**" This

message from the biggest provider of financial management services in our industry, is *not subtle, on purpose.* The ad looks you right in the eye and urges you to think. The ad clearly is intended to make you *THINK* about change in the back office of your club and in other areas. I also urge you to think about the importance of change in your club to *"stay in the game."* As in the ad, I predict potentially bad outcomes for those who do not stay open minded to changes in all areas of their club operations, not just in their back offices. The ad then offers its solution for change: **CheckFree Compete**, its revolutionary new software solution for clubs. For this writing I am augmenting the basic message of the ad: "Change your club operation or your club might become history" with "and, be open to change in *all areas* of your club." And, while examining change for your back office, contact CheckFree and our other CLUB INSIDER News advertisers in this realm, Affiliated Acceptance Corporation, page 9 and ABC Financial, page 32 and all of our advertisers and please visit them at the upcoming Club Industry Trade Show. (See exhibit list page 4).

**Think About How You Feel  
As A Customer...  
Then Seek Your  
Customer's Input**

Bill Houck resolved to change the Brookfield Country Club operation. But, he did not leap into blind changes. Instead, to ascertain exactly what changes would be needed and appropriate, Houck's Board of Governors commissioned an in-depth



**(L to R) Coran Lands, Chris Lafferty and Adrian Dudley**  
grace Brookfield Country Club members with culinary  
delights!



Club Consultants, LLC  
Membership Survey  
November 2006

**BROOKFIELD COUNTRY CLUB**
**About the Survey**

A couple of months ago a questionnaire was sent to each membership at the Brookfield Country Club.

The survey was very comprehensive, with sections covering major activities and facilities at the Club. One purpose of the survey was to evaluate member satisfaction with the various aspects of the facilities and operations. The survey also identified the importance of various activities to members. Member reactions to strategic planning concepts were also sought.

To retain the anonymity of the respondents, completed surveys were sent directly to Club Consultants, LLC for tabulation. Overall, 446 replies were received from the 810 surveys that were sent out. The processed replies represent a 55% return rate.

For the Golf category of members, 311 replies were received from 490 surveys sent out, resulting in a 64% return for this membership category. The 135 balance of replies came from Sports and Social members.

With that substantial response, the response size was large enough for meaningful analysis to occur. In addition to the completed survey questions, respondents provided written comments, which were forwarded to the board for evaluation and study. As the survey contained over 145 questions, the responses produced over 64,600 answers and opinions; in addition, there were over 1,000 written comments received.

The demographic data from the survey provides data to measure future trends. The demographic information which is shown in a separate area produced profile information relative to the respondents.

As to the percentage of respondents by membership type, the *Golf* group was the largest at 71% of the respondents.

The membership survey was successful in identifying member opinions and satisfaction regarding operations, as well as, other items members considered important to the Club's future. This information will be a valuable resource to leadership and management.

The purpose of this survey is to make Brookfield Country Club the best it can be and to be responsive to members' wishes. Thanks to all the members who participated in the survey.

Member Survey conducted by Club Consultants, LLC.

All of us are consumers of many services and commodities. As consumers, our choices of services and products are based on our feelings about what we buy and whom we buy from. But, as customers, and even repeat customers, do we really get the opportunity to give the product provider input? And, beyond that, do we feel that input makes a difference? In most cases, I would wager the answer is "No."

**A Relationship Business**

Your club business is a "relationship business". Each of you who do not survey your members on a periodic basis should realize that your club truly is a "relationship business" and that you really should consider such periodic surveys of your

members. Think about it. Why not build relationships in your club through periodic surveys of your members? Do you already produce written surveys of your members and ask them to tell you what they think about your club operation? Do you have member suggestion or comment cards and a suggestion box for them to drop the cards into? If your answers are "Yes," then you're right on track. If your answers are "No," then please think about doing these things. This is a very important process for owners of health, racquet and sports clubs everywhere to consider, given you all are in the relationship business.

A memo about the 2006 survey appears as a side bar on this page. The club initiated this survey to get a report card on the first couple of years of operation and to talk about the things

that the members were most concerned about going forward.

**For the most part the members were satisfied after the second year of operation under Bill's tutelage. He took the results that came back from this survey to continue to modify and improve in the areas that the members had the most concerns about.**

**An Interview With "Mr. Personality" Bill Houck**

Now, let's hear from my pal, Bill Houck.

**Q - Bill, tell us about your early years.**

**Bill Houck (BH) -** I graduated from Florida State University in 1976 with an English major. My first job was in sales with the Carnation Company. I was promoted to being a Sales Manager

*(See Bill Houck page 18)*



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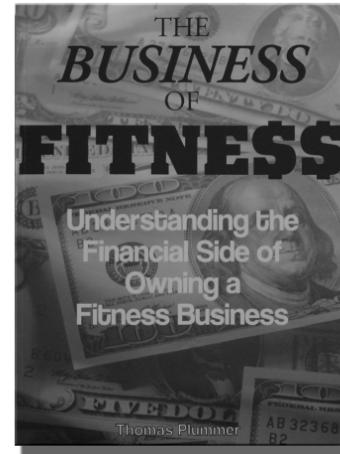
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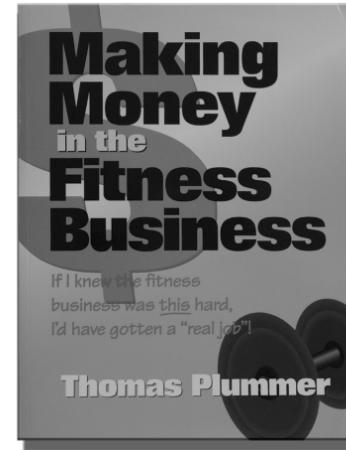
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## ...Bill Houck

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after one year and was the youngest Sales Manager in the company at the time. In 1979 I went to work for Robert Alterman and was the Operations Manager for "Round the Corner" restaurants. We built 5 Atlanta restaurants. In 1984 I went to work for Jim Rhoden at Futren Corporation. Futren owns a number of golf and city clubs including Indian Hills Country Club, The Georgian Club and The Ashford Club. I was Operations Director for the company.

**Q** - What was your first entrepreneurial business venture?

**BH** - In 1986 I opened the first Ernie's Steakhouse with my college roommate as my partner. Together we built 10 Ernie's. In 1992 I converted several of the Ernie's to Houck's Steak and Seafood, the largest one at Paper Mill Village in East Cobb County. (An upscale and affluent area in East Marietta, GA.) I also took over the management of the Concourse Athletic Club restaurant in 1992 and managed that until 2003. I sold the Houck's chain in 2000.

In 1990 I was named the Businessman of the Year in Cobb County by The Cobb County Chamber of Commerce.

**Q** - Tell us about Houck's, your long -running and greatly successful bar/restaurant, a place that truly became a "Cheers"-like place and a community institution for over 20 years.

**BH** - The original idea was to have a very simple menu and a Cheer's-type bar where everybody felt comfortable. I later added an

entertainment building with a separate room for live bands, dining and dancing. I introduced the "eat free on your birthday" concept to Atlanta figuring that no one ate alone on his birthday. It turns out I was right about that. This was later copied by many other restaurants. The entertainment niche allowed me to expand my hours and increase both my food and beverage sales. The terrific and now long-running Banks & Shane Band kicked off my entertainment era, and we always provided live entertainment at least four nights a week.

**Q** - What are the most important things you learned from your Houck's experience?

**BH** - *Every employee was extremely important to me, and I tried to treat all of them with a high level of respect. As a result, I had virtually no turnover at the restaurants. I wanted the same person waiting on the same customer time after time as that bred familiarity on both ends. When we made operational mistakes, my customers were more inclined to give me the benefit of the doubt as the bond between my employees and customers was unique and for the most part longstanding.*

**Q** - You managed and operated the food, beverage and catering services at Atlanta's fabulous Concourse Athletic Club for 11 years. Tell us what you learned from that experience, please.

**BH** - That was a unique situation. The owners of the club came to me shortly after it opened in 1991 and asked if I would take over the management of the restaurant operation. There were actu-

ally two restaurants. At the time the Concourse Athletic Club was built as an amenity to rent office space and it became apparent to me that the restaurant was an amenity to sell memberships. I ended up working with the club management company (Club Sports International, now the Wellbridge Company) and specifically with Suzanne Cyper, as its General Manager. We had a great relationship. The club became extremely successful in its own right as the office buildings filled up.

**BH** - By way of background Brookfield Country Club is an 18-hole championship golf course that was the original home of the LPGA event: The Lady Michelob Open. We have 10 tennis courts, a fitness center, a first class restaurant and 824 members whose dues range from \$350 per month for the Master Golf full-club golf membership to \$127 per month for the Social Membership. Our full-club initiation fee is \$15,000, putting Brookfield into the community as

capacity with nearly 500 golf members and the rest Sports and Social members.

I learned early on that I was in the DUES and retention business. I brought the initiation fees down on all three of our membership categories to better reflect what I thought was the value at the time so I could build the revenue line on dues. That has been very successful for us.

When I arrived the price for a Master Golf Membership was \$20,000, the Sports Membership had an



### Brookfield Concert On The Green

The partnership between a health club and an independent restaurant operator can be challenging at times as the individual entities may have different agendas. That was never the case for us as Suzanne and her team went out of their way to include me in every part of the club's operation. It turned out to be a very rewarding experience.

**Q** - Bill, your achievements at the Brookfield Country Club in Roswell, Georgia are really significant. In addition to the fact that you are such a great character, the primary reason I chose to do this cover story about you and Brookfield is the amazing turnaround you've achieved here. Many of the initiatives you've employed at Brookfield, particularly your mindset and focus on member relations, service and retention, are moves and ideas my readers may employ to improve their club operations, member retention and bottom line. Please give us a history of this amazing Brookfield Country Club turnaround, a turnaround that has really been a transition of a failed Country Club, to now an entertainment center focused on FUN.

one of the more reasonably priced country clubs.

I am the operating partner of Brookfield/St James the operating entity for Brookfield Country Club. The club was developed by Howard Chatham in 1972 and was an amenity to sell homes. The club was sold to the members in 1990. After a decade of ownership, the members gave us a chance to see what we could do with it. In 2000 Brookfield/St. James and Nick Temple made an \$8 million investment in the club to bring it up to date and took operational control of the club from the members.

Our Grand Opening day for the "new" Brookfield Country Club was September 11, 2001, now known as 9/11 and the day the World Trade Center Towers were attacked and came down. Opening day was not a particularly good one and all the money and effort that was spent went unnoticed and underappreciated. In 2003, and after I had taken a few years off after selling the restaurants, Nick Temple asked me to be his operating partner. At the time the club had 550 total members. Today the club has 824 members and is pretty much at full

initiation fee of \$2,500 and a Social Membership was \$1,500. I dropped the price of initiation for our Master Golf Membership from \$20,000 to \$10,000, the Sports Membership from \$2,500 to \$500 and the Social from \$1500 to \$250. We added in excess of 100 net members per year in 2004, '05 and '06. We will do the same in 2007. Our Master Golf initiation fee is now \$15,000 and I offer financing if necessary. Dues drives the train for me. There aren't many clubs in our niche. There are a lot of golf clubs that cost \$60,000 to \$75,000 to join. But, they're not many \$15,000 golf clubs out there.

Another important move was that I went to the homeowners association and asked them to vote to change the name of the subdivision from Brookfield West to Brookfield Country Club. They voted 85% in favor of the change. I paid for the new signs. Home values shot up instantly. Due to the Brookfield Country Club, the community enjoyed a 30% home appreciation from mid 2005-mid 2007. Brookfield has 920 homes and having 85% vote in favor of anything is pretty

(See Bill Houck page 20)



Brookfield Golfers In Spring

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**Association Insurance Group**

**...Bill Houck**

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impressive. The homeowners will attest to the fact that this was a good move. We now have a development that prospective buyers know is a country club community. The combination of a healthy club, good schools and name recognition added up to very significantly increased home values.

The average age of our member is 43 years old, down 20 years from 2002. Many homes are being renovated in the development. And, a number of \$1 million plus homes have been built and sold.

I did several things to bring the club to life. I introduced "Mr. Bill's Happy Times" every Friday night with live music. It was all about creating energy and providing entertainment. Friday nights here have now become a "must attend" on the members' social calendars. I tell every person who wants to join that they are not only making a financial commitment for dues, food and beverage, they're making a social commitment here. I tell them: 'Don't join if you don't think you will use the club.' Beyond Friday nights, I provide upbeat music at the pool, tennis center and clubhouse throughout the week. And, it's not unusual to hear the sounds of one of our bands playing as you are coming down the #18 fairway.

**Employee Profit Sharing Plan Makes Staff Economic Hostages!**

Another thing I did that became a profit center is that I went to my grounds su-

perintendent, Jerry Mathews, and asked him why we couldn't do landscaping and cut everyone's grass in the neighborhood. We sent out an email blast to our members stating that we wanted their lawn to look as good as our golf course. I figured that since we had the equipment and employees all we had to do is add a few trucks. I included both of my superintendents in on the profits of this new landscape company.

This turned out to be a huge success story for our people and homeowners. Our success was so quick and overwhelming in this business that we were forced to move this operation off the premises. I would suggest that every golf course owner and maybe some big athletic club owners should look at starting their own landscape companies. What I really discovered was that I was not just in the grass cutting business but was really in the re-landscaping business, as young folks were buying the older homes, ripping out and replacing the bushes. Plus, many of them had time constraints that made this a popular service.

I went to many of my department heads and structured strategic business relationships with them that in effect made them partners in their area. For example, my Director of Golf took a significant cut in salary in exchange for 50% of the net profits of the pro shop. In the first year of that arrangement sales and profits went up 35%. I also encouraged family members to work with us. My wife, Judy, works in the reception area, as does my niece, Lauren. My sister-in-law, Helen Below, is my Membership Director and my son, Chris,

runs the pool. My landscape company is operated by the sons of my Superintendent. Both sons of my Director of Golf work in the pro shop. My Tennis Director's wife is the shop manager at the tennis center. The list goes on and on and this family concept works. Potential members love the idea that a family business still exists.

I play golf with EVERY prospective member. I do this so they can kick the tires and get a feel for the culture of their potential club. We have many first-time country club member prospects and I project their potential club spending in advance with each of them, so they know how much they may expect to spend with us and what their average monthly bill will be. I have found that members appreciate both of these things and playing golf with them is fun and personal. I consider many of my members good friends.

Although I had some experience in country club operations, I had never operated a Country Club alone before. But, I knew marketing and common sense. So, I tried to introduce some things that I felt our members would appreciate. I made the fitness center available from 5am-midnight, seven days a week. The tennis courts are available 7 days a week, too. The pool opens when it gets warm in the Spring and closes when it is too cold to swim in the Fall. This is not the traditional Memorial Day to Labor Day deal employed by many other clubs.

Another great thing about this club is you don't have to bring your own game here. Within 30 days on the driving range you'll pick up a game six days a week. There are no tee times here because we eliminated them. We've taken all the traditional things in a country club and thrown them out the window. We have a fun atmosphere here. You just show up and play. The no-tee time policy has worked well for us. We don't have a food and beverage minimum but, we charge a monthly usage fee that allows the members to spend their money wherever they want at the club, whether it is the restaurant, the pro shop, lessons, cart fees, etc. We


**"Mr. Personality"**

get no negative feedback from the membership about this.

Brookfield Country Club is a very relaxed club with no pretension and no snobs. I have yet to lose one member due to dissatisfaction. I wear shorts to work most every day and play golf 3-4 times per week. I also insist that my Superintendent and Golf Pros play as much as they can. Our managers play with a very diverse cross section of the membership, and of course, I play golf with everyone that is considering joining the club. Many of these concepts are not common to traditional clubs, but I think that this is a different day. Life is more casual, less snobby and definitely can be more fun. As a result, this club personifies the fun part of being a member.

**One Key To Our Success...  
I Pay My Folks Extraordinarily Well**

*The key to our success evolves around the people who work here. I pay my folks a better than average wage and try to make them economic hostages! As a result I have virtually no management or hourly staff turnover.*

Our club restaurant is now as good as any in town because of our team. This is a truly fun place to work and you can see it in the faces of our members and our staff. This directly affects our members as they see the same people doing the same job year after year. In my opinion a club is supposed to be about having fun and Brookfield Country Club personifies that."

Personality? -- You bet. "Mr. Personality", Bill Houck put the "P" in personality.

Entrepreneur? -- You bet. Bill Houck is one of the best I've seen anywhere.

Lots of drive? -- Oh yeah. Bill Houck has been a long-time Atlanta success due to his drive.

Energy? -- Boundless. Bill Houck is always in high gear.

Nice? -- Yes. I've watched Bill operate for 20+ years. Bill is possessed by nice.

Asset to the club industry? -- Bill Houck is a guy our industry can be proud of and learn a lot from. Learn from Bill Houck about how to build your relationship business. Employ member suggestion cards and periodic surveys. Thrive through member relationships.

I would like to thank Bill and Judy Houck, Helen Below and photographer/club member Nina Shields for all of their help in producing this report.

(Norm Cates, Jr. is a 34-year veteran of the health, racquet and sports club industry. Cates was the Founder of and is now celebrating 15 years as Publisher of The CLUB INSIDER News. He was IHRSA's 1<sup>st</sup> President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or email: www.clubinsidernews.com)


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**...Ed Tock**

continued from page 7

other than pure sales results, you will never hold someone accountable for issues that ultimately determine a person's success or failure.

The importance of ongoing training is often overlooked and underestimated. The real key to a successful training program is that it must be ongoing. Salespeople need to develop the skill sets needed to expand relationships. Sales leaders have the ability to probe, ask more questions and uncover the customer's needs and turn them into wants.

While the other big corporate names generated matter-of-fact comments, the Starbucks brand generated powerful emotions and comments as to the experience of using the brand. In other words, Starbucks is not just selling coffee. They are selling an experience. Selling an experience is not a new concept. McDonald's built the hamburger empire not on the taste of their hamburger, but the child-focused appeal of Happy Meals, playgrounds and Ronald McDonald. Car manufacturer Saturn launched its entry into the

auto market by appealing to the buyer who didn't want cliché car salesman sales techniques used on them when purchasing a car.

*What does offering a positive experience do for a business? Plenty. It raises the price point.*

It's widely known that people buy on emotion and then justify the purchase with their own reasons. A decade ago who would have thought that people would spend three or five dollars for a cup of coffee? Yet because of Starbucks, millions of people are doing it all the time all over the world. When buyers have a good experience, they want to duplicate it. Starbucks' strong market share is built on satisfied, repeat customers.

People tell their friends. Good experiences are meant to be shared. Word of mouth sells more products than anything else.

Now step back and look at your business. What do your customers experience? Do they feel welcome? Do you offer the highest value for the money they are spending? Do all your employees personalize their customer contact? Do you offer a unique experience when

compared to your competitors?

Provide your customers an experience that is consistently positive and your business will thrive.

A value-based membership presentation gives you the opportunity to *set the standard, not match the standard*. It will immediately differentiate you from the competition and allow you to rise above it.

For over 20 years Sales Makers has always taught our clients that the real sale begins after you get your members' money. You need to make raving fans out of all your members, so they in turn will refer their friends. To achieve that, you must answer the question we all ask every time we make a purchase of anything, "What's in it for me?" In most cases it's the only thing that your prospective customer is interested in, and in all cases it's what will create the greatest engagement. There's an old cliché in sales that goes: "they don't care how much you know until they know how much you care." That statement is wrong. It should read: "They don't care how much you know unless they know where the benefit is." In short,

they want to know what's in it for them. They *HAVE* to perceive value for them. And, in short, if you don't spell that value out, I guarantee that you will fight a price war. Because this is the most important element of the entire value proposition, it's where you must put the most emphasis and spend the most time.

Take a moment right now and write down all the ways your members enjoy the benefits derived from being a member of the club. Just a bunch of bullet points will do. Some of these bullet points may be scattered throughout your sales presentation and I'm challenging you to put them all in one segment. And there's a secret here: Make certain that these value points and these benefits are added into any interest that the prospect may have. This means that *your competition will have to prove their value*. By continuing to provide value after the sale, you let the customer know *this is a relationship, not a transaction*. Continuing value has to do with service, help and providing information that continues to help the member benefit from using the club.

The value proposition, if used properly, can

eliminate competition. The value proposition can set forth things that make your club the *only choice*. Value is something *done for the member, in favor of the member*. The more they perceive value, the less price is an issue and the greater the likelihood they will refer their friends to the club.

*(Ed Tock is a partner in Sales Makers, an industry leader as a marketing and sales training consulting firm that specializes in on site seminars and performance & profitability programs by delivering the highest quality of staff training, proven systems and innovative marketing programs. They have worked with over 1000 clubs worldwide including 206 pre sales since 1981. Ed has spoken at over 75 Club Industry Shows and IHRSA Conventions. Sales Makers is a winner of the IHRSA Associate Member of the Year Award! Ed can be reached at 800.428.3334 or at [eddie@sales-makers.com](mailto:eddie@sales-makers.com). Or at [www.sales-makers.com](http://www.sales-makers.com). CALL TODAY FOR A FREE 30 MINUTE CONSULTATION!)*

**...Arthur Jones**

continued from page 3

uated on a thousand or more rolling Florida acres. Imagine behind the mansion a 10,000 foot runway and jetport complete with a Boeing 707, several smaller jets, a couple of propeller aircraft and an aircraft hanger. Then, imagine a real African zoo, also situated behind the mansion and to the left of the jetport with a 600-pound gorilla named Mickey, elephants, alligators, giraffes and other African animals. Inside the mansion, imagine a woman named Terri, beautiful and suitable for framing in Playboy Magazine, then the wife of Arthur Jones. Imagine a hundred or more club owners and operators gathering at this amazing place on a beautiful Summer evening by private invitation from Arthur and Terri Jones, and Jones' right hand man, Jim Flanagan. Imagine all of this. But, know that this was all real.

The next time I saw

Arthur and Terri Jones was in 1984 at my 47,000 square-foot Downtown Athletic Club located in what was called then, the Omni, and now called CNN Center in Atlanta, Georgia. (See photo this page) Arthur Jones had entered into a licensing agreement with an apparel company allowing their use of the Nautilus name and logo on a line of apparel. The clothing company had rented my club for a five-day photo shoot featuring Terri Jones and a number of other world class models. At the end of the five-day photo shoot Arthur Jones flew into town in one of his smaller jets. He came to my DAC, and I had the opportunity to sit at my club's bar with him for more than three hours on a Friday evening. I was amazed by this conversation with Arthur Jones. Clearly, I knew I had been sitting with a genius in the field of strength training and a human being who'd lived a truly amazing life well before Nautilus. The breadth and depth of his

knowledge of strength training, somehow accumulated by Jones over the previous 30 years, had manifested itself in a product, Nautilus, that literally changed the world. I learned about his past...his experiences as a mercenary in Africa, his flights to South America carrying raw fabric for blue jean manufacturing, his close calls with death and much, much more. To say that I walked away from my DAC bar that night with a totally boggled mind, would be an understatement.

Years later, I was in Florida again and this time visited Arthur at the Nautilus Offices in Gainesville. This time, Mickey, the 600-pound gorilla, was standing in the lobby of the Nautilus building. But, Mickey was no longer alive. Mickey looked alive. But, Mickey had died a few years before. Arthur had his beloved pet Mickey preserved and he stood permanent watch on all who entered and left the building.

The last time I saw



**(L to R) Norm Cates, Terri & Arthur Jones & Ilena Cates at Downtown Athletic Club – 1984**

Arthur Jones was when I stopped to visit with another industry legend, Joe Cirulli, in Gainesville, Florida. Joe and I rode out to Arthur's home and there we met with Arthur and our long-time friend from Nautilus and MedX fame, Jim Flanagan. We spent over 3 hours visiting with Arthur. During that conversation, Arthur was at his best. Spinning yarns from his amazing history that again, boggled my mind, and I think, the minds of Joe and Jim. Both of them are lifetime friends of Arthur's. Both of them had a

long background and many amazing experiences with this man who changed their lives forever. I, formerly a club owning Nautilus customer and then the Publisher and a reporter for my CLUB INSIDER News, wondered that day when I would someday write this report about the one and only, Arthur Jones.

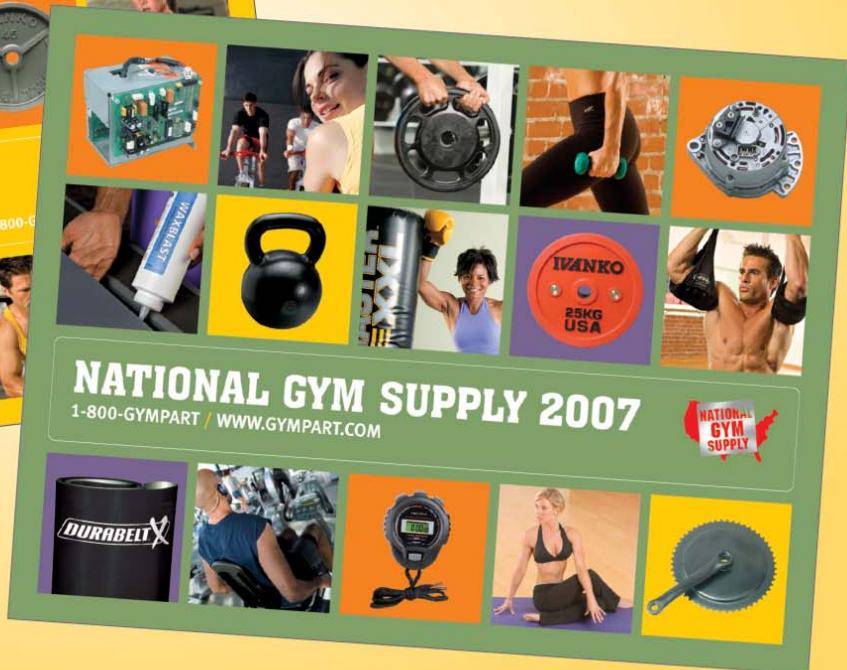
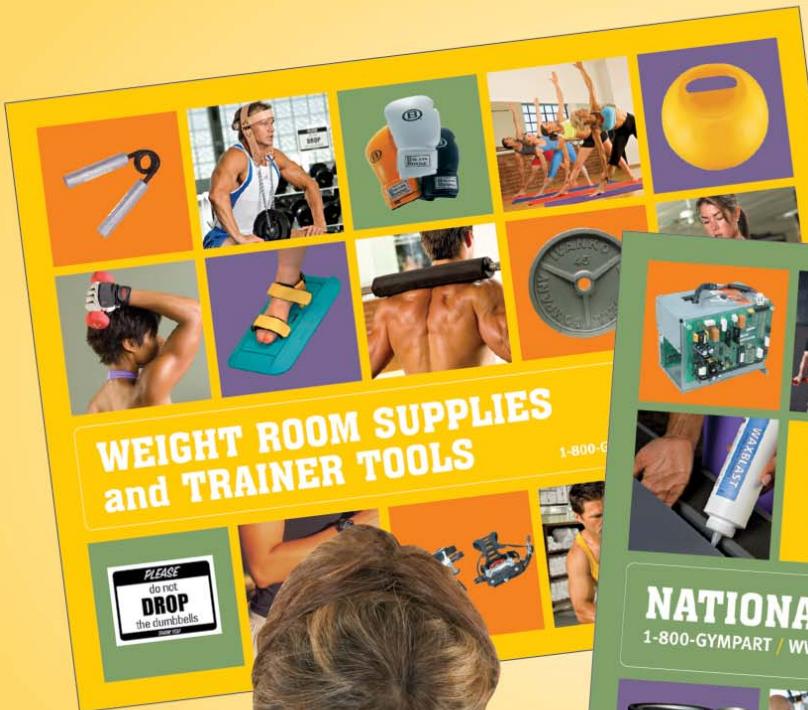
About a year after Cirulli, Flanagan and I visited Arthur and his present wife Inge at his home, I called Arthur to check in and just say hello. I asked him, "Arthur,

(See Arthur Jones page 26)

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# Customer Service Is...

By Will Phillips

Customer service is delivering value to your customers. Your strategic job as the leader of your business is to answer the following questions which will enable your club to deliver value to customers:

1-What does my chosen segment of the club market really value?

2- Is my chosen segment large enough to sustain a profitable club?

Most of this article will focus on answering the first question. If your answer to question two is 'I don't know', get a demographic market analysis done immediately. If your answer is 'no', then it's time to scale back or move. Dozens of industries besides the club world have proven these are the only two choices.

Finding answers to the first question is both easy and very hard. Hard because most owners think they know what their market wants. This might be called marketing arrogance. This arrogance has been pointed out every time a competitor opens and takes members from your club (Planet Fitness and Anytime Fitness and SNAP), and every time a new club opens and attracts new members from a market that you have tapped out or been unable

to reach (Curves and Planet Fitness). Marketing arrogance is widespread in every industry. Those who run the business think they know what the customers, patients and clients want. Frequently they do not. Club owners are well versed on the features of their clubs and have difficulty talking in depth about the benefits for members and an even more challenging time clearly articulating what their market segment seems as value. To assess your balance of features vs. benefits thinking just look at your web site. A strong web site meant to appeal to visiting prospects would probably have 80% benefits (how the member is impacted and benefitted) to 20% features (what the club does and has). How do you score?

## Customer Value Is Complex

Understanding what customers perceive as value depends on a deep understanding of what motivates human beings (See the recent research on motivation to act that was sponsored by IHRSA and conducted by George Washington University and reported in CBI and Club Insider). In addition, you must understand the irrational economic decision making process that all humans employ. The key managerial insight

on customer value is that it is not what you designed or what you think it is; it is what they see as value.

## Assessing Customer Value

So let's consider a very simple way to learn about your customers. Ask them. Surveys prepared by novices I will describe here as "traditional surveys" are useless for improving your business, your growth or profits. Bain Research (one of the world's premier management consulting firms) found that 80% of companies are convinced they provide superior service, yet only 8% of their customers agree.

Over the last decade Bain Consulting's Frederick Reicheld began studying customer loyalty. His assumption was that a loyal customer (who was not held in place through a contract or other economic pressures) would also be a customer who experienced high value. Prior research demonstrated that 'satisfied' customers did not exhibit loyalty. Even 'highly satisfied' customers regularly switch vendors. Reicheld has honed his research to identify the questions to ask customers to assess their loyalty and by implication, the value delivered. What follows is based on his research as reported in two books *The Loyalty Effect* and *The Ultimate Question*.

Here are a few questions that are valuable:

1. How willing are you to recommend us to an associate or colleague?
2. How would you rate our ability to meet your needs?
3. How would you rate our people?
4. How would you rate our processes?
5. What is your impression of our market reputation?
6. How would you rate the cost of doing business with us?
7. How would you rate the overall value of our product-service as being worth what you pay for it?
8. Given the chance would you purchase from us again?

These are rated on a 0-10

scale. Here is an example for Question 1 and 2.

- 10 = Extremely likely
- 9 = Very likely
- 8 = Moderately likely
- 7 = Somewhat likely
- 6 = Likely
- 5 = Neutral
- 4 = Unlikely
- 3 = Somewhat unlikely
- 2 = Moderately unlikely
- 1 = Very unlikely
- 0 = Extremely unlikely

10 and 9 are Promoter Scores, 7 and 8 are Passive Scores, 0 to 6 are Net Detractor Scores. Net Promoter Scores (NPS) are calculated by Subtracting Detractors from Promoters.

Now here is the really important finding from this type of research. Firms with the highest NPS also have the strongest profits and the healthiest growth. NPS and company growth are closely correlated. No other customer measure correlates well with growth or profit. GE Capital moved their NPS from -11% to +11% and said this translated to \$200 million in incremental value. Enterprise Car Rentals has become the number one car renter in the U.S. in part because it rigorously uses Net Promoter Scores to decide which managers to promote.

## What This Will Tell You And What To Do About It.

Customers who are promoters (scoring 9 and 10) in other industries are three times as likely to return than 'satisfied' customers. That is why 9's and 10's are important. You are very likely to keep these customers even if competitors try to take them away. Simply by having customers take the survey you will make them more conscious of how much they like and love your club, and what it does for them.

Your overall score across many customers will be severely impacted if you have any Detractors.

- 5 clients scored us a 10 so  $5 \times 10 = 50$
- 3 Clients scored us a 9 so  $3 \times 9 = 27$
- 3 rated us a 7...  $3 \times 7 = 21$
- 4 rated us a 6...  $6 \times 4 = 24$
- 5 rated us a 5...  $5 \times 5 = 25$



Will Phillips

3 rated us a 7.....these are too bland to count  
 4 rated us a 6...  $6 \times 4 = 24$   
 5 rated us a 5...  $5 \times 5 = 25$   
**TOTAL DETRCTOR SCORE = 49**

**NET PROMOTER SCORE = 77- 49 = 28 divided by 20 customers = 1.4 out of 10**

So you can see this is a very sensitive scoring system. It does not allow you to rest on the laurels of a traditional customer service survey where the average would be Satisfactory as shown below.

This uses the same data as above, but employs a traditional analysis of the data.

5 clients scored us a 10 so  $5 \times 10 = 50$   
 3 Clients scored us a 9 so  $3 \times 9 = 27$   
 3 rated us a 7...  $3 \times 7 = 21$   
 4 rated us a 6...  $6 \times 4 = 24$   
 5 rated us a 5...  $5 \times 5 = 25$

**TRADITIONAL TOTAL = 147 DIVIDED BY 20 RESPONDENTS = 7.35 out of 10.** The traditional score 7.35 is five times higher than the NPS of 1.4

## A Practical Customer Survey For Your Club

You should probably only ask two questions at a time to get higher response rates. Q 1 and Q 7 are a good starting point. (see column 3)

1-Hand out the survey in person.

2-Sign your name Thanks Bob under the heading.

(See Will Phillips page 26)



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**...Will Phillips**

continued from page 24

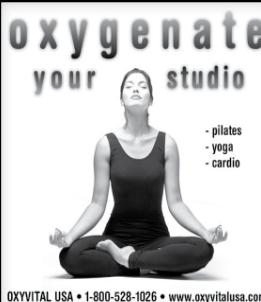
3-Ask for their responses then and there. This is a face-to-face survey.

4-Always offer an incentive such as a \$10 Starbucks card.

**For a down loadable survey format to use in your club, visit [www.REXonline.com](http://www.REXonline.com).**

org and look for the Club Insider heading under articles in the lower right of the home page.

(Will Phillips can be reached at: [will@REXonline.org](mailto:will@REXonline.org). Will is the Chair of eight Master Mind Groups for club executives across the U.S., Canada, Australia and New Zealand.)

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**...Arthur Jones**

continued from page 22

how are you doing?" His response, and in as clear of a "tell-it-like-it-is" manner as those of us who know Arthur would expect, was: "Norm, I am just sitting around here waiting to die." Our conversation continued on for awhile, I wished him well and said goodbye. For the last time.

**Three People Who've  
Changed The World of  
Health and Fitness**

If I could give credit to the three people who I think changed the health and fitness industry world more than any others who've ever lived, they would be: Arthur Jones, Ray Wilson and Augie Nieto.

I believe Arthur Jones should receive credit after his passing for making strength training realistic and available to the masses worldwide. Literally, millions and millions of people have trained on Nautilus and have obtained great results. Arthur Jones opened the door for every company that is in the business of strength training by machines today.

The other two people whom I would credit for changing the health and fitness industry more than any others would be Ray Wilson and his protégé, Augie Nieto. They brought cardio training to the masses worldwide. Ray Wilson and Augie Nieto opened the door for every company that is in the business of cardio training by machines today.

Ray Wilson will be 80 in February and lives in Carlsbad, California and Cabo San Lucas, Mexico. In the late 1970's Ray Wilson obtained the rights to Lifecycle, spent several years and invested several million dollars per-

(See Arthur Jones page 27)

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## ...Arthur Jones

continued from page 26

fecting the Lifecycle and bringing it to the market.

Ray Wilson hired Augie Nieto, the man I now call: "The Henry Ford of the Fitness Industry" to sell the Lifecycle. Augie was a college student at the time. Now, he is the man who took Lifecycle to another level after he and Ray Wilson sold Lifecycle and Nieto built Life Fitness to become the world's largest equipment manufacturer. Ray Wilson and Augie Nieto finally succeeded in getting then hesitant health club owners to buy the Lifecycle in mass. After six months on the road, Augie Nieto had sold only about 9 Lifecycles from the back of his van. They ultimately succeeded in making Lifecycle a huge success. But, ironically that success came, not by selling the machines, but by giving them away. Befuddled by the poor response they had gotten from health club owners across the country, Wilson and Nieto decided to send out 50 Lifecycles for free to the top 50 owners of health clubs across the land. They wanted these owners to personally try it out. This idea worked and Lifecycle got its big break with Donahue Wildman, the head of Chicago Health and Tennis (now known as Bally Total Fitness). He fell in love with the machine and ordered several thousand for his club chain. But, I digress.

### **Arthur Jones will live on in history as a man who truly made a real difference in this world**

On the day after Arthur Jones' death, August 28, 2007, a longtime friend of Arthur Jones, Dr. Ellington Darden, the prolific author of 47 books and another strength training genius, reflected back on his memories of Arthur. Dr. Darden said, "Well Norm, Arthur was at his best when he was sitting around with a small group of people shooting the breeze. He would come out with all kinds of stories and experiences. I remember when he would meet people, especially medical doctors, he would always ask them where they were from. And, it didn't matter, as wherever they were from in the U.S. or elsewhere, he had been there and had an interesting story to share with them.

I met Arthur for the first time in 1970 at the Body Building and Power Lifting Championships in New Orleans. He had his first Nautilus pull-over machine there. He had shown that machine about three months before in California at the Mr. America contest. He had written some his initial Iron Man articles to start the year off in 1970. He'd gone to the Mr. American contest in California and had met Casey Viator, a teenager

who had placed 3<sup>rd</sup> in the 1970 Mr. America competition. Arthur invited him to relocate and move to Florida. He was perfecting his machines and began selling them toward the end of 1970. So, by then he had Casey Viator, the teenage body building super star, helping him sell the first ever Nautilus machines."

I asked Dr. Darden, "How old was Arthur when he passed?" Darden replied, "Norm, I have heard he was born in 1923, 1924, 1925 and 1926. He could have been 84."

Thinking the answer would be Nautilus, I asked Dr. Darden "What do you think Arthur Jones' greatest achievement was?" Darden replied, "Well, that's hard to say. Certainly, he had six or eight major contributions. From my own personal viewpoint and I talk about this in my last book, "The New Body Building For Old School Results", from my standpoint and my time around him, he just instilled you with confidence. He provided me with a world of self confidence because the basic principals of his were all written in CAPITAL letters, BAM, BAM, BAM. He knew how to really make you a believer in a few simple points, concepts and guidelines. That's what was so attractive to me and not only to me, but to a lot of young men at that time. He was a generalist. He didn't think that you should specialize. He felt that way because of the nature of his early upbringing. He had been raised by parents who were both medical doctors. And, there were several more medical doctors in his family. They were all focused on very narrow areas and he rejected that at an early age and became a generalist. He just felt like the secret of his success was being able to transfer knowledge from one area to another to another to another to another. That's why he was so interesting. He'd tell you about something that happened to him in Africa or Davenport, Iowa or Galveston, Texas and relate it to your wanting to build bigger arms or to run faster or to play football better.

But, there is no doubt that Nautilus got him the most notoriety beginning in the early 1970's. The fact that Nautilus was something different and provided meaningful resistance in positions which normally you would not get with a barbell or a dumbbell, made a huge difference. He provided people with the ability to get a great workout without spending hours in a gym. And, you didn't have to come back until two days later. At that time in the 1969, 1970 and early 1971, in the body building and strength training world people were into these long drawn out workouts. Everybody seemed to be suffering from over-training. But, the people that were winning physique and strength contest then were overtraining, too. If Ar-

thur had come along and told people that 'You've got to work out twice a day seven days a week, he'd probably had more sales initially, because people would have believed that. But, instead he said just the opposite: 'All you need is one set to failure in 8 to 10 exercises and you only need to repeat that two or three times a week.'

### **Dr. Darden – "My hair was standing on end!"**

As yours truly, Arthur Jones was a very experienced pilot of jets or any kind of aircraft. So, the following comments from Dr. Darden really were amusing to me. I asked him, 'Would you recall for us the most unique experience with Arthur that you can remember?' Darden thought for a bit and replied, "There are a lot of things that stand out. But, one time we went to the Super Bowl Game. I believe that was in 1972 when the Miami Dolphins played the Washington Redskins at Rice Stadium in Houston. When we left after the Super Bowl there was a thick fog bank. We were in a small Cherokee airplane. They shouldn't have let anybody fly out of that airport. So, Arthur took off us-

ing the instruments in that plane. We went up thousands and thousands of feet into the fog bank. It didn't bother Arthur at all. He was just talking the whole time. It was a breath holding experience for me. Finally we got on top of and out of the fog and Arthur says, 'Damn, I'm hungry. Let's go down and get some gumbo in New Orleans. New Orleans was fogged in, too. We go down through the fog, he lands and we missed the gumbo because the restaurant had closed about 15 minutes before we got there. So, we had to go back up through that fog bank again! It didn't make any difference to Arthur. He trusted those instruments. It didn't phase him one bit. He was in control the whole time, fog or no fog! He just said, 'You've got to trust the instruments. It's not what you see outside.' Over the years he had told me other stories about flying much bigger aircraft, loaded with tropical fish through hurricanes and other hair-raising stories. But, my hair was standing on end that night!"

I asked Dr. Darden, 'Do you know the cause of death for Arthur?' He replied, 'Well, there is no telling what was going on inside his body.

(See Arthur Jones page 28)

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**...Arthur Jones**

continued from page 27

He probably had lung cancer and emphysema, heart problems and I think he had some mini-strokes. He was just worn out. It took him a long time to pass away. Somebody once said, 'Arthur Jones is too tough to die.'

In closing our interview I asked Dr. Darden, "What do you think Arthur Jones' legacy will be in this world?" He replied, "As I mentioned earlier, he applied that *harder but briefer guideline* to body building and strength training at a time when strength over-training was just going berserk. Things are just about

back to the same situation now and that needs to be applied again. In the Nautilus machine, Arthur introduced the rotary direct resistance in 1970 and that has never been done before in the way that he did it. That's probably something that will be part of his legacy. He provided resistance on the body part that is directly moved by the muscles that are shortening or contracting. And, this movement is rotary, so he came up with the leg extension, leg curl, pullover, shoulder and neck machines that were rotary, as opposed to straight line. That rotary direct resistance would be a legacy, too. And, I guess the last thing is that he

put a lot of emphasis on the lowering or negative portion of a repetition. No one had done that before. So, I think Arthur's legacy would be those three things: 1) Harder, but briefer work; 2) rotary direct resistance and 3) emphasis on the lowering of the weight. Those three things all go together in his major contributions to strength training.

(For more on the life and times of Arthur Jones, Dr. Ellington Darden's new 300 page book, *"The New Body Building For Old School Results"*, a lot of the book is about Arthur Jones and all of his strength training principles. Dr. Darden's new book may be ordered through

hearts and best friends for the past 58 years and are the parents of six children.

In 1954 Bob won the "Mr. Utah Body Building Competition." His interest in health and physical fitness led him to open a small gym on 5th South and Main Street in downtown Salt Lake City. Through Bob's hard work and leadership, that modest gym grew into the "European Health Spas," which at the time was the largest health club chain in the nation. Because of Bob's efforts, millions of people have been

introduced to physical fitness and enjoyed better health.

In 1972, Bob was invited by President Richard Nixon to serve on the President's Council of Physical Fitness and Sports. Bob has received many local and national awards for his business achievements. Among these are The Horatio Alger Award, the Golden Plate Achievement Award, and the Utah Heart Association "Heart of Utah Award." Bob also was inducted into the Utah Sports Hall of Fame and the University of Utah College of Business

his website: [www.drdarden.com](http://www.drdarden.com)

day, go to: [www.jumbolair.com](http://www.jumbolair.com)

**A genius, eccentric and amazingly interesting man who feared nothing on this earth**

Arthur Jones will go down in history as a genius, eccentric, and amazingly interesting man who feared nothing on this earth. He will also go down in history as the one single man who is responsible for bringing strength training to the masses worldwide. May Arthur Jones rest in peace.

To see Arthur's and Terri's Jumbolair Ranch to-

(Norm Cates, Jr. is a 34-year veteran of the health, racquet and sports club industry. Cates was the Founder and is now celebrating his 15<sup>th</sup> Anniversary as the Publisher of THE CLUB INSIDER News. He was IHRSA's 1<sup>st</sup> President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or email: [www.clubinsidernews.com](http://www.clubinsidernews.com))

**...Robert Rice**

continued from page 3

Mabel Rice. As a child of the depression, Bob learned the value of hard work, integrity, and self reliance while working on the family dairy and hay farm. These qualities would be exemplified by Bob throughout his life.

Bob graduated from Davis High School in 1947. It was while at Davis that he met the "Love of his Life," Joyce Talbot. They were married September 10, 1949. They have been sweet-

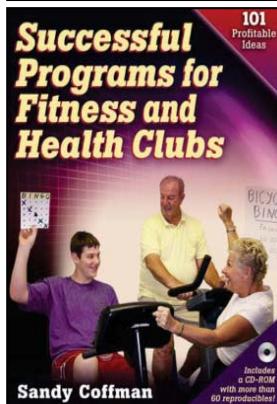
hearts and best friends for the past 58 years and are the parents of six children. In 1954 Bob won the "Mr. Utah Body Building Competition." His interest in health and physical fitness led him to open a small gym on 5th South and Main Street in downtown Salt Lake City. Through Bob's hard work and leadership, that modest gym grew into the "European Health Spas," which at the time was the largest health club chain in the nation. Because of Bob's efforts, millions of people have been

introduced to physical fitness and enjoyed better health. He received an Honoring Doctorate from the University of Utah in 1999.

In 1972, Bob was invited by President Richard Nixon to serve on the President's Council of Physical Fitness and Sports. Bob has received many local and national awards for his business achievements. Among these are The Horatio Alger Award, the Golden Plate Achievement Award, and the Utah Heart Association "Heart of Utah Award." Bob also was inducted into the Utah Sports Hall of Fame and the University of Utah College of Business

expansion of the stadium and for scholarships. The university honored him by naming the stadium after him. Bob and Joyce's work and generosity toward the university has continued since that time. At the time of his passing, Bob was serving on the University's National Advisory Board and was chairman of its Health Sciences Council.

May Robert L. Rice rest in peace.



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**NICHE MARKETING BEGINS NOW!**

It is a fact, every member is different and is looking for something unique out of his or her experience at your facility. You must learn how to identify the different niche markets and how to tailor your programming to each market. *"Balance Your Fall."* is a creative program that encourages participants to *balance* a cardiovascular experience with a *strength training* experience each week. The beauty of this program is that it offers the opportunity of *partnering* your participants (niches) within the program thereby providing a *social* environment in addition to a *workout* environment. That obviously makes it more *fun* for everyone and will ultimately result in greater *retention* too.

The programs I am referring to here should be exclusive to the season and run on an annual basis. For the fall season, *niche marketing* begins NOW!

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# Raving Fans of Body Training Systems Weigh-In

Body Training Systems is now serving almost 500 quality clubs in the U.S. and Canada in their mission to create 'Raving Fans' of BTS. They are succeeding in creating raving fans on both the owner and the member side. Importantly, at this point in time, BTS has 25% of clubs who have achieved the Platinum level of participation, clubs offering five or more BTS programs.

Body Training Systems brings a vast level of experience in the club business to go with its experience in producing and developing group exercise programming. BTS provides its clients with extremely valuable assistance on how to use group exercise to increase group fitness participation, revenue per square foot and profits for clubs. In markets where competition continues to surge, BTS is helping clubs grow their revenues by attracting and keeping more new members and making members already on board happier with

their results at the club.

The clubs who've brought BTS into their clubs have brought in a real, efficient and very carefully developed SYSTEM, complete with experienced BTS Coaches to make each club successful.

I asked the folks at BTS to provide me with comments from a few of their 'Raving Fans' of their seventh and newest program introduction, Group Active™. Group Active™ targets the massive deconditioned and new exerciser market and their comments appear here:

**Carol Nees, General Manager - Spartanburg Athletic Club, Spartanburg, SC**

We are so excited to have Group Active™ at Spartanburg Athletic Club. This program has brought so many new faces to group fitness. The simplicity of the moves makes this a program that we can recommend to new members and to mem-

bers who have never tried group classes.

We are excited that this program is giving participants the confidence to try other classes as well. The music is such a fun component of this class! Our members are constantly singing, which makes the time go by so fast! Before you know it, the hour has passed, and they are looking on the schedule to see when they can come again.

We initially started with four weekly classes, and now because of the demand, have doubled this to eight classes per week. Group Active™ is also servicing members who wish to get all components of fitness in a one-hour period. This program was definitely the link that we were missing.

**Here are just a few comments from our members:**

"The most well balanced group fitness program for all ages I have ever been



*Spartanburg, A. C. – South Carolina*

a part of", **CABELL MITCH-ELL.**

"I enjoy Group Active™ because it incorporates all phases of exercise - cardio, strength, balance, and stretching.", **Marley Div-er**

"This class is wonderful! I recently moved to 'Sparkle City' from Seattle, and I have met such friendly and helpful people in Group Active™ ...AND I am working off the pounds from all of the

good southern food I have been eating!", **Marie Harley**

**David Fullwood, Gold's Gym Chapel Hill, Doug-  
lasville, GA**  
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"Thank you for Group Active™. This is a tremendous and much needed  
(See BTS page 30)

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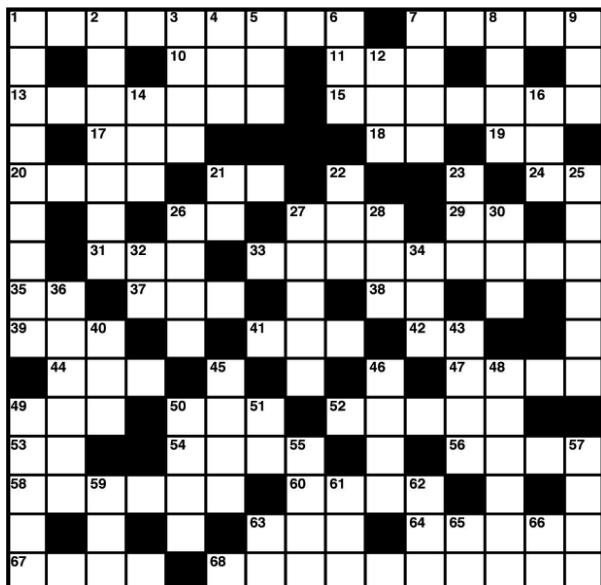
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### Across

- Online company that provides good leads to clubs for new memberships
- Writer of "Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas (goes with 15 across)
- Regret
- Zodiac sign
- National pandemic
- See 7 across
- It is, poetically
- Near Term, for short
- Emotional intelligence (abbreviation)
- Somersault
- Medical expert
- Manuscript, for short
- Company
- Get staff for
- Treadmill \_\_\_\_ bike?
- Student score (abbreviation)
- Friendly gesture that goes with a smile: a proven winner for club expansion!
- Expression of hesitation
- Branch
- Accounts payable (abbreviation)
- Bar, sort of
- Vegas hotel location for the National Trade Journal/IHRSA Club Business Conference and Trade Show in September 2007
- Morning time
- Carpenter who is one of the owners of The Hockassin Athletic Club which has had spectacular pre-sales numbers
- I am purchasing! (2 words)
- Go away!
- Outside of a hamburger
- Former Director of the NFBA Nikki \_\_\_\_, now with ABC Financial
- Old, for short
- Time periods
- Terminates
- One of the founders of 1 across: Howard \_\_\_\_
- Type of muscle
- Once round the running track
- Club special activity/gathering
- Location on the web
- Loyalty program that bonds members to clubs

### Down

- Name of Owner of Lifestyle Family Fitness which offered free 2-month memberships to youngsters.
- Conference, for one
- Eye part
- Let go
- Important
- Tender loving care (abbreviation)
- \_\_\_\_ ball
- Select
- Over there, old way
- Eternity, almost
- Drink a bit
- Goal
- A can \_\_\_\_ person
- Author of "The Extreme Fat Smash Diet": Dr. \_\_\_\_ Smith
- Expression of surprise
- Co-founder of "MarketMy Club": \_\_\_\_ Robb
- Co-creator of 1 across: Rick \_\_\_\_
- "New Paradigm Consulting" co-owner \_\_\_\_ Parrella
- Turco
- Agreement that can be used to help protect a club's inside information
- Gordon, one of the greatest sales consultants in the industry, who made a presentation at the Club Industry East Show
- Steelers locale
- Soothing location
- Active
- Dr. \_\_\_\_ Richardson, Vice Chairman of the President's Council on Fitness and Sports
- Chaet of CMS International: a keynote speaker at the IHRSA Business conference in Las Vegas
- What to do with a calorie?
- Face2Face Systems, \_\_\_\_ Brown- another keynote speaker at the Las Vegas IHRSA event
- Stretcher, in a way
- Gym Franchise Association
- Do better than
- Not applicable (abbreviation)
- Jazz singing
- Rests
- race
- Spring month, for short
- "A \_\_\_\_ Good Men" movie
- "Fearless" star
- Blue Ridge Mountains locale
- Bismarck locale

### ...BTS

continued from page 29

program. The benefits along with the programming are a welcome routine and exercise program. Even though we believe Group Power®, Group Step® and Group Centergy® can be done by almost anyone, Group Active™ is VERY friendly and non-intimidating to the infrequent or non-exerciser. The other battle people have is balance and I don't mean

physical balance. Balancing time and responsibilities is a major contributor to a lack of exercise. Maybe the common excuse and/or reason for not exercising are the feeling or thought "I can't do it, it's too hard or I won't fit in".

Group Active™ really fills the void and helps ease the apprehension many people have. I firmly believe Group Active™ will become one of our most populated classes because it will accommodate so many people.

Being in Sales and being an instructor, I consult and coach a lot of people and their fear is a powerful influence. Group Active™ takes people from "I can't ... to I ... can." Most important, after taking the class they think, "Now I will". It opens the door to other classes.

Don't get me wrong, all the programs are fantastic. Group Active bridges the gap! It's a great addition."

## Sincere Thanks, Gratitude and Appreciation to:

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

Very sincerely, Norm Cates, Jr.

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GROUP ACTIVE™



"BTS has changed the way we run our business! When we decided to service more of our member visits through BTS group programs instead of equipment our numbers began to go through the roof! The positive marketing materials were targeted to our demographics. Within a 3 year period we added over 16,100 group visits a year which resulted in a 13% increase in our retention rate. Our increase in retention has had an exponential impact on our net income.

Another direct correlation is that we have reduced the need for new equipment and equipment maintenance costs have been significantly reduced. The longer we work with BTS the more pleased we are."

*Jason Cook, General Manager, SIMS Health & Racquet*

To learn more call **1-800-729-7837 x230**  
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systems



# Running A Health Club Is Hard Work

We know because that's where we started.



"As head of ABC Operations one of my primary responsibilities is to ensure our contact centers are providing club owners/managers and their members top quality service. As a former gym owner and 9 year customer of ABC I know what it's like on both sides of the phone! It is a pleasure to be a part of an organization that was built and supported by people who know what their customer's world is all about."

*Robert Surface*

*Chief Operations Officer, ABC Financial Services*

## Our Experience Comes From Over 25 Years Of Managing Our Own Health Clubs

We've been there. We know what it takes to succeed. We know the tools you need. We know what works and what doesn't. The solutions we can offer you are experience-based and have been time-tested in our own businesses for many years.

## Full Service Club Management Assistance With Solutions That Work

Getting the tools you need to manage your club is key to your bottom-line profits and no one can deliver the complete club management solution you need better than ABC Financial. We know how to maximize your profits from each member. We know how to help you generate more revenue and retain more members. We know because we've done it... Just like you.

- Full service accounts receivable processing: EFT, Credit Card, Payment Book, Pay Online, Pay-By-Phone
- Online Business Center
- DataTrak Software, including POS Inventory Control System and Front Counter Check-In System
- Customized Club Marketing Solutions

### NEW TO ABC!

Electronic Agreement Entry  
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**You need them.**

**SOLUTIONS**

**We have them.**