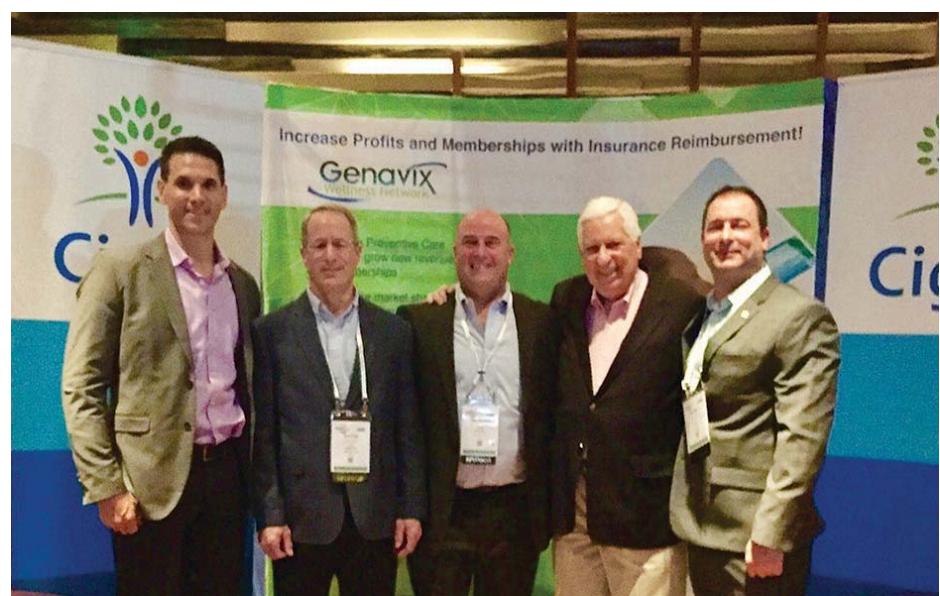


Norm Cates' **CLUB INSIDER**TM

The Pulse of the Health and Fitness Club Industry

The GENAVIX Wellness Network *A Model for the Future*



The GENAVIX Management Team (L to R): Mike Hansen, VP of Strategic Planning; David Wolff, COO; Mike Benton, President/CEO; Rick Caro, Board Member; and Mark Geiger from Cigna



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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

The GENAVIX Wellness Network

A Model for the Future

By: Justin Cates

Last year, in our November 2016 Cover Story, we featured **Mike Benton's Executive Health and Sports Center (EHSC)**, located in *Manchester, New Hampshire*. In the course of that story, Mike introduced us to the **GENAVIX Wellness Network**, which at its core, is a new business model for our industry that bridges the gap between health club members, health care practitioners and health insurance carriers. By shifting the health insurance fee paradigm from fee-for-service to fee-for-value, an atmosphere for creating real and measurable results has been created. Now, the facilities that are joining this growing network are experiencing something our industry has been seeking for decades: the integration of health and fitness facilities, health care

practitioners and health insurance carriers into a cohesive system that provides results for the end user. In short, GENAVIX is the foothold in helping our industry become a real and recognized part of the health care system.

As John Adams once said, "Facts are stubborn things;" **Fact:** Our industry has hovered around 15 - 17% penetration for years. **Fact:** During this time, the number of industry facilities has increased,

yet shockingly, the rate of obesity has continued to increase, as well as related illnesses. **Fact:** Our industry has not yet been taken seriously as a component of the health care system.

Adams continued, "and whatever may be our wishes, our inclinations, or the dictates of our passions, they cannot alter the state of facts and evidence." I have no doubt that, if you are reading this, you love what you do. One defining feature of

this industry is our passion to help those whom all of these facilities were designed to serve. Sadly, in the macro view, that passion and our best intentions, despite all the different iterations that have been tried over the years, have not yet created a viable solution. Maybe, until now.

As you will hear from **Mike Benton, President and CEO of GENAVIX**, it is not a matter of burning down what our industry has built and starting over. Instead, it is about refactoring what is there based on the realities that exist. Essentially, we must use the facts we know, then learn and adjust to create a new truth. This requires humility. This requires hard work. This requires change. But, if any industry can do something like this, it is certainly the health and fitness club industry!

I invite you to read on as Mike (See GENAVIX Page 12)



REX Seeks to Assist Member Clubs in the Wake of Hurricane Harvey

TEXAS - In the wake of Hurricane Harvey, many clubs were impacted to varying degrees: temporary club closings, power outages, increased membership cancellations, requests for memberships to be placed on hold, flooding, facility and equipment damages, cancelled programs/classes (affecting staff earning and member spending), inability of members to access the clubs due to bridge and road closings, etc. Of course, in time, insurance will hopefully cover many of these business losses. However, an immediate need is taking care of affected staff members (especially front-line employees) that may not have the resources to help cope with this catastrophe. REX member clubs

impacted include:

REX ROWDY:

Corpus Christie Athletic Club
Lisa Gorsline

Memorial Athletic Club
Dave Cardone

Villa Sport - Cypress & Woodlands
Laurie Smith

REX RT# 2:

Golds Gym Houston
Bryan Murphy

REX CREW:

Houstonian
Cher Harris (have established their own Houstonian employee assistance fund).

Eddie Tock and Brent Darden report that offers to provide assistance have been overwhelmingly supportive, with many asking what they can do to help fellow roundtable members. This Texas Health Clubs Hurricane Relief effort is specifically for this purpose. As you will see by following the link, your donation is personal, 100% of the funds reach the recipients, it is tax deductible and you are directly supporting our health and



fitness community.
Please consider supporting this cause individually, through your business and through your own network of influence. Sharing this gofundme page with your club team and membership (Facebook) would be tremendously appreciated!

[www.gofundme.com/
texas-health-clubs-hurricane-relief](http://www.gofundme.com/texas-health-clubs-hurricane-relief)

Inside The Insider

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- Iron Grip Account Executive, Michelle Gonzalez, Named to the SFIA Future Industry Leaders Scholarship Program for 2017
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- 2017 World Gym Convention Celebrates The Barbell With "Made Of Iron" Theme
- And, of Course, *Norm's Notes*

Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 checking in with our 285th monthly edition!

•Even after being bashed by two major weather events, hurricanes HARVEY and IRMA, I still ask you: **Is America a great country, or what?** God Bless all those lost and suffering from both of these storms, and may those lost Rest In Peace.

•These epic disasters, also known as HURRICANE HARVEY, which hit Houston, Texas and surrounding areas, and HURRICANE IRMA, which hit the entire state of Florida and South Georgia with a vengeance, brought a total of over 75 inches of rain, which along with record winds, destroyed homes and businesses in an enormous portion of the United States. Reports have estimated the damage to be several hundred billion dollars when it is all said and done. I can't remember a time when America has ever been hit this hard by two hurricanes that arrived within a week of each other. Our thoughts and prayers are with all those impacted by these two monster acts of nature. I also want to draw your attention to efforts going on in our industry to raise funds to help our friends in clubs in both regions. Check out Page #3 to see what REX Roundtable leaders, WILL PHILLIPS, EDDIE TOCK and BRENT DARDEN are doing to help. Plus, check out www.clubindustry.com where ANTHONY DOMINIC produced

coverage about hurricane-related happenings at ClubCorp, Lifetime, The Houstonian and the YMCA of Greater Houston. And, a quick look at Dominic's Club Industry reports say that 14 YMCAs in the Houston area have reopened, and ClubCorp, Fit Athletic, The Houstonian, Avenue Fitness Houston Gym, Lifetime and Texas Southern University and the University of Houston campuses have all re-opened.

•Writing in the previous Note of Club Industry's ANTHONY DOMINIC, I'd like to draw your attention to a very nice article he wrote, and Club Industry published on their Website and via their Newsbeat eblast on Wednesday, September 13 about yours truly. The Profile was produced and published in honor of the Club Industry Lifetime Achievement Award they're presenting to me at the Club Industry Show at the Chicago Hilton on October 5, 2017 at 8:45AM. Stay Tuned!

•Club Industry's Newsbeat, which included a profile article about me, had hardly hit the wires before I heard from one of my long-time friends, LOU QUINT, whom I became friends with way back in our NCCA days in the late 1970s! WOW! It's hard to believe it's been that Dadgum long! Lou shared that life is good and that he's living in Portland, Oregon. He also mentioned that he owns a couple of clubs in Wyoming

(www.itsmywac.com) and that he's doing some long-term development and consulting in Nebraska, Washington, Arizona, South Dakota and Florida. After all these years, Lou and I remain of the same mind... as he writes: **"As a consultant, I keep it low key and work with people who want to make America healthier!"** He closed his kind email with something that truly warmed my heart when he wrote: **"Norm, I appreciate you always giving people the credit, but in reality, you have been a driver and a man who had a vision. I am glad the industry is willing to recognize one of our great leaders."** Thanks very much, Lou, and please give my best to your wife, LYNDA!

•Speaking of credit for something, let me mention this. In the aforementioned Club Industry article, the author, ANTHONY DOMINIC, was very thorough in his research and reporting; however, there are some additional and very important Personal Thank You Messages I would like to send in a Special Edition of Norm's Personal Notes. Please check that out beginning on Page #8. One of those is to JOHN McCARTHY. For 25 great years, John McCarthy did an absolutely magnificent job as our IRSAs, then IHRSA, Executive Director, and we could not have found a better man for the job than John McCarthy... even if we had searched for 100 years! We got very lucky to have Big John McCarthy at the helm



Norm Cates

of IHRSA for the first 25 years he ran the Association... that's for sure. And now, our friends, AUGIE and LYNNE NIETO, have had Big John working with them and Augie's Quest for the past 12 years, another extremely valuable effort by John that has helped the Nieto's raise over \$50 million.

•Speaking of AUGIE and LYNNE NIETO, I was very honored and tickled to have recently received the following email written by Augie: "Hi Norm! Hope you had a great summer. We are in the midst of planning our 13th Annual BASH at IHRSA! Mark your calendar for March 23rd in San Diego! I know you'll be there. Our theme this year is 'Hacienda' BASH, (See Norm's Notes Page 7)

About Club Insider

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24 Years and Counting!

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Exercise is Medicine

A Letter From Mike Alpert

By: Mike Alpert

Dear Norm, September 6, 2017

Can you think back to a time when something dramatic changed for you? Something that defined what you really wanted to become or what you wanted to truly do that was meaningful with your life. Something so powerful that it really consumed a lot of what you focused on.

For me, that happened in 1992, one year after we opened *The Athletic Club of Bend* in Bend, Oregon. I was watching a 5-year-old boy, Gabe West, having a great time in our indoor pool, splashing and floating with my help, so happy that he was hugging and kissing me. I saw just a little boy having fun, but others saw the impact that exercise had on him. Gabe had Spina Bifida and was confined to a wheelchair. He was one of many young children who were participating in a program at our club called *Team USABLE Oregon* for severely physically-challenged children. As the program grew, I began thinking about people in general who were struggling with chronic illnesses or chronic injuries. It became an obsession of sorts to think about the impact that regular exercise could have on helping to improve their quality of life and overall health. My passion and focus was defined: to run a world class health club, but also, and most importantly, to help people who were struggling with chronic injuries and chronic illnesses and to use *Exercise as Medicine*.

Then, in 2005, at the IHRSA convention, I had the opportunity to attend a presentation that Julie Main did on her *Cancer Well Fit Program*. After talking with Julie, she agreed to let us borrow her template and customize it for a program we developed in partnership with a local hospital and rebrand it as *The Living Well After Cancer Program*. Today, that 13-week program has helped improve the quality of life for over 900 women and men who are cancer survivors, and it's in its 12th year at The Claremont Club.

In the summer of 2007, a young

man that our family knew was in a terrible accident and left paralyzed from the neck down. We began working with him in a converted racquetball court using weight bearing exercises and constant muscle movement and memory. The success that we had with him convinced us to convert a 3,000 square-foot studio and open it up to spinal cord-injured people. In less than a year and a half, we added an additional 2,100 square feet, and today, we are completing our final expansion, giving us roughly 7,000 square feet and servicing over 100 spinal cord-injured people and people affected by other forms of Neuro Muscular diseases.

Recently, I was able to view a segment on *NBC Cleveland* that featured the success that the *Cleveland Clinic* was having with a cycling program for people who had Parkinson's disease. On September 19th, we will roll out the *Cycling for Parkinson's Program* at

our club.

Earlier this year, with the help of a professional videographer and support from leaders in our industry and the medical community, we produced a documentary on *Exercise is Medicine*. I urge everyone to at least view the 8-minute trailer by going to bit.ly/clubinsider38.

With all the success we have seen daily over the many years with these programs, there was one, huge piece missing, and that was medical studies which produced credible data to support the outcomes. I am ecstatic to tell you that we will now have that missing piece. This month, the *City of Hope*, one of the leading cancer research hospitals in America will be doing an Institutional Review Board-approved (IRB) medical research study on the quality of life and metabolic measures on our *Living Well after Cancer Program*, and Kaiser Permanente (the State's largest health care provider and one



Mike Alpert

of the largest in the USA) will be doing an IRB-approved medical research study on our *Cycling for Parkinson's Program*. Both are being done to support and endorse *Exercise is Medicine*.

Working with **Jim Whitehead**, the *CEO of the American College of Sports Medicine*, a concept letter has been submitted to IHRSA, seeking an endorsement and collaborative/ strategic partnership to move the *Exercise is Medicine* agenda forward for our clubs. The program would direct physicians in your community to refer their patients to your club. IHRSA, ACSM, Club Industry and the AMA would work together to get people active and in your club and would also work with IHRSA to help push legislative bills, like PHIT, forward.

What is needed is a call to action: We need to be together on this important issue. I need your help. If you are interested in endorsing *Exercise is Medicine*, I want you to contact me at malpert@claremontclub.com. As I have said before, it is time to put *HEALTH* back in *Health Clubs*.

Yours in Good Health,

Mike Alpert
President and CEO
The Claremont Club



Make It Fun!

...Norm's Notes

continued from page 4

and my team had a great idea since you have always been so supportive. Instead of doing an ad for the BASH (or in addition to), would you be willing to replace your signature black cowboy hat with a Sombrero in an upcoming issue to promote the Bash? Please say yes! We can send one to your home or office if you'd like. Thanks for your friendship and support, Augie" And, in case you do not know, Augie closes all of his emails with: "I'm typing this email with my feet. Please excuse my typos." I replied to Augie that I would be most happy to wear a Sombrero in a promo photo for the 13th Annual Augie's Quest Bash. What I plan to do is to have the photo taken in time for our upcoming October edition and use it for my Norm's Note Page #4 photo each month until **Bash time, March 23rd**. This will be **FUN!** And, what's going to be **MORE FUN** is when we get the news from Augie and Lynne and Big John McCarthy that we have **WON the WAR on ALS!** So, Stay tuned, folks!

• We're celebrating our **285th monthly edition this month**, and I want to explain something about our **Cover Story this month** and the **Cover Story we're publishing in October**. Importantly, we're about to celebrate the **25th Anniversary of CLUB INSIDER**. So, to wrap up our 24th year of publishing, we wanted to focus intensely and carefully on what our Club Insider Mission is: **"To help the owners and operators of health, racquet and sports clubs professionalize their clubs and gain the trust and business of their community."** To that end, I want to tell you about two very special Cover Stories that you will see this month and next month. Those two Cover Stories are intended to

do what we're always trying to do here at this keyboard and that's to help you make your club(s) better by sharing the great success stories of our Cover Story subjects and the terrific articles every month from our terrific CLUB INSIDER Contributing Author Team (See Page #4 for our Author Team Directory.)

• In this month's edition, our Cover Story contains an in-depth interview with club business entrepreneur extraordinaire, **MIKE BENTON**. Mike is the owner of **The Executive Health and Sports Center** in Manchester, New Hampshire, and he gives us a true **Insider** look at the **GENAVIX Wellness Network**, which author **JUSTIN CATES** has dubbed **"A Model for the Future."** Benton's GENAVIX story will give the advanced veteran club owner achieve a whole new level of production potential... one that brings together several disciplines. As Justin wrote: "The **GENAVIX Wellness Network**, which at its core, is a new business model for our industry that bridges the gaps between health club members, health care practitioners and health insurance carriers. By shifting the health insurance fee paradigm from fee-for-service to fee-for-value, an atmosphere for creating real and measurable results has been created. Now, the facilities that are joining this growing network are experiencing something our industry has been seeking for decades: the **integration of health and fitness facilities, health care practitioners and health insurance carriers into a cohesive system that provides results for the end user.** In short, GENAVIX is the foothold in helping our industry become a real and recognized part of the health care system." Beginning on Page #3, check out this month's **amazing Cover Story and interview with Mike Benton, researched and well written by**

my son, and partner, JUSTIN CATES.

• Then, in our October Edition, our **286th monthly edition**, we'll feature the great story of Canadian, **JEFF RUSSO**, as he celebrates the **20th Anniversary of his Pro Fitness Program company!** It's not often that CLUB INSIDER has been able to find and publish a one-two combination with the punch these two Cover Stories deliver. They are remarkable, not just because in these two amazing and in-depth reports we tell the story of true achievers in our industry, **MIKE BENTON** and **JEFF RUSSO**, but because BOTH of these stories also have *the potential* and

opportunity to help you to improve and expand your club's offerings so that your revenue generation and bottom lines are not just improved a little bit... they have the potential to greatly increase your revenues and bottom lines! Russo comes from the heart with his comments in this amazing October Cover Story. In the following **Norm's Note**, I share a great example of the results that Jeff Russo delivers with his Pro Fitness Program.

Consider our **June 2012 Cover Story** subjects: **JOE ASCH's River Valley Club in Lebanon, New Hampshire**. It's there that *Russo's magic* (See Norm's Notes Page 8)



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A Kind Letter From John McCarthy

Norm and Bill Higgs,

August 18, 2017

The interview that you partnered on has to be one of the best that I have ever read...

The history of Shula's Athletic Club, the stories about the Graham companies, the info about the involvement of Shula and the Dolphins, the evolution of your club... and, above all, your Top Five Lessons that you learned and that Norm passed on.

It is a magnificent piece of writing and a great story, Bill, of your involvement from the ground up... It's got to be one of the best stories that CLUB INSIDER has ever published, and knowing both of you, it was a pure pleasure to read.

Congratulations to both of you!!!

-John McCarthy

...Norm's Notes

continued from page 7

has manifested itself by producing numbers in the personal training revenue department that are nothing short of hard to believe. When Russo first stepped in at the RVC in March of 2000, their Personal Training revenues were coming in at only **\$69,000 a year...** that's right... a meager **\$5,750 per month** generated by *only* four Personal Trainers. Working hard with the RVC Personal Training Department, led by **JENNIFER POLJACIK**, Russo has successfully delivered an increase in Personal Training annual revenues to

\$2.5 million annually, or an astounding **\$208,333 per month**, generated by **34 Personal Trainers!** Double take, EH? Yep... you read that right... that's **\$2.5 million per year in Personal Training revenues at the River Valley Club!** Be sure to check out Jeff Russo's Full Page Ad on Page #19. And, Stay Tuned for our upcoming October 2017 Edition of CLUB INSIDER!

• **JEFF SKEEN**, one of our industry's top club owner - operators, has announced that **The Fitness Connection**, a chain with 37 locations in Texas, North Carolina and Nevada is shifting its corporate structure

into a new management structure with **PHIL HOWARD** being appointed as the new **Fitness Connection CEO**. Skeen, a **Fitness Connection investor**, and **former CEO**, is moving on to pursue his passion of integrating fitness and healthcare. Jeff Skeen commented: "Over the last 26 years, I have been blessed to be an officer and owner of some of the top fitness companies, and I can say with confidence that Fitness Connection's business model is a highly differentiated value proposition in the

fitness space. My association with Fitness Connection has been the highlight of my fitness career. Even though I'm departing from my role as CEO, as an investor, I'm excited that Phil is taking over as CEO and know that the company is in very capable hands." Best wishes Jeff in your new endeavors, and best of luck to **PHIL HOWARD**, now **CEO of The Fitness Connection**. See the **Press Release** on Page #22.

(See Norm's Notes Page 10)

Norm's Personal Notes

• I decided to place this Norm's Note in my reincarnated Norm's Personal Notes because what I'm going to say is both personal and business. First, I want to say a real big and personal **THANK YOU** to **RUSS MARCHIONE** in **Rome, New York**. Russ and I were best friends in Rome when I lived there from **1961 - 1964**. In the summer before my senior year in high school, my Dad's company, **Pratt and Whitney Aircraft**, transferred him to the **Marine Corp Airbase in Cherry Point, North Carolina**. That meant I was going to have to miss my senior year at **Rome Free Academy** where I had spent two years after moving there from Panama City, Florida in the middle of my 9th grade year. It was there that I lost my lifelong nickname, "CHIP," when my new school teacher, **MR. FANTASI**, told me that I would no longer be called Chip but would be called by my name on the card in his hand, **NORMAN!** Talk about a shock... That was the end of CHIP CATES!

Anyway, my friend Russ had a sister, **LORETTA**, who had moved away to go to nursing school, so her bedroom was vacant. **Russ's kind and wonderful Mom and Dad, LORETTA and DOMINICK MARCHIONE**, heard about my plight from Russ, and they invited me to move into their home for my senior year. I was ecstatic because I knew that I would get to play my senior year of football with my **RFA Football Team**, many of whom are **STILL** friends until this day. I went on to be elected **Co-Captain** of the Team with the other Co-Captain being **RICK HARRIS**. Then, sadly, Rick broke his arm in preseason practice, and I ended up being **Captain of the 1963 RFA Football Team**. I went on to be named to the **All Upstate New York All Star Team**, and then, I got a full football scholarship to N.C. State. Neither of these things would have happened had Russ and his beloved Mom and Dad not invited me to live with them. So, this was truly a milestone in my life, and I am forever grateful to my friend Russ and his parents who I KNOW are in Heaven! Being on my own since I was 17, I kind of feel like I was actually better prepared for the world after I got out of high school, had I not had this good fortune of staying in Rome.

• Next, I want to say a great big **THANK YOU** to **PAMELA KUFAHL**, **MARTY McCALLEN** and **ANTHONY DOMINIC** and their team, as well as all of the folks at **Penton Media** for the huge honor they're giving me by naming me as **Club Industry's 2017 Lifetime Achievement Award winner**. To say that receiving this high honor is really **HUGE** for my family and for me... it's truly an honor for the ages that strains the limits of my skills as a wordsmith for a couple of reasons:

Reason #1 is that I am immensely flattered and appreciative of the fact that this very high honor is being given to me by the terrific and kind folks at **Club Industry**, an organization I've tried to keep up with for these almost 25 years that I've been publishing **CLUB INSIDER**. Words are tricky... so I will step carefully here... The fact is that, over these almost 25 years, **CLUB INSIDER** has evolved from being a tiny little **12-page newsletter in November 1993**, which was trying to compete with **Club Industry's glossy Magazine** into a **32-page monthly newspaper** that views **Club Industry** as both a friend and a partner in the challenge of helping club owners and operators make their clubs better and better.

Reason #2 that I'm immensely flattered and appreciative of this honor is that there are only 15 previous winners of this special award, and that list truly looks like a "Who's Who" of the health, racquet and sportsclub industry! I would be remiss were I not to mention every one of them here and now: the late **JOE WEIDER**, the Father of Bodybuilding; my friend, the late **JACK LaLANNE**; the late **JOE GOLD**, the Founder of Gold's Gyms and World Gyms; **JUDI SHEPHERD-MISSET**, the Founder of Jazercise; my friend, **RICK CARO**, the Founder of Management Vision and IHRSA; my friend, **ALAN SCHWARTZ**, the Co-Founder of Midtown Athletic Clubs; **DR. KENNETH COOPER**, the Founder of the Cooper Clinic and creator of the word Aerobic; my friend, the late **JACK LaLANNE**; my friend, the late **CURT BEUSMAN**, Renaissance Man and a Co-founder of IHRSA with Rick and me; my friend, **RED LERILLE**, the Founder of Red's in Lafayette, Louisiana, arguably the world's greatest club operator; and a former Mr. America; my friend, **JOE CIRULLI**, the Founder of the Gainesville Health and Fitness Clubs,

(See Norm's Personal Notes Page 30)

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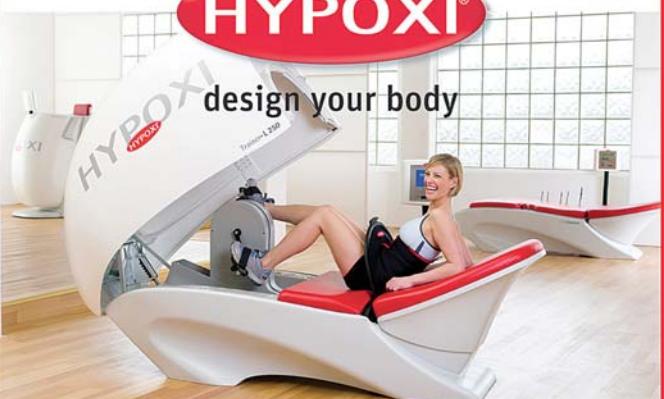
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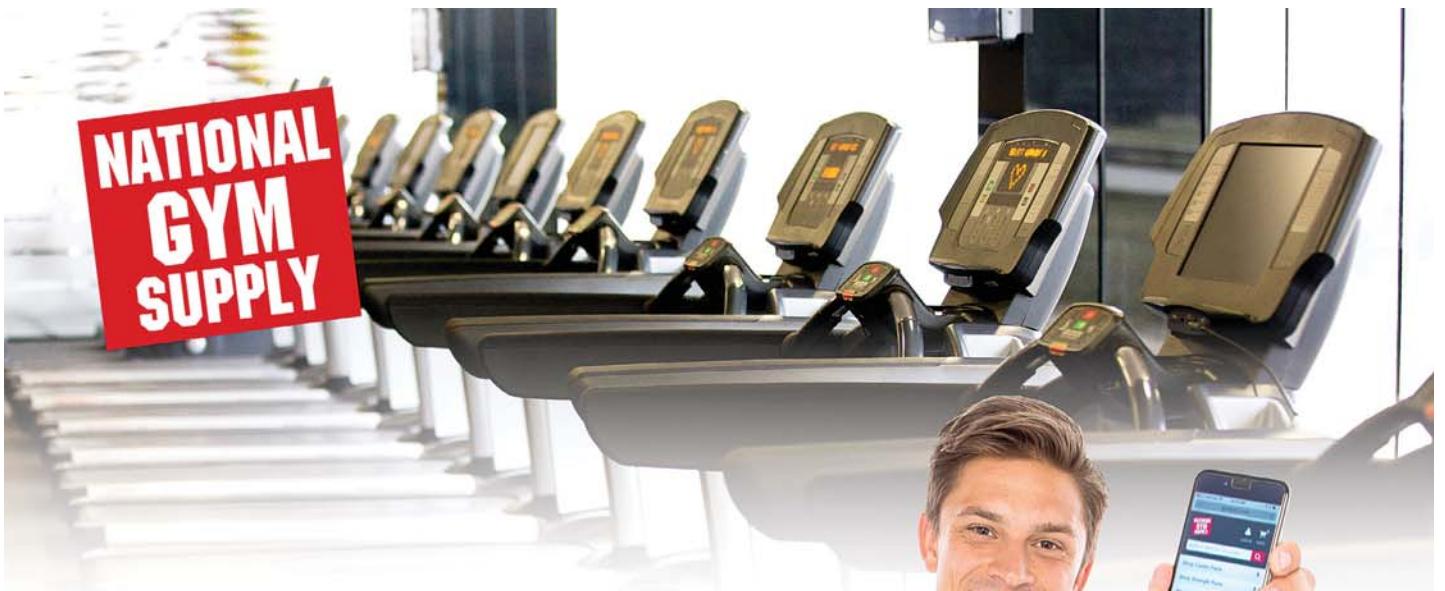
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...Norm's Notes

continued from page 8

• The CAMMILLERI Brothers, GUY, MARCUS and LEO, hosted the World Gym International Convention in Las Vegas, September 6 - 9th. The annual gathering was held at the Mirage Hotel & Casino and attendees included World Gym owners and staff from the United States, Canada, Australia, Russia, Egypt, Mexico, Brazil, India, Lebanon, Taiwan, Costa Rica and the Cayman Islands. "Made of Iron" was the convention theme, and it was chosen to celebrate the return of the barbell, a

core piece of exercise equipment integral to World Gym's signature small group training program, World Gym Athletics. Check out the Press Release on Page #28.

• JUSTIN and I want to say THANK YOU for reading CLUB INSIDER!

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• God bless our troops, airmen and sailors worldwide and keep them safe. Thank you, Congratulations and Welcome Home to all of our troops who've served in Iraq, Afghanistan and around the world. God bless America's

Policemen and Women and keep them safe. God bless you, your family and your club(s). God Bless America!

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 24th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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...GENAVIX

continued from page 3

Benton shares what could be the model of the future: **GENAVIX**.

An Interview With Mike Benton, President & CEO of the GENAVIX Wellness Network

CLUB INSIDER (C.I.) - Mike, it's been almost a year since our interview for the November 2016 Cover Story on Executive Health and Sports Center. Can you give us a brief update about how EHSC is doing (especially related to GENAVIX)?

Mike Benton (MB) - Since we last spoke, our GENAVIX HealthyCARE® Practice has doubled in size. We now have three Wellness Coaches and three full-time Registered Dieticians on staff with a full-time Wellness Director. Our revenues are on track to outpace our personal training revenues, and we are now getting full reimbursement from all major health insurance companies for our one-on-one coaching sessions, and in some cases, our group coaching as well. Our margins across our practice are at 20% greater than our personal training margins, and we are ready to expand to other locations.

C.I. - As we get into our discussion about GENAVIX, can you recap your background in technology and how it is relevant to GENAVIX?

MB - I'm a software engineer by trade, but I have been a health club owner for the last 22 years. I originally founded two successful technology companies, and after selling my interest in them, I looked for a local business to buy. In 1995, I purchased the Executive Health & Sports Center in Manchester, New Hampshire. Today, we now have three facilities, including one facility that is a sports complex with six indoor, turfed fields. As a health club owner, I continued to work in the technology industry as a software product architect and technical director for Digital Equipment Corporation, Compaq Computer and Hewlett Packard. During that time, I became enamored with the fitness industry, but I was always bothered that, as an industry, we could not track the success or return on our customer's investment in our products and services. I was also perplexed as to why we only sold two primary products... memberships and personal training. So, in 2009, I left my responsibilities at Hewlett Packard to co-found GENAVIX, Inc. The primary goal was to address both of the issues I mentioned; however, our mission has since evolved with the evolution of the healthcare industry and its focus on preventative care. We are now primarily focused at driving down healthcare costs through the expansion of our preventative care practices under our HealthyCARE® brand. Over the last eight years, we have invested millions of dollars in the design, development, and deployment of

our technology platform, the GENAVIX HealthyCARE® Network, as well as our turnkey HealthyCARE® preventative care practice.

C.I. - To begin our discussion about GENAVIX, in your own words, can you give us a 10,000-foot view of GENAVIX and what it offers health and fitness club facilities?

MB - Sure, GENAVIX is a network of health clubs, fitness facilities and medical wellness practices that operate our HealthyCARE® preventative care practice. Each Network member owns a covered geographical area and uses our proven business practices/procedures, assessment protocols, programs and technology platform. Our network leverages and merges the fitness community with the medical community to support lifestyle education, support and change. It provides health club or fitness facility owners and operators with a new profit center, which

is a benefit. The HealthyCARE® brand is a true B2B corporate wellness solution that club owners can offer to corporate clients. Each practice provides total population health coverage for their employees that includes engagement technology, assessments, group and one-on-one interventions and maintenance programs while also providing the necessary outcome-based measurement data that corporate clients and health insurance companies demand as an indicator of their ROI.

As a member of the GENAVIX HealthyCARE® Network, health club and fitness facility owners and organizations attract new customers by using traditional medical claims reimbursement methods that are paid by health insurance providers. We (GENAVIX) take care of the claims and billing services as the experts for our network members, so they do not have to be concerned with the requirements and regulations around claims reimbursement.

All of our services combined enable health club owners and organizations to partner with health insurance brokers, and/or, to sell HealthyCARE® services directly to employers in their areas. All of this grows our traditional membership base by creating differentiated value and attracting a much larger population to our doors, independent of membership, that later join after experiencing the value of both our offerings.

C.I. - What are the benefits GENAVIX and HealthyCARE® provide to end users?

MB - Our business model, practice management and technology platform are integrated to support the four pillars of a successful HealthyCARE® practice, which are **Engagement, Assessment, Intervention and Maintenance Programs**. But, to the end user, it's all about their customized plan. Each individual's plan is created, managed and tracked in

(See GENAVIX Page 14)



- Establish a Preventive Care Practice to grow new revenues and memberships
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...GENAVIX

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our technology platform. This is done in conjunction with our practice locally or virtually over our portal. The plan is developed based on the individual's goals and evolves when working with a Wellness Coach, Personal Trainer and Registered Dietician (as a team) to properly assess each individual and start them on their customized journey for better health and wellbeing. Our assessment protocol includes all of the necessary biomarkers to assess an individual's health risks. We screen for elevated risk factors and lifestyle issues that impact health. We then provide customized interventions with the creation of the user wellness plan (managed on our technology platform) and connect users to both individual and group coaching sessions based on desire and need. The collective focus of a user's customized plan is on fitness, nutrition, lifestyle/stress and behavior change.

In a case study of 450 participants, the average participant lost 15.1 pounds in the first 90 days; however, we are not a weight loss program, but rather, a comprehensive wellness offering and solution. In fact, some of our clients in the Network seek to gain weight and lean muscle mass. We also help athletes who are training and require sports nutrition and fitness training plans specific to their goals, all of which leads to injury prevention and further assists the employer with the reduction of healthcare claims.

C.I. - You mentioned coverage by all the major health insurance companies. How are insurers responding to the GENAVIX Wellness Network?

MB - Exercise, proper nutrition and balanced lifestyle are recognized forms of medicine. The fact that we measure outcomes, provide data, and now, have a fee-for-value pricing model means employers and insurers pay us more when participants get results. Our technology, programs and services are proven, and we provide certified pre- and post-program measurements for participants, as well as performance metrics for our practitioners in each facility in our network. All of this has attracted the attention of national health insurers who we are currently working to build out in-network facilities and providers, so that they can meet the mandated preventative requirements of their health plans.

C.I. - What triggered the concept for GENAVIX and its need? How did you research it and over what period of time?

MB - We simply wanted to find a way to create new products and to report on the success and progress of the other 83% of the population that does not want to become a member of a fitness facility. Our research was driven, in part, by our attrition rate after the founding Planet Fitness opened up in 2003, just two and half miles away from

our facility. We knew we had to offer more, and we had to attract new market share. Thanks to GENAVIX and HealthyCARE®, we are growing and expanding, and we are making higher margins by managing and improving the quality of our members' lives versus only selling memberships. We are truly differentiated compared to other local health clubs and studios.

C.I. - In our previous interview, in which we only touched on GENAVIX, you mentioned that the confluence of things such as the Affordable Care Act, especially as it relates to employer-paid coverage, and technology has created an atmosphere in which GENAVIX is very relevant and set to expand in the future. Please tell us about that.

MB - Yes, at this point, repeal or replacement of the ACA no longer matters. The agreed upon approach to drive down healthcare costs is to focus on preventative care, improved patient outcomes and improved affordability through fee-for-value vs fee-for-service payment models. With this increased focus on preventative care, our industry is poised to become a much larger player in the healthcare continuum and the support of healthcare cost reduction. However, the fitness industry must evolve and add new skill sets and business practices, which is what GENAVIX is focused on helping the industry do. Our assessment protocols and practices will drive early detection and remediation of poor health risk factors inside our facilities. There is no better industry or infrastructure

to provide the preventative care services to our communities, employers, insurance companies and providers than ours.

C.I. - Please describe in more detail the roles of the insurance carriers, employers, government, medical practitioners, etc.

MB - Simply, due to healthcare reform, all of the parties you mentioned have a vested interest to reduce the cost of healthcare. Also, insurance carriers have a legal requirement to provide reimbursement for preventative care. That said, they are all looking for solutions to reduce the cost of healthcare, and GENAVIX and the HealthyCARE® network are positioned to scale as a solution for them.

C.I. - Also, as you previously mentioned, this is shifting the paradigm from *Fee for Service* to *Fee for Value*. Can you define those for us? Why is this shift so important in creating results? And, where does the health and fitness club industry fit in?

MB - Of course. Fee-for-service is when a health insurance plan pays a provider for performing a service. The payment is rendered regardless of any type of patient outcome, good or bad. Fee-for-value is when a health insurance plan pays a provider based on the *outcome* of the services provided. This is monumental in creating accountability and results. Basically, the better the outcome, the better the payment. And, the application for the health and fitness industry is that, when we help insurers, providers and employers work to improve health outcomes and

reduce medical costs. We will share in the rewards through payments from the premiums they collect, provided we can repurpose and restructure to support preventative care services. As a company, our primary mission is to provide our industry with the technology, practices, programs and services to quickly establish and monetize a preventative care practice inside the four walls of a fitness or wellness facility.

C.I. - How many facilities are now in the GENAVIX Wellness Network? If applicable, who are some of your key players in the network?

MB - We are predominantly a network of facilities in the Northeast; however, we are growing significantly beyond our founding base. The more pervasive we are as a network, the more value we create for each individual member. This fall, we will announce a new *national* partnership that we just signed last month. We are actually in the process of on-boarding now. This partnership will significantly increase the number of facilities, but more importantly, our national coverage. Our job at GENAVIX is to continue providing the network with the consultations, technology, billing, integration, program/assessment evolution, training, certification, reporting and network-wide marketing. When each facility implements our HealthyCARE® practice management system and delivers outstanding results, facility and network growth soon follows.

We stopped counting facilities and are now focused on reporting on revenue, margins and results. Revenues and margins have increased now that we are receiving insurance reimbursements and are offering a fully-developed, turnkey practice management solution. Some of the more successful operators in our New England network are: The Edge in Vermont, Saco Sports and Fitness in Maine, The Thoreau Club in Massachusetts, The Works in New Hampshire and many other facilities in New England, including the founding facility, the Executive Health & Sports Center in Manchester, New Hampshire. The three newest members of our network are the Atlantic Club in New Jersey, the Elite Clubs in Wisconsin and Newtown Athletic Club in Pennsylvania.

C.I. - Is there a feedback loop among your member clubs to create system-wide learning, improvement and growth? If so, how does this occur?

MB - Yes, we have established a Network Advisory Board. This Board is made up of elected members in the network, along with an Executive Committee. We meet monthly as an Executive Committee and semi-annually as a Board where all new requirements and feedback are captured, discussed and managed for the improvement of the network. We also discuss the evolution of the practice and future partnerships and alliances.

(See GENAVIX Page 16)



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...GENAVIX

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C.I. - As growth is ramping up, how do you go about attracting new clubs to the network? Where do you foresee GENAVIX in a year's time?

MB - Presently, we are looking for solid operators, and we work with our industry advisors and our existing network owners to recommend facilities. We want to ensure owner/operators have the capability to establish and successfully run a practice, so there is a due diligence process that takes place with each club interested in joining the network. As mentioned earlier, we've recently evolved our business model and technology platform to attract the larger fitness chains and operators. The larger organizations give us the ability to build out the network faster, which is what the national health insurance companies want and need to establish in-network providers for their preventative healthcare mandates.

C.I. - Within the network, how do member clubs go about creating and building the B2B relationships necessary to fuel the program?

MB - This is part of our practice management, and we have a complete engagement and corporate sales training program that allows an operator to enter their community with our new value proposition as a true corporate wellness solution. Employers don't just want to use their wellness budgets to buy memberships for their employees. Instead, they want value, outcomes and results through health risk assessments and immediate interventions for improvement. That said, club owners and operators must be willing to move their sales efforts outside of their four walls and into their community. This allows them to grow new corporate business as a wellness provider offering a comprehensive wellness solution rather than just a discounted membership.

C.I. - We've already discussed that technology is a key component of GENAVIX. Can you describe in which ways

your web portal is used by the various user groups who have access (member, wellness coach, registered dietitian, employer, etc.)? **MB** - Our technology platform is not sold as a software as a service (SAAS) solution in the open market; it's an integrated part of our preventative practice, and you must be a member of the HealthyCARE®

network and manage a HealthyCARE® practice to be licensed to use it. We have multiple user types that are supported by our platform: Administration, Sales, Coaches, Practitioners, Clients, Providers and Content Managers. All users are given the necessary tools and capabilities to manage the practice as well as clients, employers and providers at the local, regional and national level. Our technology provides a full-service solution for all of our network members including the billing, which is handled by our corporate staff. Our platform has also gone through the IT vetting process with a national payer and has been approved and certified by that insurance provider as both HIPAA and PHI compliant. There are lots of companies and technologies that claim to be HIPAA compliant, but the rigor and cost associated with HIPAA compliance is typically a barrier that many have not overcome. We've made the investment and can truly say we are compliant.

C.I. - I'd be remiss if I didn't bring up some of GENAVIX's programs, such as the 90 Day Commit to Get Fit Program and Semi-Annual and Annual Wellness Assessments. Please tell us about those, where they fit into the model and their importance.

MB - We have re-branded the 90 Day Commit to Get Fit program and assessments to the HealthyCARE® 90 Day Program and the HealthyCARE® Assessment. We are currently working on developing additional HealthyCARE® programs, and we also offer the HealthyCARE® Diabetes

Prevention Program (DPP) in concert with CMS. Network-wide, our 90-day program has over 7,000 alumni to date and growing with outstanding results and data.

C.I. - It has become common knowledge that healthcare and the wellness of the population is going to be a key issue for the foreseeable future. Please share the vision of GENAVIX headed forward in the next 3 - 5 years and what you expect to see and

are working toward.

MB - Our mission as a company and a network is to drive down the cost of healthcare. We will do this by establishing community-based preventative care practices within fitness and healthcare facilities nationally. We will deliver and measure assessments, education programs and services with sustained improvement for elevated health risk factors.

(See GENAVIX Page 18)

Comments From Scott Gillespie

CLUB INSIDER caught up with **Scott Gillespie**, *President of Saco Sport & Fitness in Saco, Maine*, to learn about his experience with GENAVIX.

CLUB INSIDER (C.I.) - When and how did you hear about Genavix, and then, get involved with the network? What did the process entail?

Scott Gillespie (SG) - About three years ago, I was approached by Rick Caro and Mike Benton introducing me to a wellness program that could potentially dramatically grow my business. We had already made the decision to enter the wellness world a few years earlier and had developed an in-house program that was growing nicely, so there seemed to be a synergy worth exploring. After hearing about the results the program had been getting in other clubs, analyzing the format of delivery, the curriculum of the program and learning about the multiple ways it could help us better serve existing members, reach new members, it seemed like a great addition to our business and strategic analysis, it made perfect sense.



C.I. - Can you paint a brief before and after picture of your business as it relates to joining the GENAVIX Network?

SG - Before we launched the Genavix Program, our wellness initiatives were serviced primarily by personal trainers who had additional training in nutrition and behavior change, and all of our programming was one-on-one. At that time, we were enrolling about 25% of all new members into some kind of paid support program (mostly PT), and 100% of those program fees were paid out of pocket by the client. Two years later, we are enrolling 50% of all new members into a variety of paid support programs including The HealthyCARE® 90 Day Commit to Get Fit Program, our own 'Momentum' Individual Wellness Program, Personal and Team Training and individual RD Counseling.

We employ four Wellness Coaches, four Registered Dieticians and are successfully billing all the major insurers of the state for the majority of our wellness income. As a profit center, it will likely catch our Personal Training department by the end of 2018. It has opened doors to corporations willing to invest in their employees' wellness, increased our credibility with the medical community and reached a group of our market who are not interested in a traditional membership but are very interested in a turn-key wellness program. Lastly, our retention has taken a very nice jump due to the extra support we are providing more new members with our 'menu' of support programs, of which the GENAVIX program is a major contributor!

C.I. - What advice would you give to prospective club owners looking to become involved with GENAVIX?

SG - If a club is looking for a quick, easy profit fix, this is likely not the answer they are looking for. They should understand and embrace the idea that, to make the program work, it must be a strategic decision that fits with the club's mission. To be successful with the program requires complete buy-in from all club leadership and their teams. I would recommend they take the time to properly engage key staff and educate all staff on how the program fits in their club as it takes a significant and sustained staff commitment to launch and grow the program. For the club that is committed to better member outcomes, wants to and has the ability to serve new markets, can embrace an evolving and more thorough member onboarding process and has an engaged team excited to grow, this program is a game changer!



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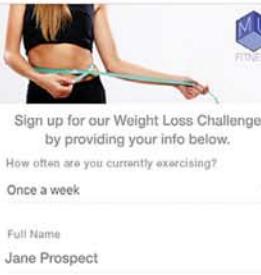
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...GENAVIX

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Participation by individuals and families with individual accountability will bring a reduction in their individual footprint cost in healthcare. This will be done in several ways including our shared risk model where the client and the facility are paid more by an employer or insurance plan, and in some cases, a broker for initial and sustained results. In short, we are building a national preventative care network to be leveraged by the healthcare insurance industry for the reduction of healthcare costs, and we are well on our way!

C.I. - From a more macro view, where do you see the health and fitness club industry 3 - 5 years from now in an environment where something like GENAVIX exists? Why should all clubs be more informed about the wellness direction?

MB - We are in the initial stages of an emerging industry that will focus on lifestyle, behavioral and preventative care. As an industry, we are poised to play a large role if we are willing to evolve and look well beyond our traditional membership and personal training business model. Certainly, there will always be a place for our traditional model, but this model will eventually be relegated to servicing 17% of the population we currently serve

today. The other 83% of customers will be serviced by preventative care practices that also offer fitness memberships. These facilities will be focused on delivering value and outcome-based results. The rules have changed in healthcare, and independent of the ACA, prevention is here to stay. Providers are now, and will continue to be, reimbursed for solutions that work. Our revenue will grow through insurance reimbursement, which will lead to increased market share as we provide positive impact on health and wellbeing across our network.

C.I. - To close out this informative interview, for prospective health and fitness club owners/managers, what can they do to learn more about you, GENAVIX and how to get started?

MB - They can contact us at GENAVIX.com or me at Mbenton@genavix.com. We will also be at Club Industry this October in Chicago and will be doing a one-hour information session at **4:00PM** on **Wednesday, October 4th** in the **Joliet Room** on the **3rd floor of the Hilton**. Please RSVP at RSVP@GENAVIX.COM as space is limited.

• • •

Change is required, and things are changing; we can all sense it. GENAVIX is an emerging model that is truly mending the gaps we know exist between the health and fitness club industry, medical practitioners and insurance providers. It is worth a look, so I invite you to visit www.genavix.com to learn more. To close, I want to thank **Mike Benton** for his generous use of time to share this story. Thank you also to **Scott Gillespie** for contributing his testimonial.

(Justin Cates is the Assistant Publisher of CLUB INSIDER and grew up in the health and fitness club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home that doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 32 years, since his own day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)



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The Pro Fitness Program has been designed to accommodate clubs of all sizes and price points.

The following is a representation of current clients and references are available from each club upon request.

Adventure 212 Fitness (36,000 sq ft), WI | Pumps Fitness (12,000 sq ft), MA | River Valley Club (86,000 sq ft), NH

Performance Health (6,000 sq ft), Ontario | Spartanburg Athletic Club (25,000 sq ft), SC | Penfield Fitness (40,000 sq ft), NY

Cederdale Fitness (180,000 sq ft), MA | Fitness Firm (12,000 sq ft), Ontario | Franklin Athletic Club (230,000 sq ft), MI

Blush Fitness (12,000 sq ft), KS | Latitude Sports Clubs (80,000 sq ft) MA | RPM Total Fitness (12,000 sq ft), Ontario

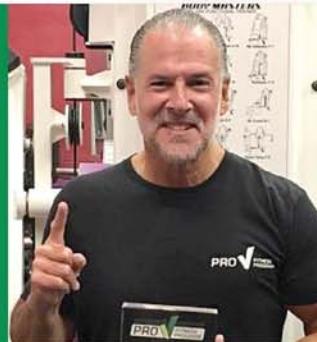
Program Highlights and Details:

- ✓ Web based software executes all aspects of PT including purchases, performance, scheduling and payroll.
- ✓ In-club training and unlimited support for all PT related sales and service positions.
- ✓ Dramatically increases revenue as many facilities now derive nearly 49% of all revenue from PT.
- ✓ Ensures overall profit margins average well over 40%.
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- ✓ Limited up-front financial cost as clubs pay for program on a monthly basis.
- ✓ Utilizes club's existing staff and club retains full control over all financial transactions.



"Before we implemented the program we only had enough demand for a handful of trainers. For the past 16 years we followed the program to a tee and experienced tremendous growth. We now have 34 trainers and last year grossed 2.2 million in PT sales. I would highly recommend this program to any club!"

Jen Poljacik – CEO, River Valley Club



"I tried every which way to make money in 1 to 1 training and failed miserably. We implemented the Pro Fitness Program and in the past 2 years our 1200 member club grossed nearly 1.7 million in revenue. Our staff loves the program, the margins are incredible and the upfront costs are minimal!"

Al Tassel – Owner, Pumps Fitness



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Seven *MUSTS* for a Healthy Draft

By: Melissa Knowles

The monthly EFT draft is the lifeblood of most fitness businesses. You put in the work to grow your member base and achieve your business model's goal for recurring revenue. When you finally attain it, you breathe a little easier. The draft is there like a big blanket, keeping

your business warm and cozy during the coldest nights. Or, as is generally the case in fitness, the slower sales months of summer. Something so precious to your business should always be top of mind. You should nurture it with new sales (obvious), mind your cancellations (still obvious) and ensure you have a good system in place to pick up missed monthly

payments (totally obvious, right?). That last piece is where this article will focus. Because, while obvious, chasing past due payments is something that frequently falls by the wayside for many fitness businesses. Somewhere between driving new sales and running your club, this vital process gets relegated to a task on the front desk staff's daily task list. Maybe it gets done; likely, it doesn't.

A healthy draft requires a systematic approach and constant work. Our Past Due Communications Team here at GYM HQ works with successful ClubReady clients across the country to ensure no member is left behind! But, if you're stuck tackling the chore yourself, here are seven key steps to ensuring your hard-earned draft doesn't slip through the cracks:

An ounce of prevention is worth a pound of cure. The absolute best way to maintain a healthy draft is to prevent past due payments from ever occurring. Ensure that *good* billing information is captured at point of sale. If your billing system allows for two payment methods (ACH and credit card), obtain both. Inquire if your system or merchant provider can set you up with an account updater service. This will help pick up the new card data for many cards (due to changes in card number or expiration date).

Make sure you can reach all your members. Capture ALL contact information from ALL members at point of sale. In order to clear up a past due balance or update billing information, you must be able to get in touch with the member. It's also a great idea to run member rosters from time-to-time and spot-check the data. Is your team filling in real email addresses or are they using *na@na.com*? Are they capturing cell numbers? The more contact points available, the more pathways you have for resolution.

Have a system and schedule for contacts. How often will you contact your members? After how many days past due? For how long? How will you make contact (email, phone, letter, SMS)? What will your message be? In business, everything needs a process, and this is no different. To be effective, it should be clearly mapped out and followed consistently. This includes considering which team member(s) is/are responsible for making the contacts. Dependable, consistent contact provides the best chances of successful resolution.

Trust but verify. Once you have a system in place, it can't be "set it and forget it." Just like any other task you assign your team, it's going to require some degree



Melissa Knowles

of monitoring and oversight. How do you know calls are being made? Insist that your staff notate all contacts on the members' accounts. This way, you can audit the process anytime you'd like.

More contacts x more ways = more money. Phone calls are great, but some people respond better to other channels. Text is a great tool, as most of your members always have their cells in hand! A personalized email explaining the amount due and who to contact to make payment can also be effective. Make sure your team is utilizing all methods of contact to maximize the impact.

Start early. Why allow a past due payment to languish for weeks on end? The longer a balance ages, the smaller your chances are at resolving it. Your process should start outreach within the first few days of the missed payment. *The golden rule in successful billing resolution is contact early and often.*

Consider outsourcing. Numerous club management software providers offer billing support as an additional service. This is well worth exploring. While prices can seem prohibitive at first glance, the amount of draft saved and the missed payments collected generally far outweighs the costs! Many operators find it challenging to micromanage the process internally. Staff members aren't incentivized to succeed, and it takes away from new sales. Outsourcing the process eliminates this headache. Regardless of who is minding your draft, what's ultimately important is that these past due accounts are receiving attention.

Bonus: Utilize a collections firm for later stage balances. After 90 to 120 days, the soft approach used by your team or the software/billing company has lost its *(See Melissa Knowles Page 21)*



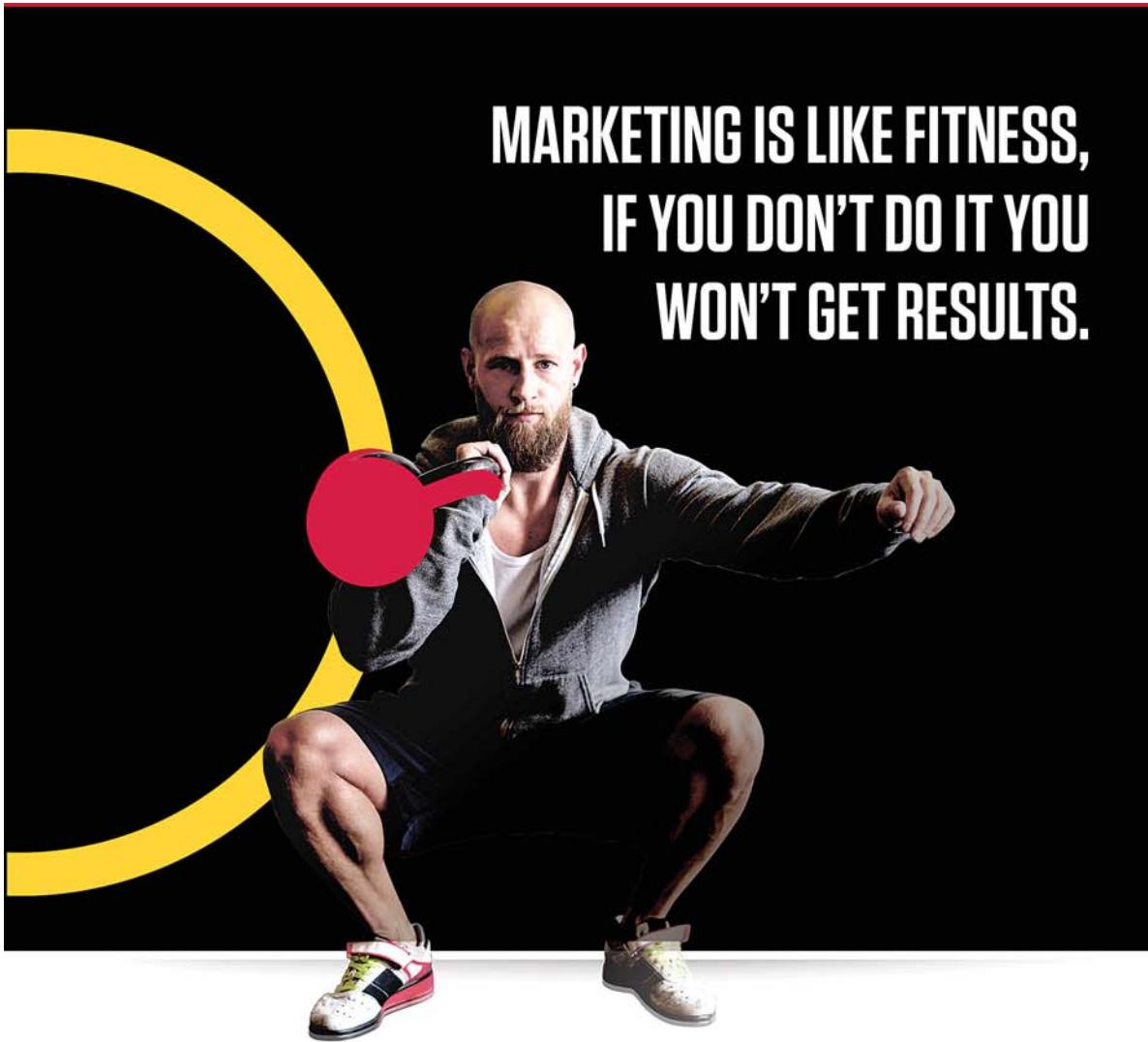
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...Melissa Knowles
continued from page 20

impact. Every effective process needs a closed loop. For past due members, this is determining when to walk away. There are varying opinions on the use of collections agencies. Many owners would rather write off the loss than deal with the fallout from heavy handed collectors. However, the right firm can be effective and help return some of that lost revenue back to your bottom line! Consider these key factors when selecting an agency:

- 1. Skip those who charge a fee when you remove someone from collections.** You should always be able to pull a former member who is causing bad press for your club or who wants to come back into the fold without a fee being associated with it!
- 2. Ask your trusted fitness network for references.** The sales guy will always tell you they're the best. An owner will be honest about performance and any issues they've had with agencies.
- 3. Ensure you can reach an account manager.** Will you have a direct point of contact when you have an urgent question? Will they be responsive?

It all boils down to people (who're working the accounts), process (how they're working the accounts) and profit (retain more of that hard-earned revenue). Want to talk past dues? Shoot me an email, and I'll be happy to help or connect you to someone else who can! Tasks others loathe, we love at GYM HQ.

(Melissa Knowles is Vice President of Gym HQ and can be reached at MKnowles@gymhq.club.)

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How Does Your Leadership Team Stack Up?

By: Dr. Art Curtis

Why do some club companies continuously prosper while others underperform? This is a question that I have frequently looked at during my years in the club industry. I have been fortunate to have had the opportunity to be involved in many due diligence processes and the ultimate acquisition of dozens of clubs. The diligence processes gave me the opportunity to take a deep dive into the performance of a wide variety of clubs and business models, from the highest of the high end to the high-value/low-price (HV/LP) gyms that have been growing so rapidly for the past decade.

These businesses were on the market for a variety of reasons. Some were very strong performers and were looking to gain access to additional capital for growth or to provide an exit for the current ownership. Others were underperformers and were on the market in hopes of finding a solution to their underperformance. Acquisitions of the strong performers were frequently made when there were good potential growth opportunities and/or if they would further strengthen the acquirer's business by adding new markets, best practices and talent. Acquisitions were also sometimes made from among the poorer performers if the business was not terminal and the acquirer saw real opportunities to turn around the business performance and create value with the application of the right strategy, strong leadership and proper resources.

So, what are the characteristics that separated the performers from the underperformers? Certainly, there are very specific reasons for each situation where a club underperformed, i.e., poor customer service, deferred maintenance, lack of effective marketing, outdated programs and services, weak frontline staff, unable to effectively recognize and respond to new competition, to name a few. But, looking back, these were simply symptoms and not the root cause of the poor performance. In my view, the root cause of the poor performance and what differentiated the top performers from the poor performers could be traced back to the capability of the respective Leadership Teams.

Different organizations may define their Leadership Teams in different ways. For purposes of this discussion, I am referring to the relatively small group of individuals that occupy the very top spots on the club company's organizational chart. These could include the C-level or VP positions in a larger multunit club company and/or the heads of the various key functional areas of a single club. They are the relatively small group of top decision makers of the organization

who are responsible for developing and executing the strategic direction of the company. They are responsible for the policies and procedures necessary to direct the managers, supervisors and staff to accomplish the work necessary to achieve the objectives of the business. Further, they are responsible for keeping the organization focused and allocating resources within the organization.

Where there was a capable *Leadership Team* in place that *worked well together*, they were much more likely to be able to identify an appropriate strategic direction, assemble the necessary talent and resources and provide the focus needed to execute their plan. Those with weak leadership at the top, no matter how much talent existed elsewhere in the organization, tended to flounder, especially as the competitive environment continuously evolved around them. So, what were some of the characteristics of strong Leadership Teams? Here are a few of my observations:

- The leader of the team, in many cases the Founder, was very self-aware. He or she had the ability to be objective about their capabilities and were willing to acquire the necessary talent at the top to complement their abilities and share responsibility.

- Members of the Leadership Team understand that the role of a leader is not to do everything himself but to effectively lead others to accomplish great things. While someone may have earned his spot on the Leadership Team because he demonstrated the ability to "get things done," he did not remain on the team unless he continuously demonstrated his ability to lead others in getting even more things accomplished. Those teams also tended to exhibit a high degree of emotional intelligence in working with their staffs.

- The best teams detested the *status quo* and were constantly looking for better approaches to remaining relevant and successful in our rapidly evolving industry. They frequently did this by being lifelong learners, attending seminars, reading professional journals, networking with other industry professionals and looking for successes in other industries that could be transferable. They resisted becoming too set in their ways. You would not likely ever hear them say, "but we have always done it this way." They never assume that, just because it was done a certain way in the past, it will work as well in the future.

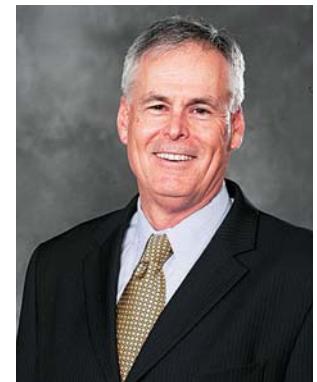
- They are relentless in their focus on the customer vs. not becoming overly focused on the internal mechanics of running the company for the sake of the company by

making sure all the boxes are checked off. Rather, they have the ability to focus on how to evolve the company to meet the evolving needs of their core customers without trying to be "all things to all people."

- They are constantly studying industry trends and the competition in order to remain at least one step ahead. They are not afraid to take action to mitigate a competitive threat before they have lost market share. Just think of all the undifferentiated mid-market clubs 10-15 years ago that did not take the time to consider the potential impact of the emerging HV/LP gym model and chose to ignore it until it was too late. Or, the traditional multipurpose clubs that did not consider the different wants and needs of the emerging millennial market and were caught flatfooted by the explosion of a wide variety of new single purpose studio concepts.

- They hold themselves and others on the team accountable for their actions. They are not afraid to make changes on the Leadership Team if a team member is not carrying his share of the load or if the demands of a Leadership Team member's role grow beyond his capabilities.

So, how does your Leadership



Dr. Art Curtis

Team stack up? In today's highly competitive environment for clubs, you simply cannot afford to have weak links on your Leadership Team and expect to remain successful. Are all the members of your Leadership Team up to the challenge? If not, what are you going to do about it?

(*Art Curtis, Ph.D. is President of Curtis Club Advisors, LLA and an industry veteran. Art has twice served as an IHRSA Board Member and President of the Association. Art may be reached at art@curtisclubadvisors.com or by calling 203-314-9264.*)

Fitness Connection Poised for Growth By Merging Management Teams

DALLAS, TX - Fitness Connection has centralized its ownership and management team to create one, unified brand. By combining resources as one company, the group plans to accelerate growth and new store openings. Previously, the health club chain split management of its over 40 locations in Texas, North Carolina and Nevada but shared alignment on key business operations, marketing and advertising.

The leadership team has also organized the brand into a new management structure with **Phil Howard** appointed as *CEO*. **Jeff Skeen**, a partner in *Fitness Connection* and the previous *CEO*, is transitioning out of the role to pursue his passion of integrating fitness and healthcare.

"Over the last 26 years, I have been blessed to be an officer and owner of some of the top fitness companies, and I can say with confidence that Fitness

Connection's business model is a highly differentiated value proposition in the fitness space. My association with Fitness Connection has been the highlight of my fitness career," said Mr. Skeen. "Even though I'm departing, as an investor, I'm excited that Phil is taking over as CEO and know that the company is in very capable hands."

Mr. Howard added: "Each member of our restructured management team has more than 20 years of experience in the fitness industry. I'm both humbled and honored to be surrounded by such a passionate and talented team. I would argue that this merger brings together the most talented team in our industry. Our model and products set us apart from our competitors; however, our true strength is the experience, passion and commitment of our executive team."

Learn more about by going to www.fitnessconnection.com.

Federal Court Strikes Down Final Rule

By: Paul R. Bedard, Esquire

In last September's issue of **CLUB INSIDER**, I wrote about the *Fair Labor Standards Act's (FLSA) Final Rule*: impending legislation that was, at that time, scheduled to take effect on December 1, 2016. Last September's article focused on how health club owners and operators could prepare for this significant new legislation. However, in November of 2016, Judge Amos L. Mazzant of the U.S. District Court for the Eastern District of Texas stalled this legislation when he issued a preliminary injunction. Following this injunction, the Department of Labor (DOL) promptly filed an appeal, and the Fifth Circuit Court of Appeals is scheduled to hear oral arguments later this year. In the meantime, business owners and operators have been left in a state of limbo on this issue.

Recently, the same judge who issued last year's preliminary injunction ruled that the DOL had exceeded its authority and had overreached with the Final Rule. With Judge Mazzant dealing yet another blow to this overtime legislation, health club owners and operators have reason to feel optimistic that there will ultimately be an outcome that is favorable to their interests. However, there will be further legal developments that will need to be closely monitored.

This article is not intended as legal advice. Rather, it is intended to inform health club owners and operators of the latest legal developments as they relate to overtime pay regulations. Widely varying state and local labor laws and case precedents specific to each jurisdiction prohibit one-size-fits-all recommendations. Please consider these comments as merely a guide to help you when you consult your attorney for specific direction.

A Brief History of Overtime Regulations

The FLSA was enacted in 1938. The FLSA mandates that employees are paid overtime when working in excess of forty (40) hours per week unless they are classified as exempt employees. When enacted, the FLSA contained numerous exemptions to the overtime requirement including, "any employee employed in a bona fide executive, administrative or professional capacity." Although the FLSA did not define these terms, Congress delegated to the Secretary of Labor the authority to define these terms through regulations. The Secretary of Labor

authorized the DOL to issue regulations that interpret the executive, administrative or professional (EAP) exemption.

The DOL amended the regulations in 1949. The "long" test and the "short" test were established for determining whether an employee qualified for the EAP exemption. As Judge Mazzant explained within his recent decision, "The long test combined a low minimum salary level with a rigorous duties test, which restricted the amount of nonexempt work an employee could do to remain exempt. The short test combined a high minimum salary level with an easier duties test that did not restrict amounts of nonexempt work."

In 2004, the DOL replaced the long and short tests with a duties test. The duties test, which is still in effect today, does not restrict the number of nonexempt hours an exempt employee can work. With the duties test, the DOL set the salary level equal to the lower minimum salary that was used for the long test. As far as the duties test is concerned, employees may qualify for executive exemption for duties, such as managing the business or a department thereof; regularly directing the work of two full-time employees or their equivalent; having the authority to hire or fire employees; or being able to provide meaningful input as to the hiring, firing, advancement, promotion or any other change of status of other employees.

In 2014, President Obama directed the DOL to update the laws governing the exemption of EAP employees from the minimum wage and overtime pay protections of the FLSA. In response to the President's directive, the DOL published a Notice of Proposed Rulemaking and received more than 293,000 comments on the proposed legislation before publishing the Final Rule on May 23, 2016. The Final Rule did not change the duties test. However, the salary level test was dramatically altered.

As most owners and operators are now well aware, implementation of the Final Rule would dramatically increase the standard salary level for exempt employees from the current \$455 per week to \$913 per week (from \$23,660 to \$47,476 annually). The proposed standard salary level is tied to the 40th percentile of all salaried employees in the lowest-wage region of the U.S., currently the South. The Final Rule tracks this 40th percentile baseline and establishes automatic adjustments to the proposed salary level every three years, beginning January 1, 2020.

The Latest Ruling

Judge Mazzant opined that the DOL had overreached with the Final Rule. In particular, Judge Mazzant asserted that the magnitude of the increase of the standard salary level would overemphasize the salary level prong of the test while effectively eliminating the duties prong of the test. "Specifically, the Department's authority is limited to determining the essential qualities of, precise signification of, or marking the limits of those 'bona fide executive, administrative or professional capacity' employees who perform exempt duties and should be

exempt from overtime pay. With this said, the Department does not have the authority to use a salary level test that will effectively eliminate the duties test . . . nor does the Department have the authority to categorically exclude those who perform 'bona fide executive, administrative or professional capacity' duties based on salary level alone . . . The Final Rule more than doubles the Department's previous minimum salary level, increasing it from \$455 per week (\$23,660 annually) to \$913 per week (\$47,476 annually). This significant increase would essentially make an employee's duties, functions or tasks irrelevant if the employee's salary falls below the new minimum salary level. As a result, entire categories of previously exempt employees who perform 'bona fide executive, administrative or professional capacity' duties would now qualify for the EAP exemption based on salary alone."

Judge Mazzant went on to elaborate regarding Congress's intent with the EAP exemption. "This is not what Congress intended with the EAP exemption. Congress unambiguously directed the Department to exempt from overtime pay employees who perform 'bona fide executive, administrative or professional capacity' duties. However, the Department creates a Final Rule that makes overtime status depend predominately on a minimum salary level, thereby supplanting an analysis of an employee's job duties." Judge Mazzant further declared that the automatic adjustments to the minimum salary level every three years were also unlawful.

What Potential Developments Remain?

Although health club owners and operators have reason to feel optimistic, only time will tell how this will all play out. The DOL continues to seek public comment. Therefore, it is certainly



Paul R. Bedard, Esquire

plausible that an increased, albeit more moderate, salary threshold could be proposed. And, although unlikely, there is also the possibility of an appeal of the recent ruling. Furthermore, worker advocacy groups will certainly evaluate what strategies to employ going forward once they have had a chance to fully digest the recent court decision. However, for now, the current \$455 per week salary threshold remains the law, and employers who have taken a "wait and see" approach can continue to hold course.

It may take many months, if not longer, for all of this to be settled. Health club owners and operators must continue to closely monitor legal developments. Consult with an experienced attorney or human resources professional to ensure ongoing compliance with federal laws. Additionally, it is imperative to check state law requirements to confirm whether your applicable state law establishes exemptions different from those imposed by the FLSA. Finally, salary thresholds aside, Judge Mazzant's recent decision provides a timely reminder of the importance of establishing employee duties that satisfy the requirements of the EAP exemption.

(Paul R. Bedard, Esquire, has nearly twenty years of leadership experience in the health and fitness industry. As a practicing attorney, Paul's health and fitness industry operations experience provides him with a unique perspective when advising on or litigating matters involving health club contracts, policies, disputes or injuries. Paul strives to be active in his local community and has served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. He also volunteers his time and supports various local charities. Paul may be reached at pbedard@smdtlaw.com)

Club Industry 2017 is on The *Horizon!*

A Focus On This Year's Networking Events

It's that time of year again; the **2017 Club Industry Show** is on the horizon and will take place in *Chicago, October 4 - 6* at the *Chicago Hilton Hotel*. We want to take a moment to inform you about this year's networking events. Every year, the value of connecting with industry colleagues cannot be understated, and at Club Industry, there are always a plethora of opportunities to do so. This year, be sure not to miss:

Welcome Reception
Wednesday, October 4
5:30 - 7:00 PM

Start your show experience with good food and drinks, good people and great conversations! Attend the Welcome Reception to find old friends, new faces, current colleagues and industry veterans.

Sponsored By: The Abs Company

NEW - Club Community Breakfast
Thursday, October 5
8:00 - 9:00 AM

Come and get your fuel for the day and connect with your peers as well as clients at the Club Community Breakfast. This is a **free breakfast** open to all attendees and exhibitors of the show in the keynote room prior to Nick Sarillo's presentation! It is a perfect way to kick off a full day!

Sponsored By: ABC Financial

Show Floor Happy Hour

Thursday, October 5
3:00 - 4:30 PM

Join us on the tradeshow floor for an afternoon "happy hour" where you can mix, mingle and network.

Sponsored By: Sports & Fitness Insurance and Rogers Athletic

**CLUB INSIDER's
 25th Anniversary Celebration**
Club Industry Booth #508

And, During Club Industry's

Networking Nightcap
Thursday, October 5
8:30 - 10:00 PM

Regroup after dinner and unwind from the day with a little dessert and a nightcap while you relax and network with your peers.

And, of course, don't forget this year's keynotes and other educational opportunities:

Michelle Poler
What Are We So Afraid Of?

Wednesday, October 4th
4:00 - 5:00PM
Hilton International Ballroom

Note: Prior to the Wednesday Keynote Presentation, this year's *PFP Winner* will be announced. So, be sure to arrive early.



Nick Sarillo



Michelle Poler

Nick Sarillo
*Building a Culture of Trust,
 One Slice at a Time*

Thursday, October 5th
9:00 - 10:00AM
Hilton International Ballroom

Note: Prior to the Thursday Keynote Presentation, **CLUB INSIDER** Publisher, **Norm Cates**, will be awarded with *Club Industry's Lifetime Achievement Award*. So, be sure to arrive early to see this special presentation.

In addition to the keynote presentations, this year's educational tracks include:

- Active and Personal Training;
- Business Basics;
- Leadership Mastery;
- Marketing;

- Programming;
- Retention;
- Sales;
- Fitness Studios;
- Wellness;
- Technology and Trends.

• • •

Save The Date! The 2017 Club Industry Show will take place in *Chicago, October 4 - 6*, and we hope to see you there. As a reminder, **CLUB INSIDER** will be celebrating its **25th Anniversary** at the show! If you have not already registered, now is the time to do so. Go to www.clubindustryshow.com, click Register, and use the Promo Code: **INSIDER25** for a **25% discount!** See you in the Windy City!





CLUB INDUSTRY SHOW

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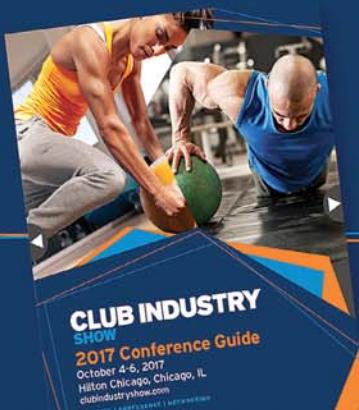
- Sessions on wellness, studio operations, leadership, sales, retention and more
- Earn CECs in sessions taught by industry experts

Connecting
with the industry.

- Networking opportunities
- Special events

Inspiring
fitness and wellness professionals.

- Innovative equipment
- Emerging trends



**Download the
Conference Guide**
For Full Conference & Event Details
clubindustryshow.com/attend

Sales Success Discussion

By: Karen Woodard-Chavez

It is that time of year again... the leaves are turning, the temperatures are finally getting cooler and the kids have gone back to school. What a perfect time of year for "a back to school tune-up" for those of us who are in sales. In other words, discussing what is working, not working; what we know, do not know;

and come up with how we can best utilize tools we have been trained on, followed by one-on-one tours.

The purpose of this is for us to be accountable, dependable and reliable to consistently meeting or exceeding goals. Pretty simple, huh?

If you are a Sales Manager reading this article, you will want to take four sales meetings over the next month

to have discussions with your sales team utilizing the questions below and doing some one-on-one sales touring. I highly recommend four sales meetings, as you may learn through asking these questions that there is some retraining that needs to be done.

By investing this time over the next four weeks, you will set yourself and the team up for a higher level of success because you will be clear about what they know and what they need help with to be more accountable, dependable and reliable to meet or exceed goals.

If you are a Salesperson reading this article, I encourage you to take this to your Sales Manager and have them follow the format as described previously. Away we go with the discussion questions:

5 Core Competencies:

- What are they? (Lead generation, appointment setting, face-to-face selling skills, follow-up skills and business management skills)
- Which have you mastered?
- Which cause you to struggle?

5-Point Lead Generation Plan:

- What is it? (Referrals, community outreach, former Members, Corporate/group, current lead follow-up)
- How many leads do you need to meet/exceed your goal?
- How are you generating that number of leads?
- How much time are you investing during the week on lead generation?
- What is your most successful lead generation tool?
- Role play a RBBWA (Relationship Building By Walking Around) conversation.
- How many leads do you currently have?
- How many Hot/Warm/Cool leads do you have?
- What is your plan to manage Warm to Hot and Cool to Warm?
- What lead generation tool do you consistently utilize because you know it will yield at least ten sales per month?
- What accountability has there been to generate leads?

Tracking:

- What is your average first-time closing ratio for the current quarter?
- What is your be-back closing ratio?
- How many calls do you need to make to make a contact?

Appointment Setting Skills:

- What is the minimum amount of information you need to get on the phone



Karen Woodard-Chavez

call to get an appointment?

- How much time are you investing in calls on a daily basis?
- What is your desired outcome on the phone call?
- How do you handle web leads?
- What is the sales cycle for a web lead from receiving to joining?

Face-to-Face Selling Skills:

- What is the cold-to-sold continuum?
- What are all the elements of the Pre-Tour? (Interests, Results, Motivation, Urgency, Eagerness, Decision-Making, Ability, Time Availability, Financial Ability, Other Limitations)
- What do you need to be more consistent with in the Pre-Tour?
- Explain how you build urgency and desire.
- Explain how you use the 4-Chain Link tool to be informative, inspirational and persuasive...
- In the selling conversation, do you feel you are fully informative, inspirational and persuasive or more informative?
- What is the concept of early and often?
- How do you utilize it?
- When and where do you close the sale?
- When do you start discussing the NMGP (New Member Guest Privilege) with the prospect?

Non-Dues Revenue (NDR):

- What is your goal for selling NDR each month?
- What are you actually selling in total \$\$ monthly?
- When do you begin discussing NDR with a Prospect?
- How many people do you speak with each day about purchasing NDR?
- How many do you need to speak with each month to meet or exceed your NDR sales goal?
- Role play a NDR conversation with a new Member prospect.

(See Karen Woodard-Chavez Page 27)

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Iron Grip Account Executive, Michelle Gonzalez, Named to the SFIA Future Industry Leaders Scholarship Program for 2017

ORANGE COUNTY, CA - Iron Grip Barbell Company, the industry-leading manufacturer of innovative and durable American-made free weight equipment, congratulates Account Executive Michelle Gonzalez on her nomination to the Sports & Fitness Industry Association's Future Industry Leaders Scholarship Program Class of 2017.

Ms. Gonzalez is one of just five young professionals in the sports and fitness industry that the SFIA selected to be

recognized at the fifth annual SFIA Industry Leaders Summit, held September 13 - 14 in Chicago. The SFIA chose the five finalists for "exemplifying professionalism, creativity and knowledge" of the industry, through essay applications that outlined their visions for the future of the sports and fitness industry and the ways in which they intend to contribute to that vision.

Ms. Gonzalez joined Iron Grip in early 2015 with a strong background in project management, sales and marketing,

and health and fitness. She holds a degree in Kinesiology from Washington State University, where she also participated in several athletic training and sports medicine internship programs. Prior to joining Iron Grip, she served as Business Development Representative for a leading pharmaceutical-grade nutrition company. She is enthusiastic about sports and fitness, plays organized team sports regularly and is an avid runner and weight lifter.

The Sports & Fitness Industry

Association (SFIA) is the leading global trade association of manufacturers, retailers and marketers in the sports products and fitness industry and is the number one source for sport and fitness research. SFIA seeks to promote sports and fitness participation as well as industry vitality through research, thought leadership, public affairs, industry affairs and member services.

...Karen Woodard-Chavez
continued from page 26

•Role play a NDR conversation with a current Member prospect.

Limiting Beliefs:

- What are limiting beliefs in selling?
- What are yours?
- If you could eliminate your limiting

beliefs, quantify how that would impact your sales.

- How can you eliminate your limiting beliefs?

The discussion questions are a start to the discussion. You will likely add more questions to this list, and as you discuss with your team, *sooooooo* much will be revealed. For some on your team, it will be a refresher. For others, it will be

revolutionary. What you and your team will also understand is what your team may know is not what they may actually be doing or doing *consistently*. What they do consistently is what will get them to the point of being accountable, dependable and reliable to consistently meeting or exceeding goals. Pretty simple, huh?

If you have any questions about what these questions mean, I invite you to call for a brief complimentary clarification.

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

Crunch Fitness West Florida Launches CrunchTV: *Instantly Drives Millions of Member-Generated Social Media Impressions*

CHICAGO, IL - Crunch Fitness West Florida, part of one of America's leading health club chains, best known for making serious fitness fun through unique programming and cutting-edge training, just got even fitter. Crunch has announced that it has launched #CrunchTV, which turns its gym TVs into a social media digital signage network, giving members their instant "15 seconds of fame" and the gyms a robust marketing platform.

Powering #CrunchTV is UPshow, the leading in-venue social media display network. With word-of-mouth being the best form of marketing in the fitness industry, Crunch partnered with UPshow to maximize both member and

trainer social media content posted from within the gym. In the first month, which currently covers five locations in Florida with five more expected in September, Crunch West Florida has reported 7.5 million social media impressions and 150,000 engagements. Driven by over 1,200 posts, #CrunchTV has also created a dynamic Social CRM of its most influential customers (those with followings of 5k - 150k).

Geoff Dyer, President of Crunch West Florida, said "UPshow's platform has really upgraded our member experience in a short period of time. Our members are serious about fitness and not afraid to show

it, so we're harnessing that energy using our TVs that we've transformed into enhanced 'selfie' engines. More importantly, it also gives our management team an opportunity to celebrate members and staff while they are working out--by providing information that enriches the gym experience--whether it is news about classes, events, promotions or general fitness education."

Matt Gibbs, CMO and Co-Founder of UPshow, added, "Bringing the Jumbotron Effect into the gym is what we set out to accomplish with Crunch Fitness, and we're thrilled with the initial results. #CrunchTV is a way to enhance customer loyalty, and so far, it has delivered huge exposure



for the brand and its locations. We look forward to working with them to keep the momentum going."

2017 World Gym Convention Celebrates The Barbell With "Made Of Iron" Theme

LOS ANGELES, CA - World Gym International, the iconic global brand for bodybuilding and seriously fun fitness, gathered franchisees, vendors and partners from 11 countries for the 2017 World Gym International Convention in Las Vegas, September 6 - 9, 2017. The annual gathering was held at the Mirage Hotel & Casino in Las Vegas with attendees that included gym owners and staff from the United States, Canada, Australia, Russia, Egypt, Mexico, Brazil, India, Lebanon, Taiwan, Costa Rica and the Cayman Islands. Featuring a "Made of Iron" theme, the convention celebrated the return of the barbell, a core piece of exercise equipment integral to World Gym's signature small group training program, World Gym Athletics.

"I look forward to the convention every year, which really feels more like a family reunion," said **Guy Cammilleri, CEO of World Gym**. "Our global network comes to the convention to train together, learn together, support each other, share ideas and help each other improve our businesses. This year's convention was our most successful yet."

On Wednesday, the event kicked off with an opening ceremony led by Cammilleri, followed by an energizing keynote session from Boaz Rauchwerger. Rauchwerger spoke about improving attitudes, building better relationships, creating outstanding marketing ideas, and most importantly, how to keep our members and staff happy and engaged with the World Gym brand.

Following the keynote, guests attended a welcome reception, which

also marked the opening of the trade show. At the trade show, World Gym owners were able to meet with a variety of different vendors highlighting their latest equipment, apparel and services. The trade show included Premier Vendors like Precor, ABC Financial and Matrix, as well as important service providers, who help with local and digital marketing, customer acquisition and member retention.

Over the next three days, franchisees had a chance to participate in different roundtable discussions and educational sessions hosted by the World Gym International team, including topics like using social media to drive sales, developing fitness programming, inspiring members to become athletes who want to train and the latest digital marketing tools with speakers from web.com and Google.

On Thursday, Cammilleri highlighted the successes of the past year and the future of World Gym, including the launch of the new **worldgym.com**, a new app for members and the opening of the first corporate-owned gym in Ingram Park,

a neighborhood of San Antonio, Texas. Cammilleri highlighted photos from the new 25,000 square-foot facility, which opened in mid-August with the new brand standards for gym design and a dedicated World Gym Athletics area.

World Gym Athletics was a focal point for the convention as it has become a focal point for the brand. Developed and led by **Doug Katona, WGI's Senior Vice President - Operations and Director of Training & Education**, World Gym Athletics launched earlier this year as both a signature small group training program for members and a new ongoing education and training program for coaches. Over the past few months, WGI has certified more than 300 trainers at dozens of World Gym facilities across the United States. Every gym that has implemented the World Gym Athletics program has seen a dramatic increase in personal training revenue and a dramatic decrease in membership churn. To highlight that success and demonstrate the program to all the franchisees in attendance, Katona and Cammilleri led group morning

workouts and demonstrations of three signature classes: Performance (Olympic lifting and functional training), HIIT Camp (boot camp style HIIT) and PACE (group treadmill interval training).

The event concluded with the annual awards gala recognizing franchise owners, members and staff for their achievements over the last year.

Also at the awards banquet, World Gym honored long-time World Gym International team member **Karin Michael**. Michael has been with World Gym for more than 25 years, currently serving as *Director of Franchise Relations*. Michael's quarter century of commitment to World Gym has helped to shape the company's growth and success.

The convention is also where World Gym unveiled its new 2018 global fitness ambassadors, **Lindy Olsen** from *World Gym Burleigh in Queensland, Australia* and **Ty Bakr** from *World Gym Vista in San Diego, California*. The ambassadors were selected as part of the third annual search with thousands of World Gym members entering by posting on social media. Olsen is a well-known fitness personality in Australia and the editor-in-chief of *Oxygen Magazine*. Bakr is a Wounded Warrior, overcoming extreme nerve damage by training to become an award-winning bodybuilder.

World Gym will gather again September 5 - 7 next year at the Aria Resort & Casino in Las Vegas for the 2018 convention. More information will be available in the coming months at convention.worldgym.com.





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...Norm's Personal Notes

continued from page 8

side by side with RED LERILLE as one of America's greatest club operators; DANIEL LEVIN, the Founder and owner of Chicago's East Bank Club; my friend, JOHN McCARTHY, the extremely highly-esteemed, 25-Year Executive Director of IHRSA; my friend, AUGIE NIETO, the Founder of Life Fitness and the Founder of Augie's Quest, which is winning the war on ALS; and ANN BETH ESCHBACH, the Founder of EXHALE.

Now, on October 5th, I'm going to be recognized and honored by Club Industry with this very prestigious Club Industry Lifetime Achievement Award. Let me pinch myself and ask... **"Is this REALLY happening CHIP? Ooops... NORM!"** In preparation for the comments I plan to make when I receive this great honor, I went back to the Club Industry archives and read some things that have happened. One was that, when we were fortunate enough to get JOHN McCARTHY onboard as our first and only Executive Director for the first 25 years of IHRSA, I said the following about **Big John McCarthy** a long time ago: "John led the leaders. We were the leaders, and John led us and gave us the ability to have complete faith

in him, and he just kicked [butt]. John took the opportunity and ran with it and never put the ball down until he had gone across the goal line many times. I'm proud to have known him and proud to have worked with him and proud to have had those many phone calls over the year that I was President. You could depend on John like the day was long. John's legacy is going to be that he changed the world that we lived in via the improvements in this industry we all love, and I mean he changed it big time. He gave this industry a future of excellence through his dedication and his travels and his hard work. He was always present at that front door right at the entrance of every convention when it would start; he was there shaking hands. John was the best thing that ever happened to the Association and probably that ever will. He was a treasure, and he still is, of course, for this industry."

So, as I close this Norm's Personal Note, I am going to give you a clue about how such a thing as one **Norm Cates, Jr. a/k/a Chip**, being honored with this prestigious Club Industry Lifetime Achievement Award could happen. The only truth I know is it is totally because of my friends like **Rick Caro**, with whom I started IHRSA; **Big John McCarthy**, with whom I worked many hours on IHRSA as our brand new Executive Director; **JOE MOORE**, whom I have strongly supported

and gotten support from at IHRSA; my friends and former partners, **RICH BOGGS**, **RAY IRWIN** and **FRED STRECK**, the three guys that were the very reason I was in this great industry in the first place; and many, many more people in my life who helped and supported all my efforts with **IRSA**, now **IHRSA**, back when I was the first President of the Association. Plus, I want to thank **DR. GERRY FAUST** and the **Roundtable #1** for their help invent CLUB INSIDER. And last but not least, and actually needing to be **FIRST**, I want to **Thank my son and partner, JUSTIN CATES**. Very importantly, I want to **Thank YOU, our CLUB INSIDER readers, as well as our Advertising Team and Contributing Author Team, without whom CLUB INSIDER would NOT exist**. You all will be at that podium with me in spirit in Chicago, and I can't say **THANK YOU** enough, so I will **THANK YOU ALL FOREVER!**

• **ATLANTA's SAM MASSELL is one of Atlanta's former Mayors. He is a good friend of mine, and I want to do this for him because he has done a LOT for me. It WILL be short and sweet.**

Biography Published On
 Atlanta's Sam Massell

ATLANTA, GA - Play It Again, Sam, the Notable Life of Sam Massell, Atlanta's First Minority Mayor tells the life of this over-achiever from birth as a downtown Piedmont baby through Druid Hills childhood, college life, World War II service and four careers. The author recites Massell's mischief as a self-described "dead-end kid," accompanies him in young adulthood when he struggles between pride and prejudice for being Jewish, and shares today's philosophical differences between conservative Republican colleagues and his

liberal civic service history as a Democrat.

This work reports on his personal and political life, identifying warts as well as winnings. Still working full-time at age 90 in the nonprofit arena, he reflects with relief and reward on the legacy of his mayorship, that of peacefully steering Atlanta through the transformation from an all-white power structure to a predominantly black city government.

Separate chapters provide insight into his work ethic, describing successes with 20 years in commercial real estate, 22 years in elected offices, 13 years in the tourism industry, and now, into his 13th year of association management. After being President of Atlanta's City Council for eight years, he was elected Mayor of the city, during which time he provided MARTA (the mass transit system), developed the Omni Coliseum and the Five Points Central City Woodruff Park, all with no call on ad valorem taxes. He also pioneered minority opportunities, appointing the first female to the City Council and the first Blacks as Department heads in over 125 years.

Mayor Massell explains that the present chapter, itemizing some of his role as founding President of the Buckhead Coalition is ongoing and points to the community's explosive skyline built during his stewardship. The branding of Buckhead nationally, as "The Address of Choice," has obviously not been by accident and continues as his mission. Along this path, he has been inducted into the Halls of Fame in the fields of business, government, civil rights, hospitality and influence.

"Play It Again, Sam", authored by Charles McNair, with Foreword by Amb. Andrew Young, is published by Mercer University Press (9/1/17, hardcover, 6" x 9", 304 pp, 98 pictures, \$29) is available through Barnes & Noble and Amazon.

Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our **24th Year** of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing 24-year 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 eight 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 **285** 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 23 years advertising with us! 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 24 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 writing eight cover stories per year.

Last, but surely not least, this writer who refused to fear failure when many told him he didn't have a chance of surviving the publishing business for even a year did survive. 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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*Mike King, Owner
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