

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



(L to R) Kerri Palermo, Janet Chianese, Sandy and Mike Arteaga

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Mike Arteaga

Prepared for 40 More Years!

SEPTEMBER 2012

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Mike Arteaga *Prepared for 40 More Years!*

By: Norm Cates

9/11, September 11, 2001, is a second day in American history that *lives in infamy*. The first being, of course, *Pearl Harbor Day, December 7, 1941*.

9/11 says it all for all of us these days. **9/11** was a day of emotional agony and great despair for all Americans.

We all know that the United States of America was attacked on September 11, 2001 by radical Islamists using commercial passenger jets as weapons, killing over 3,000 people in three locations in the process.

Two large jets flew into the World Trade Center in New York City, and the jets exploded, setting huge fires in the World Trade Center buildings. Those infernos

melted the steel in the World Trade Center buildings, causing both of the landmarks to crumble to the ground killing everyone who had not escaped.

In Washington, D.C., another large jet, this one also piloted by a hijacker, attacked the Pentagon, destroying a sizable section of the huge government building and killing several hundred people.

Finally, a fourth large jet crashed in a field in rural Pennsylvania. That jet

was brought down by the brave passengers themselves as they had been monitoring news from the ground during their flight and the plane was believed to be targeting either the White House or the U.S. Capitol Building. There's no telling how many lives these brave passengers saved by sacrificing their own lives to save other Americans. "Let's roll!" were the words heard on a cell phone. Todd Beamer, one of the passengers, led the attack on the hijackers.

That terrible event happened eleven years ago this month. That also happened to be the same month that CLUB INSIDER was about to feature club industry veteran, Mike Arteaga, owner of All Sport

(See *Mike Arteaga* Page 10)



Mike Arteaga



BTS Joins MDA's Augie's Quest and Commits To Raise \$2 Million

ATLANTA, GA - Body Training Systems (BTS), the leading supplier of group exercise programs, is proud to announce its partnership with Augie's Quest, which supports MDA's aggressive fundraising and research efforts aimed at finding more effective treatments, and ultimately, a cure for ALS. BTS will kick off its efforts with a fundraising event at the BTS Summit in Atlanta, GA, November 7 - 10, 2012. The event will be featured during BTS' dance program, Group Groove, and will be called *Groove for Augie*.

"We are grateful to Body Training Systems for joining us in the fight against ALS," said Augie Nieto. "Their contributions will help us continue to fund research that will lead to treatments and

a cure for this disease. We couldn't do it without their support or the overwhelmingly generous support of the fitness industry."

BTS will supply their club customers with fundraising marketing campaigns and resources so they can easily join the efforts of MDA's Augie's Quest. BTS customers have learned that creating events around BTS group exercise programs is a very powerful way to create excitement, awareness and participation,

which can now translate to an even greater good.

Rich Boggs, BTS CEO, added, "Our goal is to raise \$2 Million by 2018 in honor of Augie, one of our industry's true pioneers, in his personal battle to find a cure for ALS. The way Augie has handled this disease speaks volumes about his heart and character, and the BTS team is proud to be part of this great cause."

Industry leader John McCarthy commented, "Augie and Rich share not only decades of friendship, but also unparalleled histories of success in the health club industry. Both are born and bred entrepreneurs of the highest order. It is wonderful to see them united in the quest to conquer ALS."



Lynne and Augie Nieto

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Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 Checking In!

•Is America a GREAT Country or what? Hmm... Hmm... Hmm! Please BE SURE that you, your family, your friends and your employees are registered to vote in the November 6th Presidential Election! I urge you, and everyone you know, to be or to get registered to vote if you're not already. I also urge you to make plans to get out and vote in the November 6th election, an election that will be the most important election in the history of America. You and I both know we all NEED to VOTE! God bless and help our wonderful America.

•Breaking News! LA Fitness announced in a press release on September 10, 2012 that it had agreed to acquire the Urban Active Clubs. It read: "LA Fitness and Urban Active are pleased to announce that they have entered into an agreement for LA Fitness to acquire assets relating to all of the Urban Active Fitness clubs in seven states. The transaction is subject to various closing conditions. While the parties are hopeful that the transaction will be completed within the next several weeks, there can be no assurance as to when or whether a closing will occur. Upon closing the transaction, additional information regarding these clubs will be available

on www.lafitness.com."

•20 Years and Counting! Yep! That's what I'm writing about your CLUB INSIDER today! Yes, your CLUB INSIDER! Without you reading every month, we would not have made it all these years. Thanks to ALL of you who subscribe to CLUB INSIDER! The fact that we're just around the corner from finishing our 19th year of Publication, and we'll officially celebrate our 20th Anniversary of CLUB INSIDER in November, is thrilling and amazing to me. Just the mere story of how CLUB INSIDER survived all these years is one for the "Entrepreneur Gazette" or whatever publication that chronicles stories about new publications that somehow survive in the face of normally insurmountable odds and everybody predicting that the publication didn't have a chance and wouldn't make it a year! Wrong! Here we are!

•First, let me say I'm happy to have talked to MIKE GRONDAHL, as I called to congratulate him on the out-of-court settlement of the lawsuit that PLANET FITNESS had filed against their franchisees, the INNOCENTI Brothers of Bronx, New York and their countersuit. While speaking to Mike, I could just feel the relief he'd experienced from the settlement. Mike told me this was not just business for him. The settlement boils down to Planet Fitness Corporate getting

100% ownership of 9 Planet Fitness locations in the New York City area, plus they reacquire the rights to market and sell more franchises in New Jersey and Long Island from the Innocenti's. I also learned from Mike that, since they pulled back from the public offering idea for Planet Fitness they'd been pursuing, they've been inundated with new suitors for the company. As these communications develop, it's safe to say that Mike Grondahl and his Team appear to have been wise having already turned down: \$37 million... then \$108 million... then \$210 million for the company. Stay tuned!

•I owe a correction, and an apology, to my friend, MARTY McCALLUM, the Publisher of Club Industry Magazine. My correction is that last month, somehow, someway, my tired brain directed my weary CLUB INSIDER fingers to write McCALLISTER on my keyboard, instead of writing McCALLUM, which I've known for years is Marty's real last name. Go figure!!! My apologies to Marty, and to you folks, too! When I made my error, I was mentioning the terrific job that Marty, and Club Industry Editor, PAMELA KUFHAL, have done on the Club Industry Magazine since they stepped in. That writing was part of my Norm's Note, in which I urged you to make plans to attend the first ever Club Industry Show to be held in Las Vegas October 10 - 12, 2012. I will be there at the Trade Show at Booth #627, and I hope to see you there!



Norm Cates

As always, I'll be the one in the black cowboy hat. Check the directory of CLUB INSIDER Advertisers who are exhibiting in Las Vegas on Page #6, and go to www.clubindustryshow.com.

•Congratulations to ANGEL BANOS, as he was honored by Gold's Gym International with its "Gym Hall of Fame Award" at the Gold's Gym Annual Convention that was held in Las Vegas in July. More than 700 Gold's Gym owners, master franchisees, corporate executives, managers, staff and vendors gathered. Gold's Gym International (GGI), located in Irving, Texas, and the Gold's Gym Franchisee Association (GGFA) collaborated on the production of the

(See Norm's Notes Page 6)

About Club Insider

Established in 1993

19 Years and Counting!

CLUB INSIDER is published by Cates Media, LLC. in Marietta, Georgia. Those wishing to reproduce any portion of this publication may do so, provided it is not for resale in other publications. Reprints for commercial use are available for a fee by request.

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PRINTING and MAILING SERVICES - Walton Press
www.waltonpress.com

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Edition #225

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...Norm's Notes

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convention, held at the Mandalay Bay Resort and Casino in Las Vegas, the same location at which IHRSA will host its 32nd Annual Conference and Trade Show, March 19 - 22, 2013. Veteran Gold's Gym owner, Angel Banos, owns 12 Gold's Gyms in the Los Angeles area. Angel was honored along with these other Gold's Gyms Award Winners: **TODD LEVINE**, owner of Gold's Gyms in Webster, NY, was named **Franchisee of the Year**; **ANDRES CAPRILES**, the Master Franchisee for Gold's Gym in Venezuela, won the **Master Franchisee Award**; **The Lowell Group**, longtime franchise owners in the Milwaukee, WI, area, won the **President's Award** given to the owner that exemplifies the commitment Gold's Gym franchisees have to serving their members and their community; and the greatly respected **JOHN BURRISS**, owner of four Gold's Gyms in Columbia, SC, won the **Visionary of the Year Award** for his work on behalf of the Gold's Gym brand and fellow franchisees. Also, Gold's Gym convention attendees voted **LINDSEY COTTER**, a member of Gold's Gym in Grand Junction, CO, to receive the **Most Inspirational Member Award**.

As noted on **Page #19**, **Matrix Fitness**, the commercial brand of **Johnson Health Tech North America Inc.**, Cottage Grove, WI, was named the **Gold's Gym Equipment Vendor of the Year**, its second such honor in the past four years! The Vendor of the Year award is voted on by all Gold's Gym franchisees, who determine rankings in areas such as customer satisfaction, likelihood of referral and overall product quality. "Matrix has been a true partner to Gold's Gym International and our franchisees," **TODD SCARTOZZI**, Chief Operating Officer for GGI, said in a statement. "Over the past year, we have spent substantial time meeting with Matrix and visiting their facilities in Wisconsin to get a deeper understanding of their new product lines, their impressive research and development and their state-of-the-art equipment. In turn, Matrix has brought forth innovative ideas and solutions that will deliver powerful new experiences for our members."

JEFFREY GITOMER, the renowned sales guru, entrepreneurial expert and author of **The Little Red Book of Selling**, delivered the convention's keynote speech. "This convention is a true celebration of our Gold's Gym family and the service we provide our 3 million members every day across the globe," **JIM SNOW**, President of GGI, said in a statement. "As we approach our 50th anniversary in 2015, we continue to focus on delivering innovative programs, providing top customer service and accompanying our members on their fitness journeys." **MIKE EPSTEIN**, President of the GGFA, and owner of Gold's Gym, Paramus, N.J., added, "It's always great

when the whole Gold's Gym family is together. Seeing all of the domestic and international franchisees, as well as meeting some of our most inspirational members and employees, really bring to life how much our Gold's Gym brand positively affects lives all around the world. Jim's message about taking our brand's customer service to a whole new level was right on target. The educational sessions were excellent, and the passion for Gold's Gym is truly one of a kind."

• **CASEY CONRAD**, one of our industry's brightest people, and a **CLUB INSIDER Contributing Author** for almost 20 years, has announced that her book, **Selling Fitness: The Complete Guide to Selling Health Club Memberships**, is now available electronically through **Amazon's Kindle Program**. Check out the story on **Page #19**.

• The fitness industry's cause was validated once again with the release of the new report from the **Bipartisan Policy Center (BPC)**, stating that obesity will eventually bankrupt the United States unless policies to address it are enacted. In its report, **"Lots to Lose: How America's Health and Obesity Crisis Threatens our Economic Future,"** the BPC calls on Congress to enact policies to curb obesity, including educating medical professionals on the benefits of prescribing exercise and proper nutrition. According to the report, if the United States succeeds in stabilizing obesity rates at 2010 levels, the nation would save nearly \$550 billion over the next two decades. "We Americans are a very overweight and unhealthy nation, and as a nation, we spend \$2.6 trillion on healthcare annually. Those costs are the primary driver of our nation's debt," said **DAN GLICKMAN**, to **Healthcare Finance News**. Glickman is co-chair of the BPC's Nutrition and Physical Activity Initiative. He added that the current level of healthcare spending will "bankrupt our country." "Some issues are just too important to be partisan, and this is clearly one of those issues. We must all take action to beat this threat," Glickman continued. "This is an issue that has cried out for simple solutions in every respect. It's complicated, but it's not so complicated that we can't find ways to deal with it." You folks are one of those ways and the

more folks you can get into a weight and nutrition program in your club, such as **DONNA KRECH's Thin&Healthy Total Solution**, the better off America, and your club, will be (See **Donna's Article** on **Page #24** and her **Ad** on **Page #25**)!

• Speaking of the **Bipartisan Policy Center's** report, there's also a new report produced by the **Trust for America's Health's (TFAH)**, and it's an analysis of state obesity rates and rankings. The analysis found that the **12 most obese states all had obesity rates over 30%. The most obese state was Mississippi at 34.9% and Colorado, at 20.7%, was the least.** "Obesity has contributed to a stunning rise in chronic disease rates and health care costs. It is one of the biggest health crises the country has ever faced," said **JEFFREY LEVI, PhD, TFAH Executive Director**. "The good news is that we have a growing body of evidence and approaches that we know can help reduce obesity, improve nutrition and increase physical activity based on making healthier choices easier for Americans. The bad news is we're not investing anywhere near what we need to in order to bend the obesity curve and see the returns in terms of health and savings." Also, the **Trust For America's Health** will release the 2012 edition of **F as in Fat**, the annual report that analyzes state obesity rates and policy efforts to address the epidemic and provides policy recommendations. For the first time, the 2012 report will include a study that **forecasts 2030 obesity rates** in each state and the likely resulting rise in obesity-related disease rates and health care costs. "Our nation has made important inroads to creating healthier communities," said **RISA - LAVIZZO - MOUREY**, President and CEO of the **Robert Wood Johnson Foundation**. "Some cities and states that have taken comprehensive action to address the epidemic are beginning to see declines in their obesity rates, but we need to expand and intensify our efforts. Investing in prevention today will mean a healthier tomorrow for our children." Amen!

• Welcome to our new **CLUB INSIDER Advertiser, ZANG SOCIAL!** Zang Social is a company that specializes in helping clubs generate new membership leads via **Social Media!** Check out their **New Ad**

and **Press Release** about the company on **Page #26**.

• **PFP Magazine**, in conjunction with **Club Industry Magazine** and their **Las Vegas Conference**, has announced the **Top 10 Finalists** for its **2013 Trainer of the Year Awards**. **JOSH VOGHT**, Publisher of PFP, said, "The 2013 PFP Trainer of the Year competition is already a huge success. Thanks to the generosity of the sponsors and our partnership with Club Industry, we had double the applications from previous years with over 600 entries."

The 10 Finalists are:

- **VALORIE NESS**, Catalyst Fitness, Midtown, Atlanta, GA;
- **GRANT ROBERTS**, Unified Lifestyle, Santa Monica, CA;
- **MIKE KOSKINIEMI**, Motions Personal Training, Marquette, MI;
- **JOE VENNARE**, Hybrid Athlete, Pittsburgh, PA;
- **ELIJAH BISHOP**, FITLife Personal Training, Louisville, KY;
- **ASTRIA GOOLSBY**, VERVE Health and Wellness Consulting, Abbeville, MS;
- **FRANK CAMPITELLI**, Nitroforce Industries, Medina, OH;
- **JOLIE GLASSMAN**, South Florida Boxing, Miami Beach, FL;
- **LISA COORS**, Coors Core Fitness, Cincinnati, OH;
- **KYLE BROWN**, Strive 4 Fitness, San Diego, CA.

The winner will be announced at **10AM on Friday, October 12th** during the **Trainer of the Year Awards Ceremony** at the **Club Industry Show in Las Vegas**. The winner will receive more than \$15,000 in prizes and donations. "PFP Media would like to extend a special thanks to the sponsors: **Power Systems, Precor, BodyMetric, K&K Insurance, NEFT and ABC Financial**, and partner **Club Industry** for making this possible," Vogt says.

• Folks, for all of you who're planning to be at the **Club Industry Show**, be sure to plan to be at the presentation of their **Lifetime Achievement Award to JOE CIRULLI!** We ALL need to give Joe a huge round of applause and lots of appreciation for his service and leadership in our industry! See y'all at the General Session starting at 9AM on Thursday, October 11th!

• A few years back, I quoted **HARVEY SPEVAK**, CEO of **Equinox**, describing his company's growth, "We aren't going to Albuquerque!" Now, Harvey has announced that they're still NOT taking Equinox to Albuquerque, but instead, to Canada. To *Toronto, Canada*, to be exact. Who would've thought it? Good luck to Harvey and Team as they expand the Equinox horizons across international borders. Then to London, opening in October.

(See Norm's Notes Page 7)

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...Norm's Notes

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•**DOUG RIBLEY** is the head man at the **Akron General Medical Center** in **Akron, Ohio**, and he's been the head man there for over 20 years, I think. **Doug** has also been a **CLUB INSIDER** subscriber ever since we started way back in 1993. So, I want to say this to Doug, "Thank you, **Doug**, for subscribing to and reading **CLUB INSIDER** all of these years! You're one of the many subscribers who've helped **CLUB INSIDER** make these 19 years and 10 months so far, and the count will

be 20 years in November. Thank YOU!" And, **Thank YOU** to all of you who pay for subscriptions and read **CLUB INSIDER**! Doug recently announced the development of a third Akron General Medical Center in Akron, and we wish him and his Team all the best with that effort.

•**More revenueurs are now sniffing around in Washington, D.C. for more tax revenue!** But, this time, for a change, *local club owners can relax and remain calm for the time being*. That's because the sniffing that's going on in D.C. involves local politicians trying to figure out a way to take

money from outdoor fitness ventures in public parks and other government owned properties where exercise has broken out in D.C., via taxation. I think we would all agree that outdoor workouts certainly are a *competing faction* with commercial fitness that takes business from health and fitness clubs. But, **we should all help fight THAT TAXATION, TOO** because, **IF they WIN**, the next stop in D.C. will surely be trying to tax local health and fitness clubs more somehow. So, be on the alert for lawmakers in D.C. sniffing around for ways to tax everything that's organized as an outdoor fitness activity, from **Boot Camps to outdoor group exercise classes**, such as **Tai Chi and Yoga**, to you name it. **Stay Tuned!**

•**Speaking of unfair taxation hitting health clubs or outdoor exercise**, don't forget to contact **MEREDITH POPPLER** of **IHRSA's Public Policy Department** to make a **contribution to the Industry Defense Fund**, the **ONLY** thing that will stop your club from being ruined by bad new laws passed by misguided State legislators near you. Whether you know it, or have even thought about it, IF, for example, some bright-eyed legislator in your State decides to start pushing for a ban on **Electronic Funds Transfer (EFT)** because he has a golf buddy who had a bad experience with dues collections at a health club, your club and all of your competitor's clubs, could be literally **ruined overnight**. You and I both know that were you NOT able to collect dues via EFT, your club most likely would **NOT LAST** very long. So, do reach out to Meredith and help IHRSA be prepared to fight off any County, State or Federal law that might destroy your chance for a profit, or even worse, cause your club to fail, if it was passed. Meredith can be reached at **(800) 228 - 4772, Ext #129**.

•**The 32nd Annual Athletic Business Conference and Expo** will happen in the **Big Easy, New Orleans, Louisiana, November 28th - December 1, 2012** at the **Ernest N. Morial Convention Center**. The **Athletic Business Conference & Expo** is a premier educational event and trade show for athletic, fitness and recreation professionals. Whether you're an experienced administrator, or new to the profession, you'll benefit from the educational and networking opportunities available. At the **Athletic Business Conference and Expo**, produced by **PETE BROWN**, the **32-year Publisher of Athletic Business Magazine**, you'll meet industry experts and manufacturers whose successful track records and road maps for a bright future have made them successful over the years. Joining them for three invigorating days will help make your organization, and your career, stronger than ever. Here's where the people who will be attending are from: **Colleges and Universities, Parks and Recreation Departments/Districts, Military Installations/Bases, Private**

Sports and Recreation Centers, YMCAs and YWCAs, JCCs, Clubs, Corporate Fitness Centers, High Schools, Hospital Wellness Centers, Pro Teams, Resorts and Hotels, Country Clubs, Police and Fire Departments, Community Associations, Retirement Communities, Architectural Firms and Church Recreation Centers, so it's clear there will be all kinds of vertical market attendees at the event. I hope to see you there, as I've have decided to head down to New Orleans and **enjoy some Gumbo** and shake some hands while at the Expo visiting companies and at the Conference Sessions.

Also, keep in mind that **COLIN MILNER'S International Counsel on Active Aging Conference** (www.icaa.cc/convention.htm) and **KEN GERMANO's Medical Fitness Association** (www.medicalfitness.org) will also be hosting their **Annual Conferences** there. So folks, don't forget! Join the **fun and learning in New Orleans, November 28th - December 1, 2012!**

•It's going to be interesting to see how much **24 Hour Fitness** fetches in the auction that's currently being conducted by **Goldman Sachs** to liquidate the company after **TED FORSTMANN, Chairman of Forstmann/Little**, passed away. Another sale, what I will call a very interesting "*quiet sale*" when compared to the announced **24 Hour Fitness** auction, is *one by the #1 health club franchise organization in the world, Planet Fitness*. The amount being talked about for Planet Fitness if it was to be sold would also choke a horse, although it's not as much as the amount **24 Hour Fitness** is expecting to bring, which is now being projected to be in the \$2 billion range. In addition to everything else that's been going on at **24 Hour Fitness, CEO**, and one very nice guy, **CARL LIEBERT**, has added **President** to his **Title**, making him **24 Hour Fitness CEO and President. Room Ten-hut! Carl's a former-military man**, so he'll know what I mean! Also, **JEFF BOYER** has been named **Chief Financial Officer**, and in that job, he'll oversee U.S. fitness field operations, marketing and business development. **Stay tuned, folks!**

•**IBISWorld** recently made this encouraging statement about the health and fitness club industry:

Even in the midst of the economic downturn, the industry has maintained steady growth, with membership rates growing consistently and profit remaining solid. Demand for gyms and health and fitness clubs will continue to rise over the next five years, as the general public becomes more health conscious and the aging population places a greater emphasis on staying fit. In particular, growth in household incomes will positively affect businesses, leading operators to expand into larger facilities. For these reasons, industry research firm **IBISWorld** has
(See Norm's Notes Page 8)

JLR Associates Announces the placement of

Thomas Kulp General Manager Wellbridge

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Exercise: The Case for Counting What Really Counts

By: David Katz, M.D.

Exercise is not onerous. Now, I know, not every variety of exercise is for everybody. And, there is, of course, pain with extreme exertion, although generally a compensatory sense of accomplishment as well.

But, I'm referring to garden-variety motion. The basic notion of motion, of moving our bodies as they are designed to be used, is not sacrifice or penance. Exercise is not onerous, and it is very, very important.

One could argue that we have known of the importance of physical activity to human health for millennia. Hippocrates made explicit note of it.

But, if preferences run to scientific opinion of more recent vintage, then we can still go back twenty years to a seminal publication in the *Journal of the American Medical Association* entitled, "Actual Causes of Death in the United States."

In that paper, to which, I refer often both on the page and at the podium, McGinnis and Foege revealed that ten potentially modifiable lifestyle factors accounted for virtually all of the premature deaths in our society, and that by far, the most important were the first three:

tobacco use, dietary pattern and physical activity. Or, as I like to say, feet, forks and fingers. These are the master levers of medical destiny!

That knowledge is not just the product of one study, either. Quite to the contrary. There has been a constant drum beat on this theme in the medical literature ever since.

A 2009 paper in the *Archives of Internal Medicine*, for instance, suggests that avoiding tobacco, eating well, being active and staying lean, when compared with the exact opposite behavior, can reduce lifetime risk of any and every major chronic disease by 80 percent! Were any prescription medication even a quarter as good, it would be the wonder drug of all time.

We even have evidence that this same short list of behaviors can work its magic within the double helix of our DNA.

In a 2008 study published in *Proceedings of the National Academy of Sciences*, a group of 30 men with early stage prostate cancer received a dose of "lifestyle," including routine physical activity, as medicine and were followed over a period of months. The lifestyle intervention dramatically reduced the expression of some 500 cancer promoter

genes and dramatically increased the expression of 50 cancer suppressor genes. I'm sure we've all heard of, and many of us buy into, the "nature vs. nurture" debate. But, the reality is the power of lifestyle as medicine can nurture even nature.

On this solid foundation, ever more arguments for the benefits of routine physical activity are being assembled at a brisk and quickening pace.

In recent decades, we have learned that all movement is good movement. While extended bouts of moderate activity may be best, even accumulating physical activity over the course of a day confers considerable benefit.

In recent years, we have learned that, while exercise can help immunize us against obesity, it protects our health even when our weight suggests we are out-eating the calories we burn. Fitness is a boon to health in the presence, or absence, of fatness.

In recent months, research has reaffirmed that sitting more on average each day increases our risk of premature death, and that simply sitting less reduces it.

And, a recent study in the *Archives of Internal Medicine* indicated that functional ability and vitality in old

age owe much to fitness and activity level throughout midlife.

Physical activity has long been on the short list of the most important influences on both years in life and life in years. It is one of the "master levers of medical destiny." More is better, but even just sitting less is good.

All varieties of movement count. Running, swimming and biking are good. But, so too are activities like walking and dancing. Soccer and tennis are great, but so too are yoga, tai-chi and hula-hooping. Even new-age approaches to fitting fitness into the nooks and crannies of the modern day, at school or at work, can enhance our health.

Yet, even those of us who acknowledge the value of exercise often feel obligated to count steps, calories or minutes.

I don't really object to any of this. I track calorie consumption and time in my own daily workouts to make sure I am pushing as hard today as I did yesterday. But, I also know that exercise isn't just good for me years from now. I know it makes me feel better to have done it today. Today is a better day if I fit in fitness.

I know exercise makes me both
(See David Katz Page 30)

...Norm's Notes

continued from page 7

added a report on the gym, health and fitness clubs industry to its growing industry report collection (Los Angeles, CA (PRWEB) August 1, 2012). The gym, health and fitness clubs industry has benefited from the array of marketing campaigns and ensuing consumer trends for fighting obesity and improving health. Gym membership numbers have increased considerably over the past ten years, rising from 36.3 million in 2002 to more than 50.6 million by 2012. According to IBISWorld industry analyst, **DALE SCHMIDT**, "This trend is the result of soaring demand for fitness activities, and industry operators have capitalized on this growth by expanding establishments in both size and number."

In addition, the industry has diversified some with the rise of small-scale gyms and female-oriented gyms, which have expanded its customer base. However, the industry has not been recession-proof. In 2008 and 2009, demand for gyms and health clubs weakened as consumers cut back on discretionary spending. Still, compared with other industries, the gym, health and fitness clubs industry has remained remarkably resilient, as increased leisure time and boosts in health and morale from exercise have kept the industry highly competitive. Gyms and

health clubs have broadened their markets in a bid to retain membership numbers throughout the recession's aftermath. "Due to their lower cost, the downturn has also favored the growth of small-budget gyms with fewer amenities over more expensive, all-inclusive clubs," says Schmidt. Consequently, this industry has a low level of market share concentration, with the top four firms in this industry accounting for a relatively small portion of sales. The concentration remains low because of the large number of centers that only employ one person or are non-employing establishments. The larger players in this industry, such as 24 Hour Fitness, LA Fitness, Bally's Total Fitness and Curves International, have numerous locations throughout the United States, while small players generally operate in one or two states.

Over the past five years, concentration has increased as a result of larger firms continuing to expand operations to improve economies of scale and enter new markets. Over the next five years, the industry will benefit from increased youth and Baby Boomer memberships, which will boost the industry's revenue. Firms will profit from the public's growing interest in staying fit, as well as the rising obesity rate, and membership growth will continue to outpace population growth. As consumer income grows in line with the recovering economy, the industry

will transition back toward larger and all-inclusive clubs. With total health club memberships expected to rise at a healthy rate over the next five years, players will capitalize on this growth and provide members with additional services in a bid to increase registration and retention rates.

•Today, in a rare repeat of a **Note** I started with at the beginning, I want to close this **Norm's Notes** by doing what I did in the beginning. I want to **URGE** you to be sure you, your family and your friends are **Registered to Vote** in your city of residence so that on **November 6th**, you all can get out and vote in the Presidential election. Generally, registering to vote is very simple and may be done at a local library, a government office or sometimes, even at a fire station. But, regardless, if you're not registered, please do figure out how to get registered in your town or city, and **JUST DO IT!** Then, come **November 6th**, please make it a point to get out and **VOTE** without fail and come hell or high water, **JUST DO IT!** Again, America is now faced with the most important election in the history of this great country, and you and I both need to **HAVE A SAY** in the direction our beloved America will take come January 20, 2013, when our next President is going to be inaugurated. **God bless, and help America do the right thing!**

•Some folks may not know that **CLUB INSIDER** is a **Paid Subscription-based Publication**. Are you a **Paid Subscriber**? If the words **PROMOTIONAL COPY** appear above your name and address on the cover of this month's edition, you are **not** a **Paid Subscriber**, and you are **not** enjoying the full benefits of a **Paid Subscription** to **CLUB INSIDER**. So, don't delay! Subscribe today by going to www.clubinsideronline.com/subscribe!

•God bless all of our troops, airmen and sailors and keep them safe. **Congratulations and Welcome Home** to all of our troops who've served in **Iraq** and **Afghanistan**. **God bless you and your family, your staff, your members and your club(s). Register and make plans to get out and VOTE, folks! God bless America!**

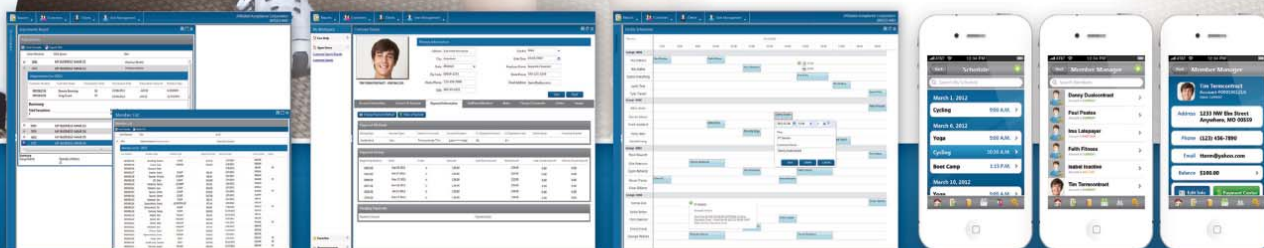
(Norm Cates, Jr. is a 38-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now nearly finishing its 19th year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of its highest honors. Cates may be reached by phone at 770 - 635 - 7578 or email at Norm@clubinsideronline.com)

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...Mike Arteaga

continued from page 3

Health and Fitness, now known as Mike Arteaga's Health and Fitness Centers.

However, after coming to grips with the magnitude of this attack and the fact that America was actually at war, this publisher decided that our **September, 2001 Edition** simply could not go to press without our American Flag on the Cover. That decision put me in the position of having to do something I'd never done during our first nine years of publication, and that was to take away a featured Cover Story in favor of another.

So, I contacted our cover subject for that month, Mike Arteaga, of Poughkeepsie, New York, to inform him of my decision and to apologize for having to do what I had to do. We published that cover with our American Flag on it. Fast forward to this month, September, 2012. It's now been eleven amazing years in America since 9/11. Yet, eleven years later, it still eats at me that I had to pull the plug on my, even then, long-time industry friend, Mike Arteaga's September, 2001 Cover Story. So, I made up my mind to do something about it. This cover story was on my Bucket List, and I'm happy that I can now call it done.

On June 23rd, I saw Mike Arteaga at our mutual friend, Rich Boggs' 70th Birthday Party at the World Headquarters of Body Training Systems and The Step Company. That night, I told Mike of my idea of finally doing a cover story with his photo actually being on our cover. Mike smiled and kindly said, "Norm, you don't have to do that." I explained to Mike right then that I really needed to do this, and I promised him that I would be in touch, and I was.

So, I now present Mike Arteaga's second cover story. But, this time, with the cover photo actually on the cover. I consider Mike Arteaga to be an Icon in

our club industry. I believe that, since he is about to celebrate his 40th year in the industry, he joins icon status with the likes of Red Lerille in Lafayette, Louisiana, who will celebrate 49 years next year, and Joe Cirulli, who's pushing 40 years in business himself and has built an empire with his Gainesville Fitness Centers in Gainesville, Florida.

A Comment from Rich Boggs, Founder and Head Cheerleader of Body Training Systems

Here is what Rich Boggs, another industry icon himself, had to say about our mutual friend, Mike Arteaga:

"Having both known, and known of, Mike Arteaga for many years, he is truly an outstanding human being and a wonderful example for our industry. Mike and Sandy have been customers of BTS for years, and we have featured their clubs as examples of the power of running group fitness properly. I have visited their clubs, taken classes and know a number of their team, and everyone embodies the same culture of service and caring for their members, which has been their trademark since starting in the business."

Mike is a one of those rare people whose word is his bond, and there is no need for contracts when he says he will do something. Finally, Mike loves to laugh and have a great time, which is infectious to everyone around him. I am very privileged to be his friend. Congratulations to Mike, Sandy and their wonderful Team for their many contributions to their community."

This terrific Cover Story about Mike Arteaga and his almost 40 years in our industry provides an update on the happenings with Mike and his Team since September 2001, and it goes back and updates the status of some of the information Mike shared back then, such



Mike Arteaga's Health & Fitness Center, Poughkeepsie New York

as the great experience he's had in his clubs with the "Open Book Management" methods he's used for decades now.

Taking a look at the September 2001 Edition's Page #2, featuring the photo of Mike and Sandy Arteaga and their Team, Mike updated me on some of the folks that appeared in that would be Cover Page. Here's what Mike wrote to me on August 31st:

"Wow Norm! This photo is a blast from the past. Laura Rexhouse is still with us, and she manages our office. My wife Sandy, of course, is still here, and Janet Chianese is now our CEO, running the whole show. Kerri Palermo is now our COO. Jody Hickey is still with us. On the bottom right is Noel Whiteley, our Maintenance and Building Manager, and he's still with us. So, we did pretty well at hanging onto people over these past eleven years."

"The Pleasure of Icons"

To this Author, the tenure of Mike and Sandy Arteaga's Team reminds me a lot of the tenure of the one and only Red Lerille's Club in Lafayette, Louisiana. Red and his Team will celebrate their 49th Anniversary on January 13, 2013. He has several employees with over 40 years of service at Red's, not to mention quite a few with 30 years or more.

Red Lerille is a true Icon in our Industry. Joe Cirulli is a true Icon in our Industry. Mike Arteaga is a true Icon in our industry. Knowing and respecting each of these guys for many years, and having chronicled their careers over those same years, makes me happy and makes me smile. The *Pleasure of Icons* is that

they are who they are and they never put on pretenses.

You will be happy, and you will smile during and after your reading of this great cover story interview with the industry icon, the legendary Mike Arteaga, aptly entitled: **Mike Arteaga... Prepared for 40 More Years**. The pleasure of knowing and reporting on our industry icons nationwide is a pleasure that has driven **CLUB INSIDER** for the past 19 years and 10 months and 225 monthly editions. We will officially celebrate our 20th Anniversary in November, 2012, if the good Lord's willing.

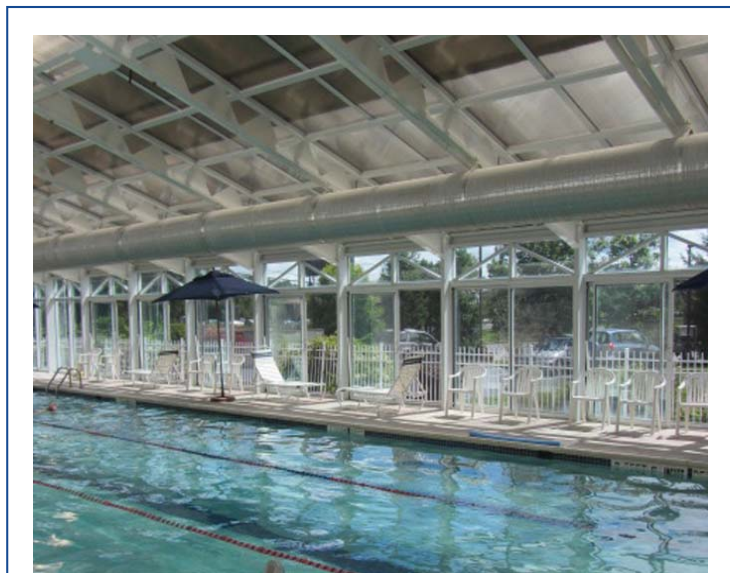
An In-Depth Interview With Industry Icon, the Legendary Mike Arteaga

Read and enjoy this wonderful Cover Story featuring industry icon, the legendary Mike Arteaga.

CLUB INSIDER (C.I.) - Mike, since September, 2001, when we did your Page #2 Semi-Cover Story, the one which you so graciously accepted my decision to put our American Flag on the cover because the issue was produced right after the 9/11 attacks on New York City and Washington, D.C., what's new for you and your Team? **Mike Arteaga (MA)** - Norm, as you know, our clubs were originally named All Sport Fitness. A few years back, we decided to change our name for a number of reasons. One reason was that originally, when I started out, I was dealing with 99% athletes, hence the name All Sport Fitness. Over the years, obviously the fitness industry has expanded tremendously; the baby boomer market and other markets are much broader than that, thank goodness.

We had been thinking about it for quite a while and decided we were going to change the name. Also, I had restrictions with my ex-partner, and he had an interest in the name. So, we decided we would look around and hire some PR people. They

(See *Mike Arteaga* Page 12)



Lap Pool at Mike Arteaga's Health & Fitness Center



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...Mike Arteaga

continued from page 10

ended up suggesting using my name. I had some other ideas for names. Their point was that, at this stage, because I'd been in business for 25 or 30 years or so, if I switched the name, people were going to think I had sold it. I had been doing radio ads for All Sport for 25 or 30 years. So, they said, 'If you change it to your name, that will be a natural transition, and you will also get the personalization out there, which will counter big-corporate.' So, we ended up using my name, and our facilities are now called Mike Arteaga's Health and Fitness Centers. I wasn't particularly thrilled about it, but it has worked out pretty well.

C.I. - Mike, please describe the first fitness club back in your early days in the industry 40 years ago. Where was it? What size was it, and what equipment and amenities did it offer? Did it offer group exercise?

MA - I stumbled into a job working for Arthur Jones. I was working with Nick Orlando and Arthur Jones, and they were partners in the Northeast Nautilus Franchise. Nick said he'd get involved in the Nautilus Company if Arthur remained as his partner. So, Nick bought half of the Nautilus Franchise for the Northeast United States. Nick was a guy I ran into while I was working out at Dan Lurie's Gym in Manhattan in 1970. At the time, I was working for the United Fund in New York City doing corporate fundraising. Nick and I would spot each other, so we'd shoot the breeze. He ended up buying the franchise. I had no idea who he was. So, Nick started telling me about Nautilus, and he gave me a couple of books. We tried some of the workouts Arthur had suggested. They were killer, just fantastic workouts. So, I kind of got hooked on the Nautilus philosophy. Then Nick hired me to run the franchise when he got involved with Arthur. I worked with them for a couple of years, starting out by working with Arthur

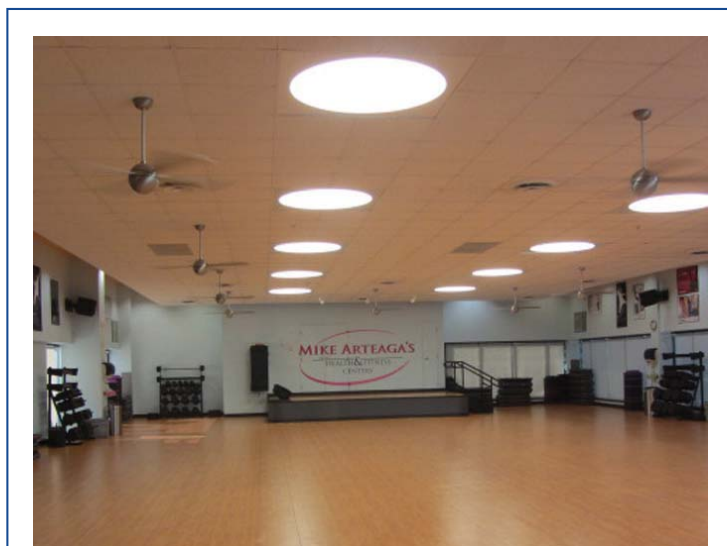
in Florida. I would deliver equipment and help people set up little Nautilus Fitness Centers all over the country.

Eventually, Nick and Arthur opened a showroom on East 63rd Street in Manhattan, which I ran. That was the first Nautilus Show Room and Personal Training Center in Manhattan. Nick ended up selling that, and then, he bought a little startup company called Stairmaster. Nick is living in Beverly Hills now. He's a real gentleman and deserves all his success! So, I'd been setting up these little Nautilus Fitness Centers for other people. They had done real well. A friend of mine, Vince Bocchicchio, had a place down on Staten Island. He shared a lot of information with me. So, I thought, 'Geez, I want to do one of these.' So, I left and looked around for a place to rent. The only place I could afford was up in Poughkeepsie, New York where I had attended college. That's what brought me up here. I rented part of an auto repair shop in 1973, starting with 600 square feet and six Nautilus Machines. I started training people, putting flyers out announcing our opening and went to see all of the football players in the area. With a cheap \$25 rate that was good for the whole summer, I was inundated with young athletes, and that's how we got rolling.

Over time, I got a little cash and was able to buy a few more machines. Eventually, the landlord became a very good friend, and he urged me to expand, so we went to about 2,000 square feet. In 1978, after being there from 1973 to 1978, I took on four partners, and we built a fitness and racquetball club that was 25,000 square feet in Poughkeepsie. We're up to 70,000 square feet here now, and we'll celebrate our 40th Anniversary in May, 2013. Our Highland Club is 25,000 square feet, and we celebrated our 10th Anniversary there recently.

Five Great Tips for Club Owner/Operators

C.I. - Mike, please pick five tips from your



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40 years in the club business to share with and help our readers who're club owners and managers.

MA - Norm, I think **Tip #1** would be to try divorce yourself from the classic idea of fitness. I think our whole industry is making a huge mistake by selling our message through nothing but beautiful people who may or may not be fit. They're models. They're gorgeous. We need to start making clubs accessible and user friendly to the masses of the population out there. Stop hiring guys or girls because they look fantastic. Start hiring people who know something about fitness and know something about people. Winning and losing in this game is more psychology than it is physiology. I think, of course, you should have sound exercise programs. The problem is that pretty much anybody, with little or no experience, can portray themselves as a fitness expert. Start making the club accessible for the *average person*. I think if I see another 50-year old woman being taught how to do squats, I'm going to throw up! You know? It's absurd. It's absolutely absurd. You've got a 20-year old trainer teaching a 50-year old mother of three how to do squats? Is that a program that's she's gonna do for the rest of her life? It verges on idiocy!

Then you see people teaching members how to do dumbbell presses while sitting on a Swiss Ball? You know, imagine being in court trying to defend that. 'Well Judge, I thought I'd teach her balance.' Judge: 'So, you had her hold 25 pounds over her head, and she rolled off the ball and crushed her skull? You didn't think that would ever happen?' So, I think the biggest thing is for us to rethink whom we're chasing after and

broaden our market. We are our own worst enemy in terms of only reaching 15% of the population. Well, no wonder! 90% of the ads you see in the newspaper or TV or hear on radio are embarrassing. Absolutely embarrassing! It's no surprise that Planet Fitness has survived. They're trying to use *their advertising to appeal to the average American*. While their facilities are not that super, they are at least making an effort to go after the non-market, that 85% of the U.S. population the fitness industry has left on the table.

C.I. - You know Mike, looking back about 10 years ago IHRSA produced a study on the subject of getting new memberships. The study argued that one of the biggest obstacles to new memberships was that the consumer didn't want to be in a facility that was full of muscle headed guys and hard bodied babes. Because of our long-standing industry reputation, they think they're going to see these world class bodies in there, and they think they will be embarrassed working out in a gym full of these perfect bodies. Of course, we all know that's not true. But, in the American consumer's mind, it's true, and what's in the consumer's mind is what counts and what's keeping us at that 15% penetration level. They're convinced that they're going to see hard bodies, and they don't want to be embarrassed by them, so they don't even walk into the gym to give it a try. Mike Grondahl's Planet Fitness is the only organization leader in the United States that actually has truly figured this out and is truly doing something about it with the culture they've created in Planet Fitness and the anti-hard-body rules they have in their centers and the advertising, like the "I pick things up and put them down" TV commercial featuring a musclehead being toured in a Planet Fitness Center then is suddenly sent out the back door of the club by the Planet Fitness representative.

MA - Sure. Many want to aspire to that, (See Mike Arteaga Page 14)



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...Mike Arteaga

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but we're not creating something to aspire to. We're creating a *threatening situation*. Absolutely, I remember being on an Industry Board and making that point and having them Poo-Poo me with comments like, 'What do you know compared to the advertising experts?'

C.I. - You were right on target, Mike, because that's been a big drawback to our industry, and it never has stopped, really. Mike Grondahl is the only one I know of who's actually built an entire operation that tries to stop it and reverse it. Okay Mike, you've covered one real important tip. What's next on your list?

MA - Tip #2 is a *major item*. The Tip is: **Take care of your people!** I think that it's critical. If you want to have longevity with your membership, you've got to have longevity with your staff. Of course, there will be some turnover. At our front desk, we have a lot of young people who come along, and we realize this is a stepping stone for them. But, most of them stay with us for a year or two or more. We don't hire them unless it looks like we've got a good shot at hanging onto them for a couple of years, and they go through months of training before they're really left on their own. I think you've got to pay them decently, and for the key people you want to hang onto, you've got to give them a share of the profits. This creates the situation where everybody's in the same boat. I think one of the great business books of all time is *First, Break All the Rules!* by Marcus Buckingham. It talks about the Gallup organization. Marcus spoke at IHRSA a couple of times. He's very well spoken and a charming guy. He makes the point in his book that management is the exact opposite of what the schools are teaching. Don't ever get personally involved! **BS! You ARE personally involved!** You've got to *take an interest in your people*. For

the book, *First, Break All the Rules*, they did a massive study on some of the best managers based on a number of criteria for hanging on to people and building loyalty from staff. They studied some of the best managers in the world and found that most of those people did the exact opposite from what the professors in the business schools taught, hence the name *First, Break All the Rules*. That's an absolutely critical book for anybody who's going to be managing people.

Tip #3 is practice what you preach if you want to be successful long term. Many club owners don't even work out or work out infrequently! I think if we're going to lecture, we should practice what we preach. To make the point, we give our people one paid hour a week off to train. It's not a big deal, but it certainly makes the point. We expect them to take that hour and add more of their own time to work out regularly.

Tip #4 - I think we really need to look at our market and be careful to provide what people need; what they need and what they want. Unfortunately, most clubs give you very little help unless you're willing to pay for personal training. We have trainers on the floor most of the time, and they are free. I don't mean an intimidating body builder walking around with arms crossed but a people person who loves people and is non-stop. We do have personal training now, too. But, members don't have to pay for personal training in order to get help on the floor. I think that's a must if you're going to make a breakthrough into the vast non-fitness people market. We've got to be providing guidance, not just be the equipment rental places, which much of the industry is. It's tough enough for somebody who's knowledgeable to work out regularly; nevermind somebody who's really uneducated about exercise and fitness. Let's face it, the world is overwhelmed with misconceptions about exercise. I believe we need to provide guidance. We need to set the policies,



Basketball Court at Mike Arteaga's Health & Fitness Center

not have a personal trainer decide to start teaching head stands on a Swiss Ball and another guy telling our members they need to do TRX and hang from the ceiling!

C.I. - You know, Mike, I know what you mean completely. I had a booth at IHRSA 2012 in Los Angeles that was across the aisle from the big TRX exhibit. So, for two days I watched these folks hanging from that TRX equipment in every imaginable position. I'm looking at this, and they had people hanging upside down and in all kinds of awkward and strange positions. I'm saying to myself, wow, this is amazing! Here we have a great American, an ex-Navy Seal behind all this TRX business. I realize those Seals have to know how to do this stuff and whatever else it takes to climb a cliff or something, and this guy has been able to take his great experience as a Seal and has figured out how to sell this as exercise. Just Amazing. As the Drill Sergeant yelled to Forest Gump after he reassembled his rifle in record time in the movie *Forest Gump*, "You're a damned genius Gump! You should be an Officer!" Well, I think Randy Hedrick must be a genius, too! And, I guess he was already an Officer. But, more power to Randy Hedrick, truly a great American and former Navy Seal for his achievements in this realm. Just amazing!

MA - It's not about the trainer; it's about your members. I think a lot of our industry has not figured that out yet. I think Body Training Systems has really led the way in saying, 'Take the ego out of teaching. Let's focus on your members' needs because they're going to make you or break you, not whether you can do a handstand and touch your nose with your foot! BTS has figured

out how to take the ego out. They get it and are actually teaching the psychology as well as the physiology!

Tip #5 is *cleanliness* and then *stylishness*.

We all go to Marriott Hotels. We all know what a nice hotel looks like. Why would we expect those same people that utilize the Marriott brand to come into a place that smells like armpits and hasn't been painted in 10 or 15 years? As an industry, it's great to see the improvements that have been made in this area. There are many truly beautiful clubs out there, but too many places in our industry are still dumps!

C.I. - This industry has changed dramatically in the past 40 years. Please go back in your mind and think back to when you started. What was the health club industry like in your town and region? What's happening now in this industry that was *not* happening 40 years ago?

MA - In our region, it was the IBM Corporation that had a huge employee presence back then. The IBM factory here used to be their biggest plant in the world. Now, IBM has only a few thousand people in the area. That's been a major change. Back then, there was a YMCA in town, and that was it except for a couple of tiny clubs. Now, there's some Gold's Gyms, Planet Fitness Centers, our clubs and some YMCAs on the outskirts of town, plus a lot of small Mom and Pop gyms. There's a LOT of health club competition here. I guess it's like that in every other area of the country, but the population hasn't grown that much here. The competition is the major change in the industry. The business side of our industry has progressed well in a lot of ways. The software is a lot better. The EFT process is a big help to all clubs. There are also new services like electronic updating of expired credit cards, which will make life a lot easier for club operators.

C.I. - Mike, what's it like having been in
(See Mike Arteaga Page 16)



Ride Room at Mike Arteaga's Health & Fitness Center





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...Mike Arteaga

continued from page 14

business almost 40 years in the same place? That must be a very gratifying feeling. **MA** - Yes, it is, particularly in our industry because people usually don't make it that long. There are a few of us out there. It's rewarding. It's always challenging. We've put a lot of money back into the business, but that's part of the excitement. I like making changes. I like updating things. It's very gratifying. Our Team is taking over totally. It's great replacing yourself with people who are better than you are.

C.I. - Mike, please tell us about your Mike Arteaga's Express Club, which you opened in 2002 and are celebrating ten years this year? I visited there in 2005, and I thought it was awesome. How has the growth been in that area and how's business there, overall?

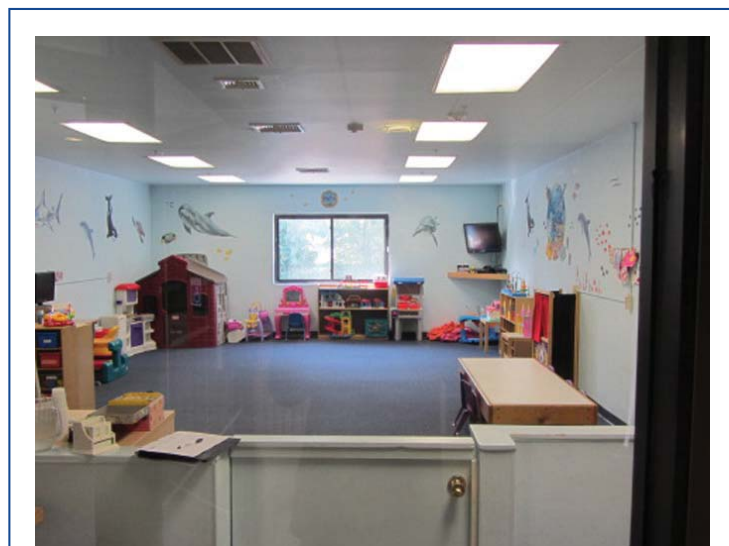
MA - Well, the economy tanked in 2006, and that area was hit a lot harder. The average household income dropped considerably. So, we decided to simplify the operation and to go to the low-price express model for the club. It's worked out very well. It's more simple to operate. We took out group exercise classes and eliminated child care. We also have a pool. So, we went to a two-level membership with one level not having pool privileges and the other including the pool. Fortunately, the economy has started to slowly improve in the area.

C.I. - Looking back, Mike, I want to thank you again for allowing me to sit in on one of your Open Book Management Meetings when I was at your club. The fact that you invited me to attend, even though you were out of town, was much appreciated. You shared some amazing "Before" and "After" numbers for your club disclosing the impact of your implementation of the Open Book Management procedures (See **Sidebar on This Page**).

First, Mike, please explain to our readers what Open Book Management actually is. Also, please share what you can on how the Open Book Management procedures are working for your clubs now.

MA - With Open Book Management, each Department Head meets once a week in what Jack Stack (author of the book *The Great Game Of Business* and lead practitioner) calls a 'Huddle' and we call a 'Supervisor Meeting.' Dale Dibble was one of the first in our industry to use open book management very successfully, and I was lucky to have learned the system from him. Each Department Head is responsible for his own budget. It's interesting because, after our first couple of months using Open Book Management, our staff cut our expenses by \$10,000 a month! Well, every owner you meet says, 'We're frugal! We have total control over our expenses.' I thought I did, too! When you let good people start to manage their expenses, with an incentive for them to grow the profit, you will find all sorts of savings in your club! I can't tell you how to save money on soap or paper towel, but Maria, the head of the department, can! Anyone who thinks that they know where every dollar is spent, is kidding themselves.

Each supervisor sets his budget each month, and at each weekly meeting, he stands up and shares his numbers of where he is in terms of meeting his budget for the month. Assuming that the total expense budget hits a certain minimum of net profit, which is fairly substantial, he gets a percentage of that profit. I call it a *5th paycheck*, and *he gets it monthly*. I think it's really important that this is paid out monthly so that we are always focused on 'the game.' With end-of-year incentive programs, everyone is just keeping their fingers crossed that, at the end of the year, it'll be there. When it's month-to-month, you have much more focus due to the immediate score and reward. The office is in the game so they have our full statements



Childcare Center at Mike Arteaga's Health & Fitness Center

by noon on the first of the following month! In my opinion, Open Book Management is the only way to go. The bonus at the end of the month is factored into the next month's payroll. They *earn their own bonus*, and they *own their own bonus*. And, you have everyone's attention on the numbers.

Then, of course, you have to have a good CEO who keeps reminding everybody that we can't cut corners on the expenses. You may be able to cut expenses this month, but if you over-cut and affect services, you will hurt yourself next month as service deteriorates and members leave. It really makes it fun! This has been replicated in so many industries. This is not rocket science, and I'm baffled that people are so reluctant to implement it. You have to read Jack Stack's book, *The Great Game Of Business*.

C.I. - Mike, it seems to me that a real acute point to make here is that, *first, you empower them to make the decisions that will save capital*, and then, *you have a short fuse on when they will be getting their rewards for doing the right things for the company*.

C.I. - Mike, in 2001, you had already been a member of the Faust Roundtable #2 for ten years. Now, I think we can change that to 21 years if you're still a Roundtable member. Please share with our readers the value you've gotten from being on that roundtable?

MA - First, yes, I'm still a member. For

sure, my fellow Roundtable members have helped me find and implement some of our best new ideas. But, I'm not embarrassed to say the best ideas I have ever had I got from somebody else! Thank God, we have people in our industry like Dale Dibble, Joe Cirulli, Rich Boggs, Gordon Johnson and you, Norm, who are willing to share all of the ins and outs of their ideas. Actually, they don't have to worry too much about people stealing ideas because people don't ask and don't listen. It's amazing!

C.I. - What impact on your business has the Planet Fitness location that opened up near your club had? Also, what other *new* low-price competition knock offs of Planet Fitness have you had arrive in your market since 2001?

MA - There's a number of low-price clubs in the market now. It's interesting. When it first opened, that new Planet Fitness had a bit of an impact, and we lost quite a few members to it. I think that what happened was that people said 'That's a club like Mike's for just \$10 a month! Why should I pay Mike's dues?' Then, they got there and found out that was not the case. We've rebounded from that with no problem. We have actually been expanding rapidly over the last few years. We put in a new 4,000 square-foot group exercise room that BTS helps us pack with people! We expanded the parking lot. We are about to expand the pool. When they first came in, people would say, 'Oh Mike, what's that going' (See *Mike Arteaga Page 17*)

Open Book Management

"Before" Open Book Management

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6% Profit Margin

"After" Open Book Management

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...Mike Arteaga

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to do to your business?" So, I would say, "Well, look at the restaurant business. All the good restaurants don't close when McDonald's comes to town!" It's McDonald's! Obviously, McDonald's has its own clientele. There are people who are very happy with McDonald's, but there certainly is still a market for variety and quality.

C.I. - How do you run your clubs now as compared to 40 years ago?

MA - To go way back, when it was just me, I always joked that when I wanted a meeting all I'd do is sit down! I think the biggest thing that changed was being a bit naïve, I got involved with four partners. I believed that everybody had the same priorities and the same values that I had. So, I spent 20 years making up for that mistake buying everyone out little by little, getting back to our own again. I think the biggest change from then to now was *an employee went from being something regarded as expendable to valued team members that we treat very well and are friends that we hate like heck to lose*. I think that's the biggest item. **You are only as good as your people. That's it. Period.** If you can't spend your time finding good people and keeping them, then you're going to be stuck with putting out an inferior

club product.

C.I. - Mike, what are your future plans? Possible sale of your clubs? Possible retirement?

MA - Well, I don't ever intend to sell. I hope to be here for many more years. We own the real estate and the value has gone up on that over the years. That's because our locations are terrific. We've got good people. We've got good teams. We're working on who we're going to bring up through the ranks to take over the reins. I'm backing down, little by little now, and I'm hoping I can keep my fingers in it without interfering because that is difficult. But, Janet, our CEO, is *real strong*. She's frank as hell, a great leader and is a major reason we are where we are. Kerri, our COO, is also a wonderful leader and also really walks the talk. As Rich Boggs has on his business cards, I'd like to be Head Cheerleader here. My love really is watching our team grow as well as scientifically-based exercise and healthcare. I'd like to keep writing for our newsletter, continue helping people with training problems and running the certification training program for our trainers. Our trainers are trained by us, so we don't have 20-year old trainers deciding on their own what is best for our members. I'm hoping to stay involved, and hopefully, we can keep growing.

C.I. - Well Mike, you earned your

blessings! One day at a time. How many times can you remember walking from your car into your club thinking, "I wonder what's up today?" Let's close this great interview with this question: What advice would you give to folks who would like to be a health club owner?

MA - My advice would be to go and work at a good club. See if you can work at a club that *values people and has a diverse membership*. Really spend some time there because if I have another Mother tell me, "My son should work for you! He lifts weights, and he looks like an Adonis!" I'll scream! I'm thinking to myself, "Who gives a hoot?" What you really want is *somebody who really cares about people*. That's whom I want working for us. So, go to a club and really work. If you don't really love people, find something else, *because it's about people*. It's about people asking you the same questions over and over again. If you don't have love for most of them, if you don't really love dealing with people, then pick another industry.

C.I. - Mike, this second cover story interview has been a great pleasure for me, and this time you ARE on the cover! Thanks to you and to Travis Hart for his kind assistance with the photos. Would you like to make any closing comments?

MA - Norm, I want to thank you for the opportunity, and, I want to tell you that you're a good friend and a remarkable asset

to our industry. I think a lot of people know that, but too many of us say these things after we kick the bucket, when we're not around to hear it. I want to say right now, Norm, you are one hell of an asset to our industry. You've always called a spade a spade. You've always been there to help people. God bless you. I wish you health and happiness and all that goes with it.

C.I. - Well Mike, I'd like to counter your kind comments with this comment to you and our readers. If I didn't love all of you guys, like brothers, I wouldn't be doing this. Thanks very much for your kind words. And, I want you to know that, as one of our very few icons in our industry, you should be very proud of what you've achieved for your community through your hard work and dedication to your career. God bless you, Sandy, your family, your club staff and your members.

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

Stuck in the Middle

By: Karen Woodard-Chavez

Part II

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

In **Part I**, we discussed the first 4 of 7 tools to utilize as a system to get “unstuck.” Those tools included:

1. Decide you must make a change. Consider how much longer you are willing to lose money and get beaten up by low-price providers that have a bigger marketing budget than you?

2. Differentiation. Know what makes your business unique from your competition.

3. Speak in terms of your differentiation. We attempt to create differentiation in our marketing messages (hopefully through programs and unique benefits, NOT price), and often times, we forget to do so on the tour with the prospective member (PM). We sell our club, but we don’t sell how our club is *different from the competitors*.

4. Speak in terms of benefits relevant to the member. Too often, we become tour guides giving tours that are *informative* but not very *inspirational, persuasive* or *exciting* for the prospective member. To finalize the tools of how to “*get unstuck*” in **Part II**, this article will present the tools of:

5. Creating a plan for your Members;

6. Managing Member results;

7. Compensating your staff for the big picture, and the long haul, to be able to create a much more competitive edge.

Tools 5, 6 and 7

5. Creating a plan for your Members. Most clubs focus more on getting new sales rather than keeping their current members they worked so hard to get.

With the average cost of a membership sale being \$218, *according to the IHRSA 2011 Profiles of Success,

it makes a lot of sense for clubs to be focusing on the obvious benefits and outcomes of creating a system that insures keeping members longer (*Many clubs have a much higher cost per sale).

Our industry has historically sold a membership and then left it up to the member to create his own plan on how to make the club work for him. In the late ‘80s, clubs caught the personal training for a fee bug, and that increased revenue and usage for some members.

We still struggle with the majority of members who are not involved in personal training, or any other structured results oriented programming, and frankly, we are still floundering in this effort.

Some clubs have developed retention resources to engage members for more frequent usage. We know that more frequent usage equates to more value, and more value equates to a lower attrition rate for clubs.

We’re at a point where it behooves us, in terms of revenue and retention, to now be involved in creating and managing member plans for success. This implies that you would create a plan for each member when he joins, stay in touch with him and track his progress on his plan so he attains the goals desired upon joining. Most of us have no idea what a member will be doing with us in 3, 6, 9 or 12 months, or if he will even still be with us.

Creating a plan allows us to have more certainty, enhance results with members, increase touch points, increase (non-dues revenue)NDR and retention. How do you think your prospects and members will respond when your sales staff explains the following:

“Sue, something you will find unique to our club is our continuum of care perspective. What that means to you is that we offer several different levels of care.

Level One is for our very independent members who just want to come and exercise on their own.

Level Two is our 12-month plan. We will develop a 3, 6, 9 and 12-month plan for you to create structure with the purpose being for you to consistently progress toward your goals. Once your first year is completed with us, we’ll begin with a new plan for you. Have you ever had such a 12-month plan created for you at any other club? Does that have value for you?

We also offer Level Three, which is small group training and Level Four, which is Personal Training. These are both additional to membership to customize and

accelerate your results. We will talk more about that while on the tour.”

Upon enrolling the new member, the Membership Staff will schedule the Fitness Specialist/Trainer appointments and the trainer will do a health history assessment as well as create realistic goals for the new member-based on his outcomes for the next 3, 6, 9 and 12 months. *The trainer will then explain the fee for options as well as options included in dues to reach those goals in a timely manner.*

6. Managing Your Member’s Results.

The information from the new member and trainer meeting will also be shared with the Membership Staff so that he will be able to reach out to that member to keep him apprised of club activities that will assist them in reaching his goals, *whether the activities be for a fee or included in dues.* The touch points will be prior to the 3, 6, 9 and 12-month points. The conversations should be happening on a monthly basis so we can proactively manage member results in a customized and personal way. Consider that the Membership Sales staff will be contacting the members they enrolled on a monthly basis and the 3, 6, 9 and 12-month plan gives them some solid conversational points with which to manage the results of the member. This aspect is *key in the success of creating differentiation, value and results* for the member and the club.

7. Compensating your staff for the big picture and the long haul to be able to create a much more competitive edge.

I am not a fan of increasing payroll for no reason at all. *I am a huge advocate of pay for performance.* If you are to follow all of the briefly outlined steps in this program, you will have much better performance in terms of new sales and retention. This also means that your membership sales staff will be doing more work and better work. It is not reasonable to use the stale old response of “that is why they are paid a base salary.” If your staff is systematically reaching out to current Members to keep them engaged in the club from an increased usage perspective and selling Members club programs and services, then they should be compensated for those results/outcomes.

I know this is where some of the club operators think I am the enemy and the sales staff think I am the savior. Please read on and consider this: If the sales staff increases your member retention by 2%+ because of their activities, what does that mean to your bottom line annually? If the sales staff is collectively selling 30 more



Karen Woodard-Chavez

programs each month than you were before, because NO ONE was selling them, then what will 360 new programs mean to your bottom line each year? **I encourage you to review your sales compensation plan and include the following elements: base salary, membership sales commissions, program sales commissions, retention commission and team bonuses.** This is a perfect time of year to do so if you are beginning your strategic planning revisions for 2013. By doing so, not only will you get more of the activities you desire from your sales team, you will increase revenue and retention from the members and create long haul futures for your staff.

If you are “Stuck in the Middle,” please review all points **1 - 7** from this article to *create a sense of differentiation and value* that your competitors will not do. To get a better handle on implementing these tools, I invite you to join us in a 2-part webinar sponsored by Matrix on October 18 at 1PM EST. Please use the following link to register for the webinar: <http://bit.ly/TDzwTj>

Publisher’s Note: Interestingly, this month’s cover story featuring Mike Arteaga and his Teams contains Mike’s comments on the Open Book Management process he uses for his overall operation. In Open Book Management, employees are challenged to achieve cost cuts that will improve the bottom line of the club, and they are rewarded financially on a monthly basis for doing so. In Karen’s article, she has addressed how to use a series of different financial rewards for sales staff to motivate them and help them generate greater revenues and increased membership sales. These two writings offer a terrific balance in learning about both income production and careful cost control managed by the staff. So, we thank Karen and Mike for their knowledge and sharing their experience with our readers.

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Industry Best Seller "Selling Fitness" Now in eBook

WAKEFIELD, RI - The book *Selling Fitness: The Complete Guide to Selling Health Club Memberships* is now available electronically through Amazon's Kindle program.

Casey Conrad, author of the book notes, "Having the book in an electronic format is very exciting on a number of levels. Internationally this will save buyers a lot of money because shipping and handling outside of North America increases the book cost two to three times. In addition, many salespeople who are tech-savvy prefer having the ability to view the book from any one of their devices without having to carry around a book or worry

about losing it."

The book can be reviewed on Amazon at www.amazon.com/dp/B008Y15YHQ.

Selling Fitness was first published in 1994, has sold more than 25,000 copies worldwide and has been translated into several languages. It is currently in its 5th edition. Casey Conrad has been in the health and fitness industry for over 25 years, and in addition to this book, she has several others and numerous training products. For more information, please visit www.healthclubsalestraining.com or contact Casey directly at casey@caseyconrad.com.

Become NFBA Management Certified

"One thing that has been lacking in the fitness industry for years is a certification for business management. The NFBA saw this gap in the industry and decided now is the time to bring it to the fitness professional," says Jillian Russo, director of the National Fitness Business Alliance.

"Thomas Plummer, the NFBA keynote speaker, will be leading this event to break down all of the systems

every fitness business needs to have to be successful. We are limiting the amount of attendees into this workshop so they can have a hands-on training with Thom. It's very exciting."

This event will be taking place in beautiful downtown Chicago, IL, October 4 - 6, 2012.

For more details, please contact the NFBA directly at (800) 726 - 3506.



Gold's Gym International Awards Matrix Fitness Equipment Vendor of the Year

COTTAGE GROVE, WI - Johnson Health Tech North America, Inc. announced that its commercial brand, Matrix Fitness, was awarded 2012 Gold's Gym International's Equipment Vendor of the Year (VOY) at their annual convention, the second such award in the past four years. Matrix was previously awarded VOY in 2009.

The VOY is voted on by all Gold's

Gym Franchisees, gathering their rankings in areas such as customer satisfaction, likelihood of referral and overall product quality. The annual Gold's Gym convention brought together over 700 club owners, corporate executives, staff and vendors from 14 countries. This year's convention was held under the theme "From GOOD to GOLD." The convention wrapped

up with the annual Gold's Gym Awards Ceremony where more than 40 awards were given in a wide range of categories.

"Matrix has been a true partner to Gold's Gym International and our franchisees," said Todd Scartozzi, Chief Operating Officer for Gold's Gym International. "Over the past year, we have spent substantial time meeting with Matrix

and visiting their facilities in Wisconsin to get a deeper understanding of their new product lines, their impressive research and development and their state-of-the-art equipment. In turn, Matrix has brought forth innovative ideas and solutions that will deliver powerful new experiences for our members."

How Many Steps To Success Were Skipped In Your Organization Today?

By: Daron Allen

If you don't know how many steps were skipped today, you are fighting a losing battle. Albert Einstein is commonly credited with the quote, "Compound

interest is the most powerful force in the universe." While he may not have actually said this, one thing is certain, the incredible power of compound interest. If you have ever purchased a home or an automobile with long-term financing, you

know this power; the total interest paid makes you sick.

Implementing measurable, repeatable systems in your business allows you to harness the compounding principle in a positive way. If you are reading this article, you should know that sales is a numbers game. How many leads generated? Appointments set? Shows? New memberships closed? How much PT sold at POS? New Member Orientations set? Showed? Closed?

But, ask yourself. How many leads were lost today? Better yet, do you know how many leads were not even generated today? The concept of compounding needs to be looked at in reverse to gain full clarity in your business. Every lead that falls through the cracks and gets lost represents a tour never given, which represents not only a potential sale, but potential referrals, ancillary sales and however many months of memberships dues your average member pays over the life of membership at your club. You should know what the potential value of every single lead is; therefore, how much money is on the line every time the phone rings with a prospect or every online lead generated. Depending upon your pricing, that will vary between \$500 and \$5,000 or more.

But, what I want to challenge your thinking on today is how much time, effort and energy is it worth to ensure that not one of these valuable leads is ever lost? And, more importantly, how do you ensure that every opportunity to generate a lead *actually generates a lead*? The key is systems that are measurable and repeatable through the entire lifecycle of your business. Here is the rub for me... If you are counting on your people to ensure that they never skip a step, that they never lose a lead, that they never forget to ask for the referral, that they never forget to get the member to post to Facebook or Twitter, then you are guaranteed to be losing not only leads, but opportunities to generate leads. The key to the systems are technology solutions that not only help your employees to execute, but also train them and develop them to run your business the way that you want and need them to. In his book *The Ultimate Sales Machine*, Chet Holmes states that "Repetition is the key to preprogramming your company to run like a machine." And, technology ensures daily repetition of the key activities you need your staff to perform.

Training and development of staff is one of the most underfunded activities in our industry. Combining the power and leverage of technology for process



Daron Allen

execution with training and developing your staff ensures success.

You have many of these systems in place in many aspects of your business. Don't you have a system for almost every important process in your business? Don't your accountants follow a well-defined set of principles and procedures? Aren't your front desk staff expected to respond to a customer in a certain fashion? Don't your personal trainers follow certain procedures, and aren't they guided by certain principles and criteria to ensure that they provide safety and results?

But, do you have these systems set in stone for lead generation and sales development? And further, is every one of these systems driven by technology? Is the technology aiding your staff training and development? If not, do some quick math for your club:

**# of Leads Not Generated Today X
Lifetime Value of One Member =
Lost Opportunity Today**

$5 \times \$2,000 = \$10,000/\text{day in Lost Opportunity Per Club. Multiply by 365 Days} = \$3,650,000.$

Technology is the key to implementing measurable, repeatable systems that double as staff training and development tools. Repetition is the key. Technology drives repetition. If you are not investing in these technologies, you are leaving money on the table and losing out on the most powerful force in the universe. (Daron Allen is the President / CEO of Visual Fitness Planner (VFP). VFP provides technology modules to drive business forward in revenue generation. For more information, visit www.vfpsalesfusion.com. Daron can be reached by phone at 817 - 296 - 2150 or email at dallen@vfp.us)

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Can You Share 2 or 3 of Your Greatest Success Stories With Me? (And, I'll share a secret with you!)

By: Andy Graham

Confession: I was not overflowing with honesty this past week. I spoke with several friends who are also club owners, and I completely misled them. But, it was for a good cause.

Here was the lie: I reached out to five club

owners whom I have worked with over the years, spoke either with the owner or the fitness director, and made this request, "Can you please give me the details of your favorite 2 or 3 member success stories? The success you brag about to prospective members? I'm writing a feel-good article about the abundance of success stories in the commercial fitness industry."

Here's the truth: I can't tell you just yet. You have to keep reading.

Here's a few examples of the stories as they were relayed to me:

Joe Smith (names have obviously been changed to protect the innocent) is a member at First Health in Pinehurst, N.C. Joe is a very big man who used to weigh almost 400 pounds, and he's now on the south side of 300, improving every day. Previously, Joe had quit his original membership and relied on bariatric surgery for his weight loss solution. Spending time on the bike three times per week just wasn't getting the job done. He was bored and not seeing results. Bye bye membership.

The great staff at First Health reached out to Joe and eventually got him involved in a small group training class, and the results have been amazing. The weight is coming off, the energy levels are shooting up, and of course, his confidence is soaring. He's very determined to complete his first ever Turkey Trot 5K this Thanksgiving. The bottom line is, thanks to the direction and guidance of the staff, and an accountability partner, Joe has successfully found out how to use the club's resources to make real lifestyle changes, and it's working.

Penny C is a member of the DeSoto Athletic Club in the Memphis area. She has been a DAC member for over nine years, and she has always been a group fitness die-hard. In her own words: "I thought group fitness gave me what I needed. I hesitantly tried Team Training (small group PT), and it has been the best decision I have made concerning my health. The workouts give me both aspects, it keeps my heart rate up (replacing the dreaded treadmills) and gives me the strength training I need to tone my body in a way that group fitness alone could not do. I love the group environment and would highly recommend it to any and everyone. Thank you DAC and team training!"

Jeremy R is also a member of the DAC but a more recent one than Penny. In his own words: "I joined the DAC a little over four months ago and have lost over 65 pounds in that time. I have tried joining the club before and honestly hated it. I cannot stand being on treadmills and elliptical machines and never understood the weightlifting concept. Team Training took all of the guess work out of it and pushed me each and every time I came to the club. My advice to anyone that really wants results, or just simply wants more energy and to feel better about themselves, you need Team Training. It's the best life changing decision I have ever made."



Andy Graham

Next are two great stories from two incredibly happy members of the Hampton Hill Athletic Club in Columbia, S.C. Both members have been participating in the club's extremely popular 3-month, coach-led version of the Biggest Loser's training program:

"I almost didn't do it. I sat in the car after working out with my wife and said, 'I would do the Biggest Loser Competition if it wasn't so girly.' She asked what I meant, and it made me realize that it was the emotional angle of the show that was putting me off, not the substance of the competition (Thanks Hon). So, I signed up. She did, too. It was the right move. I went from a size 38 pants to a size 32 and even had to get a new driver's license so people would say 'I matched.'"

The three months really does help re-program your eating habits, so you can maintain the weight loss after the competition is over. We made friends also. Our team still gets together on a monthly basis. If you have a spouse who may be on the fence about doing it with you, push them over. We had fun. The amount of training and nutritional guidance we received from our trainer was priceless. Whether you want to lose 20 pounds, like I *planned*, or 65 pounds like I *did*, it's going to motivate you to change your life like you could never imagine. I weigh less now than I did as a junior in high school. I reiterate that, if you can get a spouse to do it with you, DO. That was the best part. It's fun! You'll laugh. You might cry. Hell, I giggled." - **Ed M.**

"Personally, I love this program! I completed two Biggest Losers on the Black team. Without my trainer and the program, I wouldn't have been able to come off both my blood pressure medications. I've lost 70 pounds so far, and I am about to come off my cholesterol medication. I really
(See **Andy Graham** Page 23)

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...Andy Graham

continued from page 22

loved working with the group and the accountability of knowing that the group is counting on me. By helping myself, I help the team, and that's the reason it works so well. Another reason is the excellent trainers. When the competition is over, you will know exactly how to maintain your weight loss and keep losing weight. I'll close by saying you've made a wonderful decision in choosing this program, and I wish you the best of luck." - **Mark H.**

I'm sure everyone sees the common thread by now. But, let's not rush to the finish line just yet. In each conversation, after they gushed excitedly about these amazing and truly motivating success stories, I would ask this follow up question: "John/Jane, that is great news! And, it's extremely encouraging for any of your members who are working with a trainer, or a trainer-led program. But, can you share with me a success story of a motivated member who 'just did it' on his own? Those members who reached their goals, achieved lasting behavioral change

and didn't even need the staff?"

Crickets... Silence... Head scratching... Nothing but the rhythmic chirping of crickets.

"Hmmm... No, not really," was the reply from each but in their own words.

My point could not be more obvious than a finger caught in a car door. I'm not trying to win points for subtlety.

To misquote a famous book published by a former First Lady, "It takes a village of knowledgeable, motivated staff for your members to understand how to get from here to there and stay there."

Rare is the individual who will go from unhealthy to healthy, from flabby to fit, from lethargic to energetic on his own. Even if he has the motivation, he most likely does not have the method or the support to sustain his annual New Year's Resolution* to eat better, drop those pounds, become stronger (*equally ripe for failure at all times through the calendar year).

Why does it seem that most clubs are continually missing this very obvious truth? How are we ignoring what we know and what we witness daily? How do we open our doors and watch from our offices

while our members flail until they fail? As a new member who may have taken two years of PE back in grade school, how can my needs, my goals not be the most important item on your to-do list?

Maybe we should add a new disclaimer to the standard membership contract, "7 out of 10 new members will fail and drop their membership within a few months, but since you are agreeing to a 12-month term, maybe we should talk again in about 11 months from your start date!?"

There is an alternative to the woes of the average new member experience, and there's really no mystery here. We all know of the very underutilized solution that greatly increases the odds of your member succeeding. It's involved in every success story that clubs love to share, and that is to get that member plugged into some level of coaching. Test them. Teach them. Hold them accountable. Surround them with support. But, whatever you do, *don't leave them alone.*

Instead of leading the lemmings through our doors with a barely-there monthly membership rate and then trying to convince a small percentage that they need

our help, let's try something really radical in our industry: Honesty. What a concept! Let's tell them right from the beginning that what they're attempting to achieve is not easy, and if they try to take this road on their own, there's a disgustingly high chance that they will not succeed.

Why not take a training-centric approach from the very beginning? Doesn't that sound odd to say about a health club? Rather like asking a restaurant to be food-centric? Why not bump up that membership rate enough so every member receives a base level of education and training that will give them a fighting chance?

That's my secret: There is no secret! We already know (have known) the answer. As an industry, we're just too lazy to do the hard work. Collecting dues from no-show, no-train, no-stay members is just so easy, so why bother?

Never, ever send your members into the gym-jungle without a survival kit.

Please forward your success stories to me at andy@nextfitness.com.

(Andy Graham founder of NEXT Fitness and true believer that exercise is medicine.)

A Legacy of Healthy Wealth

By: Donna Krech

Part II

Last month, I shared the first third of this article. It will produce an increase in your business and money. The bonus is that it will also bring to your life greater happiness and purpose. The two together bring Healthy Wealth. Teaching you how to make more money in your club is great, but that would be incomplete because that's only one part of you. You are also physical, relational and spiritual. This three-part article series speaks to both pieces.

My mom passed away on July 15th, and when writing about her, I realized that I needed to share the success secrets she'd given me. These secrets took me from being a penniless, abused mom working in a health club to owning a company with 125 locations providing weight loss and wellness. Want to know how to build Healthy Wealth? The first part of this article series spoke of success. This part speaks to happiness. It's taken from the obituary I wrote. Please visit www.donnakrech.com or www.clubinsideronline.com for Part I.

With her family, she was a display of unconditional love like none of us had ever seen before or most likely will ever see again. In crisis, and in victory, she had the gift of hospitality and always made you feel like you were at home in her home. A heart to serve others with grace, food and a welcoming home was at the center of her focus.

Healthy Wealth Point (H.W. Point) #10- Display unconditional love. - Too often, we give of ourselves 'providing' someone

gives to us also. The law of reciprocity says, "What we sow, we reap." Are you sowing what you want to reap in this area?

She married the love of her life, Bill Jones, in Indiana, on August 16, 1941. At 28 years of age, she became a widow with 3 children under 5 years of age to care for. She had no money and no driver's license. Two years later, on February 15, she married my dad, Norman Elrod. They had so much fun together, dancing, laughing with friends and playing music. He brought two sons with him into our family. He followed her to Ohio when she received a promotion from Stanley Home Products, they had two children, and she was widowed once again in 1977. She married the one she cherished and who would take care of her like no one ever had, Ovid Leonard, on July 24, 1986. They shared amazing travels and obvious love for one another. She became a widow for the third time in 2001. As of today, including spouses, grandkids, great grandkids and great-great grandkids, her family had grown to 102 members.

You only had to be around her for a minute to realize that her perspective was that there is no step in the word family. There is no half, there is no in-law. If you were family, you were family, period. And, you were loved unconditionally. Her door was always open to any of us who needed a place to live. And many of us did, indeed, seek refuge in her grace and live with her. We were people without a place to live, and living with her, while we were struggling so, taught us how to really live. She put food in our bellies and a pillow under our heads. She housed us, she loved us, she took care of many of our needs and she prayed with us and for us.

H.W. Point #11 - "Love unto others the way you'd have them love unto you."

In other words, be careful not to put stipulations or judgments on your love. When you do that, you unknowingly put limits on the relationship. Don't label folks '____'-family. Just label them family. When you do that, your relationships will have limitless amounts of love. That's what hers had. She did everything she could to be sure folks knew they were loved. Are we doing everything we can to show folks they're loved?

She made everyone feel like family, from friends to even strangers. She made everyone feel like they were her best friend. In the last several months of her life, I began a tradition shared between just her and I. I would look her way and ask, "Do you know who you are to me?" She'd say, "I'm your mom." I'd say, "Yes, but do you know what else you are to me?"

I would bend down in front of her, get very close, face-to-face with her, look into her eyes, hold her cheeks gently in my hands and say to her, "YOU are my favorite person," she would reply, "You're MY favorite person." And the thing is, she would mean it. But, she also would have meant it if she'd been saying it to you. The person with her was her favorite person. It didn't take long before she'd answer, "Do you know who you are to me," with the words, "I am your favorite person!" I'm so blessed. My favorite person knew that she was my favorite person.

H.W. Point #12 - Make the person next to you feel like they're your favorite. Now, this is a great secret! So much so that it should not be kept a secret! Want



Donna Krech

to experience full-of-love relationships, be happy, make more money, live fully? Make everyone you're with feel like they are the most important person in your world. Making someone feel like they are precious to you is one of those things we simply can't give away without it being returned. Want to be loved? Love. Want to feel special? Make another person feel special. Want to be someone's favorite? Make sure others feel they're YOUR favorite.

Want to know more about building Healthy Wealth now? Accept as my gift to you, free training videos featuring none other than my mom. Visit www.youtube.com/DonnaKrech. Click **Success Stories** and look for **Meet My Secret Weapon**. Be sure to read **Part III** of this article series in next month's edition of **CLUB INSIDER**.

(Donna Krech is the Founder and Owner of *Thin&Healthy Total Solutions*. Donna may be reached at Donna@DonnaKrech.com)

MACMA Annual Conference

Prior to the conference, MACMA hosted a golf tournament and an owner's Roundtable. The golf tournament proved to be fun and entertaining for all involved thanks to Life Bridge sponsoring the beverage cart! Prizes were awarded to:

First Place: Precor Foursome (Bill Shotwell, Terry Dezzutti, Gary Swatko, Rod Karstetter)

Second Place: Susan K Bailey Foursome (Todd Betteridge, Lisa Roulette, Doug Wood, Derek Favareau);

Closest to the Pin (Both won Kindle Fires from ABC Financial):

- Laurie Caton (L&T Health and Fitness)
- John Herdzon (Columbia Association)

Longest Drive (Both won Lulu Lemon Jackets from Sportsclub LA/Washington DC)

- Amy Passen (Canton Club)
- Gerry Daley (TRX)

REX Roundtables facilitated a productive roundtable discussion for 18 (See **MACMA** Page 27)



MACMA Board of Directors: Front Row (L to R) Dennis Doyle, President of MACMA, Westmoreland Athletic Club; Erin Rogers, Club Member Liaison of MACMA; Trish Berry, The Sports Club LA/Washington DC; Kerry Campbell, MACMA Executive Director; Julie Lincoln, Big Vanilla; Dave Rew, LifeBridge Health and Fitness - Back Row (L to R) Dia Walsh, Westmoreland Athletic Club; Ashley Ziegler, Merritt Athletic Clubs; Wendy Fureman, Momentum Health and Fitness; Laurie Caton, L&T Health and Fitness; Leslie Flynn, VP of MACMA, Columbia Association

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Out of 140 Fitness Centers being considered, these 5 fitness professionals were chosen to receive the "Making A Difference" Award at the 2012 Total Club Solution Event. We all want to make a difference for our members, but when you make a difference in your community as well, using a proven marketing system, your leads quadruple and your grosses go through the roof. Our Make A Difference Marketing System does just that.

"We enrolled 70 people right off the club floor in our first two weeks of using the MAD Marketing Systems. We didn't have a single sign up on the wall! The only other marketing I did was on Facebook with the systems I learned, and I had 20 sales directly from Facebook! In the first two weeks, we did \$18,000 actual money in hand." -Austin Thomas in Washington, North Carolina



Winners of the "Making A Difference" Award. Left to right: Austin Thomas of Fitness Unlimited in Washington NC, Tim & Lynn Evans of Fit for Life 24 in Greenville NC, Susan Bean of Hot Springs Health & Fitness in Hot Springs AR, Danielle Childs of Fusion Health & Fitness in Archbold OH, not pictured Lynn Osborne of 84 Fitness in Eighty-four PA. Award Presented by Donna Krech.

Step #2: Sell to Serve - Be In It for Them and Your Member/Client Will Stay Invested, Get Better Results & Stay Forever

We may work at different professions, but ultimately, we all sell something for a living -- whether it's a brand, a vision, an education, a direction, or a service. In a sense, we all sell ourselves. There's nothing sleazy about it: Selling is serving. By getting results for your member or client, you profit both financially and emotionally.

Serving to sell is being in it for the member...and that means getting the BEST results possible. Communicating that effectively produces higher PT sales, product income, and more membership referrals than ever before. Our system teaches a non-intimidating, non-threatening way to communicate that.

"The sales systems increased our EFT by \$3,500 per month. They have quadrupled our enrollment fees and have added over \$20,000. We are passionate about making a difference in the obesity epidemic, and now we can help many more people." - Susan Bean in Hot Springs, Arkansas

Step #3: Align With an Industry Supplier Savings Program - Join Forces with Those Who Offer You the Most Cutting Edge Products and Services at the Best Price Anywhere

In business, there are only two ways to increase your profit. Either increase the amount of money coming in, or reduce the cost of money going out. So, if you have the opportunity to pay less for something, why pay more?

Individual clubs need things like expensive equipment and software, but miss out on discounts because they can't make large volume orders. When you team up with a company like ours that has vendor partners, you are given special access to lower prices.

"I had no idea that the Total Club Solution made this kind of money for clubs. It's an honor to work with you." - Bob Surface, ABC Financial



Donna Krech & The Total Club Solution Event Sponsors Present Jenny & Amanda of 360 Fitness (New Braunfels, TX) with a new elliptical. From left to right: Bob Surface of ABC Financial, Matt Evans of Commercial Fitness Solutions, Mary Parry of ABC Financial, Hans-Juergen Kreit of Ergoline, Jerry Deveney of Ergoline, Jenny of 360 Fitness, Brian Farley with Octane Fitness, Amanda of 360 Fitness, Brock Hansen of Paramount Acceptance, Roy Glover of First Credit Services, Bill Jackson of First Credit Services

Step #4: Apply PROVEN Money-Making Systems - Wealth From Wellness INSTANTLY Increases Your Income and Continues to Do So

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New IHRSA Trend Report Sheds Light on Health Club Members

BOSTON, MA - The International Health, Racquet & Sportsclub Association (IHRSA) released *The IHRSA Trend Report: Second Quarter 2012*. Conducted in partnership with the Leisure Trends Group, Boulder Colorado, the report analyzes American attitudes and perceptions surrounding health clubs. The latest edition expands on consumer leisure behavior and activity as keys to maintaining current members and attracting former consumers.

"The ongoing challenge for club operators is to identify the best way to engage new and former members," said Jay Ablondi, IHRSA's Executive Vice President of Global Products. "This edition of The IHRSA Trend Report shows that while these consumers are a challenge, they also represent a big opportunity as well. The report provides actionable data on controlling member attrition, guiding club operators on how to engage current

members and help them understand the interests of former members and non-members outside of the club."

For the quarter ending June 30, 2012, 12% of Americans ages 16 and older were health club members, while one out of five were former members. The report highlights popular activities among consumers, which club operators can integrate into programs in efforts to maintain and expand their membership base.

The top five physical activities among consumers:

- Walking;
- Jogging/Running;
- Swimming;
- Exercising;
- Bodybuilding/weightlifting.

Former members were more likely to participate in swimming than non-members, while non-members were more likely to not engage in any of the activities listed. More than half of non-members did not participate in any sport, recreational or fitness activities for the quarter ending June 30, 2012.

"Former member activity participation and the lack of activity among non-members presents opportunities for clubs," said Melissa Rodriguez, IHRSA's Senior Research Manager. "Club managers can develop sport-specific training programs and clubs for current and former members. As a hub of physical activity, clubs are also charged with the task of encouraging sedentary non-members to exercise regularly."

Non-members cited cost as the number one barrier to joining health clubs. However, nearly one out of five non-members cite "I would feel out of place" as a reason for not joining. The IHRSA Trend Report suggests low-cost ways to attract non-members and engage them soon after starting membership.

The *IHRSA Trend Report* for the quarter ending June 30, 2012 also provides additional information on leisure preferences, activity participation barriers, and why consumers join, stay, and quit their health clubs. The report is available in PDF format at www.ihrsa.org/research free to IHRSA members and to non-members for \$99.95 at www.ihrsa.org/store.

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Fitness Centers Able To Track Exactly How Facebook Generates Revenue With ZANG

SALT LAKE CITY, UT - Businesses with an online presence are struggling to see how time and money put into Facebook actually generates any return on investment, keeping many companies from developing any lasting social media strategy. These developments have lead to the creation of a new app by Zang that allows fitness centers the ability to track analytics related to the effectiveness of a single Facebook share.

Zang is a social media product created in part for the fitness industry. Owing to the fact that the gym business is built around referrals, developers set out to create an app that could turn Facebook into an automated and systematized lead machine. "Too often companies just chase likes" states Joey Rice, a member of the Zang team, "when what they should be doing is getting qualified leads. A large part of the problem that Zang solves is helping companies harness Facebook in a way that no one else is."

The most effective part of Zang is the tracking features that are given to the fitness centers that use it. First, a new member enrolls at the gym and is then asked to share their experience on Facebook using the Zang app. The member posts a

message that can include club information, current offers, rates or coupons. The new members' hundreds of friends are able to learn more about the gym and can click on the link to buy memberships online, call the gym or submit an internet lead. Every time the share is viewed or re-shared, it is tracked by the Zang app, giving a sizable amount of data back to the fitness center. Zang is most popular among sales managers, PT directors, sales associates, personal trainers and class instructors.

"As a result of using Zang in our clubs, I have received an additional 50 memberships a month," reports James Bischoff, Area Director for Riviera Fitness of Birmingham. "It's our biggest marketing push right now, and we are absolutely seeing great results."

Zang is currently expanding their development blueprint to include similar apps that integrate with Twitter and Pinterest. A full explanation of the Zang product offering can be viewed at www.zangsocal.com.

For additional information or a product demo, please contact Morgan Miller, Business Development, at (800) 316-4444, Ext. 290 or email morganm@zangsocal.com.



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Julie Garcia,
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...MACMA

continued from page 24

owner's and senior managers from clubs in Maryland, Virginia, Washington, DC and Pennsylvania. The event, sponsored by Octane Fitness, allowed participants to work on several topics including training employees, increasing revenue through retention and successful programs. Joanie Anderson from Cool Springs Fitness, Mercer, PA said, "I felt comfortable sharing my comments and questions with the group which included owners and general managers from a variety of clubs. The exposure to this elite group, sharing common club issues and discussing solutions, was very beneficial to me. I craved more, actually." MACMA is thankful for the work and support that Will Phillips and Eddie Tock from REX Roundtables has given to the conference.

Later, during awards presentations, Sherwood Minor from Columbia Association won the ACE Scholarship. The Award of Excellence for Programming went to 1200K Fitness Center (L&T Health and Fitness) for the Biggest Loser. Galaxy Fitness won for outstanding achievement in the field of Sales for their "Cross Fit Supernova." The Retention Award of Excellence went to Ship Shape Fitness Center (L&T Health and Fitness). MACMA ended the day by hosting a Happy Hour sponsored by ABC Financial. Several people stayed to network, mingle, win raffle prizes and enjoy a refreshing beverage.

Overall, all three events gave each participant something special to take back to their respective clubs and businesses. Serena Todd from Universal Athletic Club, Lancaster, PA summed it up perfectly when she commented, "I Really enjoyed all of the speakers that I saw today and feel like a lot of the information I received will be helpful in day to day business at my club."

MACMA wants to especially thank our Club Members and Associate Members that sponsored the keynote speakers, breakout sessions, beverage carts, roundtables and prizes. Platinum Level Sponsor, Technogym and Gold Level Sponsors ABC Financial, Cybex International, Les Mills East Coast, Life Fitness, and Octane Fitness. MACMA is looking forward to bringing more networking and educational conferences to our members and industry. Save the Date for next year's conference July 18, 2013. Until then, be sure to join the monthly webinars, the Retention Network, a CSI User's Group, the Fitness Network and the 2013 Spring Event.

Marketing to Physicians: Five (Affordable) Tips for Success

By: Cary Wing, Ed.D., FACSM

Have you been thinking lately that your health club has spent considerable time and energy developing a solid medical fitness platform but the physician referrals have yet to materialize? Where are these referrals and the potential new members? What do you need to do to connect your health club with physicians in your community? How do you get your foot in the physician's door? Physicians will prescribe exercise. You just need to provide a pathway and appropriate tools to do so.

The good news is that your health club does not need to spend its entire marketing budget reaching out to physicians, and it shouldn't. There are inexpensive and effective tools available that will get the job done. But first, let's review the benefits of a physician referral partnership and why you developed the medical fitness platform in the first place. Remembering these benefits will assist you in your marketing efforts. A physician referral program should:

- Provide physicians with a specific intervention to prescribe to patients;
- Enhance the credibility of your health club and develop relationships;
- Grow and expand your membership base;
- Create an engaging, non-threatening pathway for new and uncertain exercisers.

Physician referrals connect patients, potential clients and members, with health clubs and fitness professionals in the community. Physicians want to refer their de-conditioned or at-risk patients to you as a pathway for the patient to implement an exercise prescription. Physicians will write referrals once they have firsthand knowledge of the standard of care and support a patient receives in your health club.

Five Tips to Help You Successfully Market to Physicians

Here are five tips to help you successfully market to physicians and fully develop a seamless physician referral pathway. All of these can be easily incorporated into your current, or 2013, action plan.

1. Target Your Efforts - Determine areas of need in your community through use of data provided by the Center for Disease Control (www.cdc.gov/datastatistics) and the American Fitness Index (www.americanfitnessindex.org). Both sites provide statistics on the prevalence of non-communicable diseases, such as diabetes and arthritis, in your state and city. The information is vital when designing a program such as *Diabetes Education*

and Movement. Educating physicians on community needs and how your health club can address these needs begin your marketing efforts.

Determine and make a list of physicians to contact and identify those who can act as champions for your new program and services. A recent survey indicates that a variety of specialties refer patients to health clubs. Think out of the box. Review physician practices in your community. Determine a physician champion in each practice and start your marketing. This physician could already be a member of your health club.

Consider the following physician practices and specialties to contact:

- Family Practice;
- Lifestyle Medicine;
- Internal Medicine;
- Cardiology;
- Chiropractor;
- Osteopath;
- Physiatrist;
- Sports Medicine;
- Bariatric.

2. Appoint the Appropriate Staff Liaison - A health club should have the appropriate staff liaison in place to oversee and market a physician referral program. A degreed and certified exercise physiologist provides the expertise necessary to interact safely and effectively with a patient and communicate appropriately with the physician. If you don't already have someone on staff with the educational background, use the ACSM ProFinder to locate fitness professionals in your community who might want to join your team.

Find and hire fitness professionals who have the Exercise is Medicine (EIM) Credential. Launched this year, the EIM Credential shows physicians that a fitness professional is qualified to help all their patients get the exercise that is prescribed. Everyone who receives the EIM Credential is entered into an online directory that physicians can access for referrals. For more information on the credential, including eligibility and requirements, visit the EIM website at www.exercisemedicine.org.

Designating an individual on your staff who is responsible for communication with physicians is good business. This fitness professional can provide a level of expertise used throughout the health club to save time and money when developing all programs and services.

3. Use Exercise is Medicine Resources and Tools - Since the Exercise is Medicine (EIM) initiative was launched in 2007 by the American Medical Association (AMA) and the American College of Sports Medicine (ACSM), there has been increased

exposure for the medical fitness model and physician referral programs. Every health club should register on the EIM website and receive ideas for integrating EIM into the facility. Complimentary tools and resources are available in both the *EIM Health Care Providers' Action Guide* and the *EIM Health & Fitness Professionals' Action Guide*. These guides provide information on exercise prescription, the referral process and more. All forms can be utilized in the Physician Office Toolkit.

4. Develop a Physician Office Toolkit - Approach physicians with confidence and develop a toolkit that addresses the following:

- What you can do for their patients;
- What you will be doing with their patients;
- What can be the results, or outcomes, of your actions.

The Physician Office Toolkit is a strategic part of the marketing plan that is affordable and easily delivered to a physician's office during a casual visit. Learn the name of the office manager and leave the toolkit with that individual. Plan on a follow-up email to schedule a time to meet and discuss what your health club can do to assist in promoting health and fitness for the physician's patients. Be sure to clearly communicate that your goal is to decrease the workload of the practice and provide physical activity intervention through safe, relevant and effective programs and services.

An effective toolkit includes:

- Cover letter and brochure outlining the health club's services and credentials;
- Sample prescription pads with health club logo (see EIM sample);
- Complimentary copy of *ACSM's Exercise is Medicine: A Clinician's Guide to Exercise Prescription*;
- Sample Patient Education materials;
- Information on utilizing the *Physical Activity Vital Sign* (PAVS) and connecting directly to your health club through electronic medical records (EMRs);
- Information on measuring and tracking outcomes;
- Complimentary health club Guest Passes.



Cary Wing, Ed.D., FACSM

5. Sponsor Walk With A Doc Events - Market externally and sponsor *Walk With A Doc* and *JustWalk* events to engage everyone in the community. Provide these opportunities for physicians to help them promote walking as an important form of exercise. Physicians, specialists and healthcare professionals in the community can participate and answer questions on the day of the event.

Summary

There is power in the prescription pad. Your health club can develop a realistic strategic marketing plan for your referral program that will keep your budget intact, target your efforts and effectively reach physicians in your community.

Resources:

- www.certification.acsm.org/pro-finder;
- www.exercisemedicine.org;
- www.exercisemedicine.org/credential.htm;
- National Benchmark Survey, How Fitness Facilities Engage Physicians, Wing, November 2011, at www.slidesha.re/tMI4ft;
- Walk With A Doc, www.walkwithadoc.org.

(Cary Wing, Ed.D., FACSM, is Principal of CHW Global and has been a leader in the medical fitness industry for over 30 years. Dr. Wing is a national speaker, freelance writer and social media specialist. Contact her at caryhwing@aol.com, visit her website at www.carywing.com, or follow her on Twitter @caryhwing)

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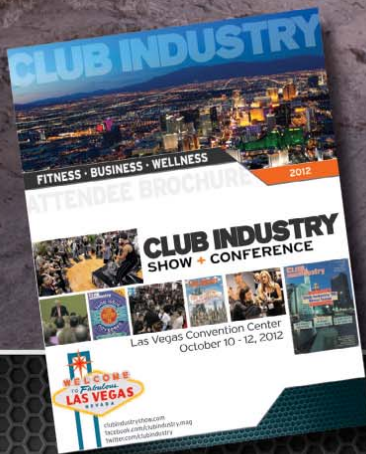


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...David Katz

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calmer and more alert. It makes me more energetic and more productive. Some say they don't have time to exercise. I say I don't have time not to. The dividend in productivity, equanimity and enthusiasm is a rich return on the time invested.

Exercise dissipates my stress and raises my mood, even as it lowers my resting heart rate and blood pressure.

Physical activity is not a chore. It is the vital, conditioning work native to our vital, animal bodies. It rewards us right away, as well as over time.

So, maybe we are missing something crucial.

Consider the person who is incapacitated, to one degree or another, by a serious illness, injury or anatomical anomaly. We refer to this as "disability." The inverse, of course, is intact ability, implying a capacity to do the things we want to do.

How can we feel sorry for someone in a wheelchair but somehow also manage

to feel sorry for ourselves about having to exercise, instead of celebrating our ability to do so? There simply isn't cause for self-pity in giving a fully functional body the exercise it craves.

It's fine to count steps, calories and minutes. But, perhaps, we should look to exercise as the vital, conditioning elixir of life and youth it really is.

We are endowed with a native animal vitality and fortunate to be so. If we have the additional good fortune of opportunity to unleash ours, and in particular, if we are privileged to do so with a full complement of perfectly serviceable body parts, then we have cause our culture seems inclined to overlook... to count our blessings.

Hungry for more? Write to eatandrun@usnews.com with your questions, concerns and feedback.

Publisher's Note: CLUB INSIDER is published for people who own and operate and manage health and sportsclubs, and an article such as this is preaching to the choir. It is our opinion that Dr. Katz' article is one

fine piece to provide to your members and to your prospective members. By reading this article, surely your members will be more dedicated and focused on their exercise, the value of it and their need for it; therefore, there is a high probability that your club will see them more often, and over time, that will improve the financial performance of your club. By teaching your members about exercise, health and fitness on a regular basis, you increase chance of success for your members.

(David L. Katz, MD, MPH, FACP, FACP, is a specialist in internal medicine and preventive medicine with particular expertise in nutrition, weight management and chronic-disease prevention. He is the founding director of Yale University's Prevention Research Center and principal inventor of the NuVal nutrition guidance system. Katz was named editor-in-chief of *Childhood Obesity* in 2011 and is president-elect of the American College of Lifestyle Medicine)

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Thanks and Appreciation

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

A very sincere Thanks and Appreciation go to Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1 for helping me decide in 1993 what my home-based business would be. Thanks and Appreciation to my long-time friends, Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report for the tremendous assistance they provided us during our first 8 years of publication. Thanks and Appreciation to all of the folks at Walton Press in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our 225 monthly editions! Thanks and Appreciation to all of our readers. Sincere Thanks and Appreciation to our CLUB INSIDER Advertisers, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, National Gym Supply, with over 18 years advertising with us and one, Affiliated Acceptance Corporation, with over 19 years as they have advertised in every single edition of CLUB INSIDER since the first month that we sold advertising in June, 1994. We also want to say sincere Thanks and Appreciation to all of our CLUB INSIDER Contributing Authors, past and present, who've contributed hundreds and hundreds of excellent articles to help our readers with their Best-Business-Practices. Thanks and Appreciation to IHRSA for all it does.

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

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

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

Norm Cates, Jr.

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