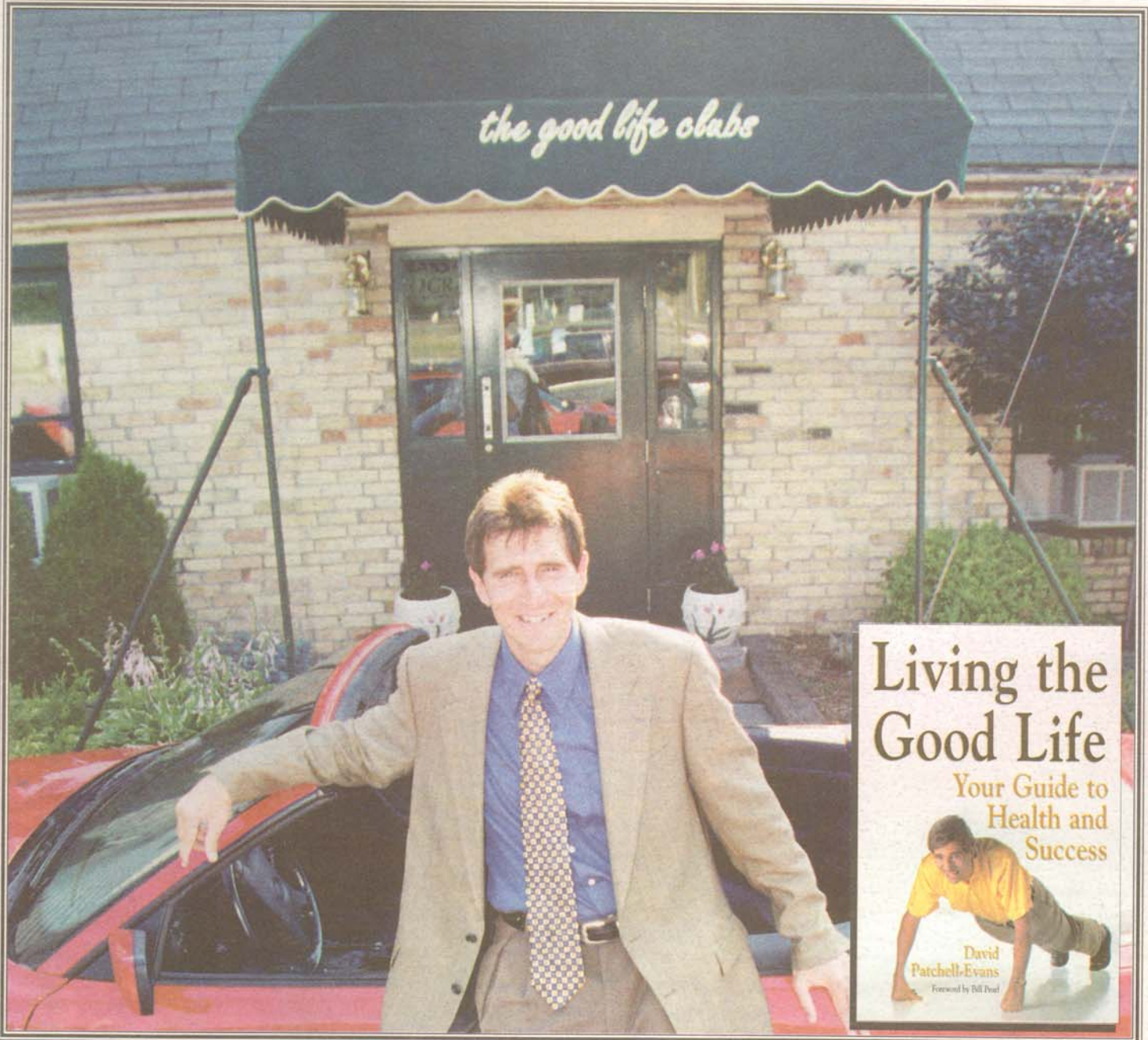


Norm Cates

THE Club Insider[®] NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

OCTOBER 2000
VOLUME VII NUMBER 10



DAVID PATCHELL-EVANS "Living The Good Life!"

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THE Club Insider

NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

David Patchell-Evans - "Living The Good Life!"

By Norm Cates, Jr.

David Patchell-Evans ('Patch') has mastered the art of ownership and management of multi-club operations as few in the world have. Patch now owns and operates 52 Ontario, Canada-based clubs called "Good Life Fitness Clubs." His centers typically range in size from 10,000 square-feet up to 80,000 square-feet. Falling in between are two 60,000 square-foot clubs, 15 clubs that are 25 to 40,000 square feet and the rest are 10,000 to 25,000 square-feet. The majority of the GoodLife Fitness Clubs are in leased space with 10 in buildings owned by the company. Some are franchises, allowing for ownership growth opportunities for staff. 12 of the clubs have swimming pools and squash courts and a few have indoor and outdoor tennis. Patch plans to add an additional 10 locations by the end of 2001. Established in 1979 as a 2,000 square-foot Nautilus gym, GoodLife now serves 110,000 members in Ontario, Canada, a province that is larger than the State of Texas. While not recently disclosed, Patchell-Evans'

annual revenues were reported by Profit Magazine at \$40 million in 1998 with 30% annual earnings as a percentage of revenue. Patchell-Evans employs 1,600 people with an estimated 600 of those as full-time employees.

"A Crashing Beginning"

Patch' as he is called by many in the club industry and his friends, received an Honors Degree in Physical Education and a minor in business from the University of Western Ontario, that is, according to Patch, "the best physical education school in Canada." He also pursued his Masters in Exercise Physiology for one year. Patch comments, "I think that what is unique about it is that I am one of the only guys with a physical education degree that is a multiple club owner."

After only 2 weeks of college, at age 20, Patchell-Evans experienced a serious motorcycle accident that changed his life forever. The lanky 6'4" Patchell-Evans comments, "The accident basically destroyed the right side of my body.

My right shoulder ended up about four inches lower than my left. I ripped up the shoulder, the tendons and the ligaments." While engaged in rehabilitation for his injuries at the J.C. Kennedy Athletic Injuries Clinic, Patch observed the rehabilitation training staff and the injured athletes receiving help. It was his first exposure to professional fitness training. Between his freshman and sophomore years of college he worked as a lumberjack and when he returned to finish his degree, took up rowing for Western's team. He was highly successful at the sport and became a member of the Canadian National Championship Rowing Team in 1979. As a 5-time winner of the Canadian Rowing Championships, Patch qualified for the 1980 Olympic Games. Then U.S. President Jimmy Carter led a boycott of the games because of the USSR's invasion of Afghanistan and Canada was one of about 60 countries that followed suit. Patch was denied his Olympic chance.

'Patch' began his business career while at the university studying business courses. He es-

tablished a one-man-snow-plowing business that grew to a small fleet of five snowplows employing ten people by the time he was in graduate school. He started his business with an old Jeep he obtained from trading in his motorcycles and plowed snow all winter, taking summers off to row competitively. The coach of the Canadian National Rowing Team suggested that Patchell-Evans work out on Nautilus equipment. Since there was only one facility in his area at the time, he joined that club and began his Nautilus training. Since he was working on his Master's degree in Exercise Physiology, Patch was always asking the owner of the gym questions about the Nautilus equipment and working out in general. Patch recalls, "Ironically, at the same time, the Business School asked me to take a year off from university because I was focusing too much on my business. I was told I needed to get my priorities straight and be either a businessman or pursue academics, but not both. I was making \$30-40,000 per year with my snowplowing business.

That was 1979, so I decided to focus on training for the Olympics. Meanwhile, my strong interest in fitness and constant interrogation of the Nautilus club owner, led to his suggestion that I consider buying his club. I think he was tired of my questions! I told him I'd be back at 9 p.m. that night to discuss the idea. I arrived at closing time that night with a case of beer. We drank the beer and I woke up the next morning as the owner!" That was in March, 1979.

How One Man and A Great Team Operate 50+ GoodLife Fitness Clubs

We asked Patchell-Evans how he is able to manage over 50+ clubs spread over an area as big as the State of Texas. He commented, "The business has really been built by my staff. The joke is that I take off no less than a week every two months and often a week every month because I have a really good management team and can do so. Part of the success is that I really believe people should have fun when

(See Patchell-Evans page 4)

NETPULSE, E-ZONE AND XYSTOS ANNOUNCE THREE-WAY MERGER

Merger Will Create World's Largest Interactive Media Network Serving Consumers in Targeted Communities

San Francisco, CA.-
Netpulse Communications, E-Zone

Networks and Xystos Media Networks announced on September 28, 2000 that they had signed a de-

finite agreement to merge the three interactive media companies. The new company will be called

Netpulse E-Zone Media Networks. The merger creates the world's largest out-of-home inter-

active media network serving consumers in captive environments. In-

(See Netpulse page 4)

LATE BREAKING NEWS

LeisureNet Files For Bankruptcy

Inside The Insider

- Maximize Your Training Materials
- Taking Your Marketing Efforts To the Next Level
- Handling the Irate Caller
- MAKE IT FUN For Thanksgiving!
- Healthy Inspirations Weight Loss Center
- Pulling Big \$!

1st Public Company Failure In Recent Club Industry History

It has been a long time since LivingWell Fitness Centers shut down over 400 facilities in the United States, putting egg on the face of the health club industry worldwide.

Now, in South Africa, the Board of Directors of LeisureNet

resolved on Friday, October 6th to apply for Bankruptcy. The following statement was issued: "The Directors of LeisureNet have resolved to apply to the High Court of South Africa for an order to wind up LeisureNet."

It also said that its separately incorporated subsidiary,

Healthland International, Ltd., operating principally in Europe, "would be unable to meet obligations to creditors beyond October 9th."

LeisureNet reported a loss of \$3,362,198 (USD) on revenues of \$73,831,000 (USD) for the six month reporting period ending June (See LeisureNet page 5)

Netpulse...

continued from page 3

cluding both current and contracted installations of the three companies, Netpulse E-Zone Media Networks will reach over 11 million consumers in health and fitness facilities worldwide—the company's first target market. By comparison, Time Warner's cable system currently serves 11.3 million subscribers.

The company will offer an interactive multimedia platform combining television, video on-demand, radio and the Internet. Upon completion of the merger, Netpulse E-Zone Media Networks will be operational in every major U.S. metropolitan area. The company will have more than 14,000 media terminals installed in almost 700 health and fitness facilities and an additional 20,000 terminals contracted for installation. Netpulse E-Zone Media Networks will have partnerships with 20 of the top 25 health and fitness chains in North America and many other large, multi-purpose

independent health clubs, hotel chains and corporate fitness centers.

"This merger establishes a media network primed for growth," said Andrew Wiswell, the new company's CEO. "Uniting the three companies gives Netpulse E-Zone Media Networks a broad and diverse range of revenue sources, a lower cost structure, and the improved access to capital that comes with being a market leader," added Wiswell, formerly a Senior Vice President at E-Zone and before that, CFO of Gulf Canada.

"By combining the best features of each company's network, the merger enables Netpulse E-Zone Media Networks to offer the best products and services to all our customers—consumers, health and fitness facilities, and advertisers," said Co-Executive Chairman Tom Proulx, former CEO of Netpulse and co-founder of Intuit Inc. (NASDAQ:INTU). The merger brings together Netpulse's acclaimed convergent TV/Internet/

broadband platform (named "Product of the Year" by Business Week), E-Zone's customized media programming and networking technology, including its Club TV and E-Zone Radio station products, and Xystos's expertise in hardware and software systems integration.

"The merger creates a powerful tool for advertisers and content providers who want to reach active-lifestyle consumers," said Co-Executive Chairman Robert McKenzie, former CEO of E-Zone and co-founder of MetroNet Communications (now AT&T Canada NASD:ATTC). "The network offers the best of what advertisers are looking for: a captive audience, strong targeting and accountability, and a broad range of media opportunities."

"For health club members, this merger means a dynamic club experience," said Mark Smith, CEO of Town Sports International, a chain of over 100 clubs in the Northeastern United States. "Not only will they get a huge array of entertainment and information offerings to make their workouts more enjoyable, but they'll also get state-of-the-art exercise pro-

gramming and customization to make workouts more productive. For health club owners, this all adds up to better recruitment and retention of members, and more money to the bottom line."

The merger will bring together a team of executives with expertise in the technology, media, and fitness industries—an ideal team to lead a fast-growing media company targeting the active lifestyle consumer. In addition to Wiswell, Proulx and McKenzie, leaders of the company include Board member Leonard Schlemm, Xystos Chairman and co-founder of 24 Hour Fitness, one of the world's largest health and fitness chains.

The merger will create an entity with market leadership and a unique interactive media network that is poised for rapid growth. Future targets will include the international fitness facility markets and new vertical markets also featuring captive consumers. Xystos President Nat Findlay will head up efforts to expand the new company into select international markets, operating the Netpulse E-Zone Media

Networks International division from Quebec City. The company is also in discussions with a number of strategic partners to develop interactive media networks for other captive environments.

The new company boasts key strategic relationships with leading telecommunications, Internet and fitness organizations including 24 Hour Fitness, 24/7 Media, Inc. (NASDAQ:TFSM), Life Fitness, a Brunswick Company (NYSE:BC) and Gilat Satellite Networks (NASDAQ:GILT). Netpulse E-Zone Media Networks' headquarters will be in San Francisco. The company will also have operations in Calgary and Quebec City. Customer sales and service offices will be located in several metropolitan cities across the U.S. and Canada. The merger is subject to certain closing conditions and the approval of the three companies' shareholders. For more information, contact Adam Handelsman, Director of Public Relations, at 212-396-4128, or AdamH@netpulse.net, or visit the company's website at www.netpulse.com.

Patchell-Evans

continued from page 3

they work, so that's kind of an attitude that permeates the company. The model of the company is "measurable constant improvement" and the official drink of the company is the Margarita. The idea is you blend fun with work."

The majority of Patchell-Evans' key people have been with him over 10 years. There are about 25 people at the upper management level. Jane Riddell as Chief Operating Officer (COO), is second in command. Another key person is Maureen Hagan, GoodLife's Director of Fitness. Her many in-

ternational awards include being honored in 1998 as IDEA's Program Director of the Year.

An important aspect of the company's operations is training. The "GoodLife University" (GLU), offers a one-week-long training class for all new employees each month. Patchell-Evans teaches the introductory portion of GLU and by doing so, meets and welcomes all new employees joining the company.

Before arriving at "GLU" new employees are charged with reading a 200 page orientation manual and viewing an interactive, sales training CD Rom. On the required reading

list are two books; "Happiness Is A Choice" and "Living The Good Life."

Founder of the Canadian Association of Fitness Professionals

Patchell-Evans credits Maureen Hagan as being a Co-Founder of the Canadian Association of Fitness Professionals (CanFitPro) with him. The Association provides training and certification opportunities for fitness professionals from around the world.

Patchell-Evans comments, "We had 5,000 attendees from 18 countries at our last conference which I believe would rank our conference as the third largest in North America. About 15% of our attendance was from the U.S. The conference is a good value for a 3 day conference, with a rate of just \$120

U.S. And, we offer the only comprehensive conference where you can attend sessions on business and club management, personal training and participate in fitness classes. The trade show had over 700 exhibit booths and an impressive list of sponsors."

A Member of Faust Executive Roundtable #2

Patch has been a member of the Faust Executive Roundtable #2 for nine years and has obtained great value from that relationship. Patchell-Evans comments, "It is kind of like having a Board of Directors that are your friends. As an independent owner, the nice thing about it is, you have someone that will give you an insightful and honest opinion."

100 Club Goal

About a year ago David Patchell-Evans developed a five-year goal, to reach 100 clubs by January 1, 2004. "By then I will have been in the business 25 years, I'll be 50 years of age and I'll have 100 clubs. I like nice round numbers!" Beyond that, Patch has no stated plans. Importantly, he does not have a focus on the sale of his clubs. He comments on that subject, "It is not really my focus. My focus is truly the great team that works with me. They have bought-in to having a solid career with the company, so I have a mutual responsibility. I will provide them the opportunities, because they are providing the opportunity for me. We are trying to do something else really different with our company. Working hand-in-hand with our expansion plans is our development and internal focus on company values. Specifically, we are really focused on the concept of caring. We are very much trying to differentiate our company by developing our own culture and mentality."

We mentioned IHRSA President Joe Cirulli's recent terrific article in CBI Magazine on caring and asked Patch to summarize his own feelings about caring. He shared these thoughts, "Actually, it is pretty simple. First and foremost, you have got to care about yourself. So, you have to make sure that you stay fit. That you practice fitness and that you look after yourself. Secondly, (See Patchell-Evans page 6)

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• NORM'S NOTES •

• **7 YEARS!** Yes, it seems like yesterday that we launched **THE CLUB INSIDER** News, but thanks to a lot of people, I am here to report that this issue marks the completion of 7 years of publication! WOW, what an experience it has been, too. During these 7 years, more has happened in the health, racquet and sportsclub industry than in the entire 20 previous years! I would like to express my sincere thanks to all of our **ADVERTISERS**, our **SUBSCRIBERS**, our **CONTRIBUTING AUTHORS**, Ms. **CATHY BROWN** and **MR. RON HUDSPETH** of the Hudspeth Report in Atlanta, all of the great folks at Walton Press, **RICK CARO** and all of the members of the Faust Executive Roundtable #1, **IHRSA** and **JOHN MCCARTHY**, my **DAD** and his wife **LOUISE**, my brother **DAVID** and my son **JUSTIN CATES** for their help and kind support over the years. I look forward to bringing the latest club business news to you for many years to come! Thanks so much and **STAY TUNED!**

• Speaking of **IHRSA**, don't forget to make plans to attend the **IHRSA/Athletic Business Conference and Trade Show** in Orlando, Florida, November 29-December 2, 2000. And, remember the **Big Show**. The **IHRSA 20th Anniversary Convention and Trade Show** in San Francisco, California, March 22-24, 2000. The event is shaping up to be the premiere event in health, racquet and sportsclub history. Also, **BILL HOWLAND, Jr.** of **IHRSA** informs me that **IHRSA** now has released the second edition of **IHRSA's Waivers and Releases for the Health and Fitness Club Industry**. The book was written by frequent **CLUB INSIDER** News Contributing Author, **MR. DOYCE COTTON**, Professor Emeritus of Physical Education at Georgia Southern University. For a small investment, this book could save you and your clubs thousands and thousands of dollars as it presents the club industry with a practical guide to the current status of waiver law by state and guidelines for developing a club's own release of liability. Waivers and Releases contains useful information on: * Terminology, * Effectiveness of waivers by state * Writing a waiver * Waivers and minors. Clubs may call (800) 228-4772 to order a copy for \$25 if your club is an **IHRSA** Member or \$50 for non-member clubs.

• Congratulations to **LEE GUTHRIE** on the celebration of his 50th Birthday on Saturday, Oc-

tober 14th at the **Vintner's Golf Club** in Yountville, California. I have been friends with Lee for a long time. In the late 1970s I first met Lee in Orange Park, Florida, where he was a membership sales director for a friend of mine. Later, in about 1984, Lee had hooked up with **AUGIE NIETO** and was selling **LifeCycles**. When Lee called me to set up a meeting to discuss **LifeCycles**, I told him to come right on. So, Lee came by and gave me his pitch. I was ready for him and after his spiel, I told him I wanted to buy 6 **LifeCycles** right away. Lee looked at me incredulously and said 6? Well, as many of us know, 'Old Lee' is quite a salesman. He walked out of my **Lenox Athletic Club** location with an order for 66. Yes, that is sixty-six **LifeCycles** which I placed in my two Atlanta locations. One of the best investments in equipment I ever made. And, I am very happy to say, **LifeFitness** has gone on, with Augie's leadership, to be the world leading manufacturer of fitness equipment. What a story.

• Also, congratulations to **KAY APLIN**, owner of the **Family Fitness Center** in Lake Jackson, Texas, as her club celebrated its 2nd Anniversary on September 30 with a "Viva Las Vegas" Celebration. Kay's new 2-year old club replaces her previous facility which had been in business in Lake Jackson for years.

• **Gold's Gyms International** has announced the choice of the **American Council On Exercise (ACE)** as the exclusive Certification provider for all its clubs. **Gold's Corporate** has also announced the acquisition of four more clubs: three in the Mid-Atlantic area and one in Pasadena, CA. Also, last, but not least, the **Millennium Edition of Guinness World Records 2000** recently recognized **GGI** as the "largest gym chain in the world" with 550 clubs in 47 states and 26 coun-

tries.

• **COLIN HEGGIE** has been named by **Fitness Holdings Worldwide**, d/b/a **24 Hour Fitness**, as the new Chief Financial Officer. Heggie was formerly with **Burger King** in the capacity of Senior Vice President and Chief Financial Officer.

• **CLARK HOWARD** is the local Atlanta guru whose radio shows help consumers save money and avoid financial traps in commerce. Recently he was featured in the **Atlanta Journal-Constitution** newspapers. In a recent column Howard led his comments off with: "One thing I love to do every day is exercise at my health club." He then went on to say, "Here's the drill with joining a health club. I never want you to sign a contract - and I do mean never. Why? There are three reasons: First, when you go month-to-month, what do the club owners want from you? They want you to be a satisfied customer. (2) The typical consumer stops going after six weeks. Do you really want to be locked into paying for it for an entire year or even two or three? Third, your money is not protected under Georgia law if you pay a huge membership fee upfront and the club shuts down. He then went on to make a bad example of the local **Crunch** chain of six clubs for failing to live up to a written contract they had with a member. So, the movement to no commitment membership agreements is evident everywhere.

• **EVAN KAPLAN**, Founder and President of **Kapson Senior Quarters**, has begun a Long Island-based **Personal Training Institute (PTI)**. The 3,000 square-foot facilities will deal only with business on a **Personal Training** basis.

• The club industry's top leaders are lining up to support **IHRSA's** new initiative with the **Boys and Girls Clubs of America**. **JIM GERBER**, Founder and CEO of **Western Athletic Clubs** was the first to sign on last March and re-

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cently announced over \$30,000 raised. **ROGER RALPH**, of **Wellbridge Bel Air Athletic Club** raised \$11,750 through the sale of commemorative bricks for their fantastic new youth center. And, **Wellbridge (CSI)** and **TSI** have both signed on to help **Boys and Girls Clubs**. Last, but not least, the **IHRSA staff** has adopted the **Boys**

and **Girls Club** in Somerville, MA.

• Not to be outdone, **STEVEN SCHWARTZ**, President of **Tennis Corporation of America**, has pledged \$250,000 to the **Big Brothers and Big Sisters of America**. The Schwartz family has been involved with **Big Brothers** for many years and **Steven Schwartz** serves on the **National Board of Directors**.

...LeisureNet

continued from page 3

30, 2000.

LeisureNet operated at least 83 clubs in South Africa while **Healthland** operated 22 clubs in Australia, Germany, Spain and the United Kingdom, with an additional 17 clubs in various stages of development.

While South African law permits a company time to negotiate a survival plan with its creditors, it is not known what the contents of

such plan might be.

One other thing is also not known. The European market has seen a health club facility boom like none other in history. That boom has been substantially fueled by the willing capital markets in the United Kingdom and other countries. It is now a concern that this happening will negatively impact that growth as investors draw back to observe the happenings with **LeisureNet** and **Healthland**.

Check out **The CLUB INSIDER News World View** on page #8 for more on this story.

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Patchell-Evans

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you have got to care for your team members, the people that you work with. That is a double responsibility. You have to make sure that you do your job and that they do their job. There is no place for people on your team that won't do their job. You care for your staff by building a team of people that mutually support each other. In turn, this accomplishment allows you to care for your members. By that I mean, you have got to make sure that people are more than a membership number. You've got to do the little things for them that count. That is how you build the loyalty. We have high retention rates and that's how you maintain those retention rates. Anybody can buy a piece of exercise equipment. So, how we differentiate ourselves is with 'attitude.' That's a really hard thing to steal and duplicate. That is your ticket to maintaining good staff and is your best way to maintain good members."

No Contract Commitments for Retention

David Patchell-Evans is a leader in a club industry movement to eliminate legally binding membership contracts from operations. The simple membership agreement GoodLife Fitness Clubs utilize is a thirty-day minimum notice if an individual wishes to terminate his/her membership. Patch summarizes why this plan works so well for his organization, "When you go to no contracts, you realize that a member could walk out the door at any moment. The reality is that they could anyway, but they still pay you for a year anyway, right? But, if your focus is on keeping them from day one, you are going to make more money and they are going to get better results. It is a 'win-win' scenario from day one."

Patchell-Evans is also the creator of a unique method of electronic funds transfers offering his members the opportunity to have their membership dues transferred twice a month instead of the traditional once a month. This enables anyone with a limited budget/cash flow to afford his typical \$45 per month dues by collecting \$22 twice a month. And, mathematically, this plan makes a 13-month collection out of a 12-month year, generating one more month's dues each year for the clubs.

IHRSA Member Since 1983

We discussed IHRSA with Patchell-Evans and he commented, "The greatest value has been friendships. The first five years, every conference was a break through because everything was so brand new.

Sometimes, I have brought as many as 16 key staff members to the IHRSA Convention and Trade Show. And, sometimes I just attend by myself. With the currency difference, sometimes it has not been practical to send a large group to IHRSA. Part of the reason to have the Canadian Association of Fitness Professionals is that with IHRSA in the U.S. and with the Canadian dollar worth \$.60 to the American dollar, it is not always possible for Canadians to attend IHRSA. What I wanted to create with CanFitPro was something that would combine IDEA and IHRSA and fit the Canadian market. Ultimately, you can't have enough learning, so we use trips to Club Industry and IHRSA as a bonus for our top achievers.

Comments On Consolidation

We asked Patchell-Evans to comment on the current club industry consolidation that is going on in North America. He shared these thoughts with us, "I have a couple of opinions on that. First of all, I think it is the people that are trying to consolidate clubs that are really pushing that in the press. At the most, 15% of the clubs in North America are in the consolidated group. The reality is that 85% of the people operate single clubs. I think people are really missing the key issue. And, I worry about IHRSA. If it becomes more and more an organization that is dominated by club chains, it becomes less and less an organization that focuses on single clubs. For instance, in my Faust Group, I have the largest number of clubs in my group but, where I learn the most is from the individual operators. If an individual operator is running his club correctly, he can compete against a chain all day long. That is because entrepreneurial spirit is spread amongst a number of locations in a chain. You have certain efficiencies. But, you have certain inefficiencies too, because the entrepreneur will walk through his club and do what is necessary at that moment. The most empowered manager is still not the owner. My managers are absolutely fantastic and they care. But, an owner still thinks differently. So, I see that the industry is ignoring the fact that 85% of the clubs are owned and operated by individuals. You don't see enough emphasis on that at the conferences. Actually, I think that Club Industry is more fo-

cused on individual operators than IHRSA. It has swung from IHRSA to Club Industry in that regard. I really believe that what will happen in the U.S. is that either IHRSA will come back to that strategy, or somebody else will because the chains have the most to gain. So, all the talk about consolidation will go on, but it is still not the majority. Right now in the U.S., it is 15% at the most. Canada is a hard country to consolidate because it is so big, so my focus is just Ontario. Ontario has 600 clubs and our company is targeting to have one out of five clubs and about 30% of the members. With 6,000 clubs in Canada and a population of 29 million, there are more clubs per capita in Canada than in the U.S.

Top 3 Challenges in the Club Industry

We asked Patchell-Evans to share his thoughts on the three biggest challenges facing the health, racquet and sportsclub industry. He replied, "The #1 challenge is competing on price. The second is the tendency of clubs to 'bad-mouth' each other in an attempt to undermine competitors to sell memberships. The third one is probably the challenge of competing against the 'Not-for-profit' sector.

"Living The Good Life" A New Book By David Patchell-Evans

Patchell-Evans is releasing in Canada this month, and in March in the U.S., a new book entitled: "Living The Good Life" published by Stoddart Publishing Co. Limited, one of the most prestigious publishing houses in Canada. Between opening new clubs, Patchell-Evans wrote the book last February and March. The book is intended to motivate members and teach them how to be successful in their clubs and is earmarked to be a best seller.

Why Have The GoodLife Fitness Clubs Been So Successful?

We asked Patch to explain the organization's success. He commented, "My firm belief is we are successful because our operation is based on how do things work from the proper exercise physiology point of view. This point of view lends itself to what is best for the member. My clubs weren't designed on an economic model as much as they were designed on what will make our members happy. As you evolve in size and complexity,

you still have to keep that key focus. Focus also on treating your staff well and helping your staff learn. What we are trying to be as a company is a place where people can develop as individuals economically, emotionally and spiritually. We are trying to give employees the room to do that on all fronts. We try to be the kind of place that is open to attitudinal change."

Patch continues, "In big business they tend to discount people. I think our edge is people. It's a reality that we are all as individuals trying to be as creative and happy in life as we can. In real life, we try to provide people with the mechanisms to do that. For instance, with the GoodLife University, we put new staff up at a Hilton Hotel for a week, they get training every day and they get tested the next day. So, we are also very competitive. I teach the entire first day and call that program, 'Super Success.' It is about attitude, motivation and salesmanship. That way I get to meet everybody and they get insight into who the guy that started the company actually is." Patchell-Evans has been conducting "GoodLife University" for about 10 years now and the classes average about 70 new hire attendees each month.

What Will The Future Of The Industry Be Like?

We asked Patch to share his view of the future of the industry. He commented, "I see the number of fitness clubs doubling or even tripling in the next 10 years in North America. If people focus on quality, we should increase the current level of 6-7% currently working out in clubs up to 30 or 40%. I can't see any reason why one out of two adults is not working out at a club."

Patch continues, "Allan Rock, the Canadian Minister of Health, spoke at our recent CanFit-Pro Conference called 'Fitness Rocks' in honor of his presence. It was incredible! We were on TV channels and newspapers across Canada. He asked our organization to help increase the number of people involved in fitness by 10%. Our organization is the only national certification body in Canada and the only private company that the government invited to the table. From my perspective, it is a good way to 'give-back' to the industry. Once in a while I get asked, 'Why do you put on this conference that teaches your competitors how to compete?' The reality is that I never get hurt by a good competi-

tor. I really believe the smarter everybody becomes the better job they will do. The higher the quality of our profession, the more people will exercise. It is a self-fulfilling prophecy. Everybody in our industry should be focused on building each other up. It should be kind of a comrade-in arms thing. That guy is my competitor, but he is also the guy that makes me look good. There is way too much emphasis in our industry on putting people out of business. It is a narrow-minded, shallow, self-defeating mentality. Obviously, you want as much market share as you can get, but we should begin to realize that competitors are comrades-in-arms. The better they do, the more they are going to propel you forward! I want to be a person that has contributed the addition of that philosophy to our profession. I think it is an emptiness that we have not fulfilled yet. I hope others will pick up this message and move forward with it as well. This philosophy is the biggest way we can differentiate our clubs from the other fitness suppliers like the YMCAs, JCCs, etc.

Nominated For Entrepreneur of the Year Award

This past summer, David Patchell-Evans was nominated in Ontario for the Entrepreneur of the Year Award sponsored by Ernst & Young. Patchell-Evans has now been selected as one of the top three finalists for this award. This closing comment by Patchell-Evans provides ample evidence on why he has been nominated for such an honor.

Patchell-Evans closed our discussion with this, "The way I feel about the people that work with me is that I should have a fiduciary responsibility and duty to make sure they have a great opportunity. I get a kick out of it when my people buy nice homes and good cars. I want to create a career path and a culture that is good for my people. I think that responsibility creates a huge opportunity. I think it is a really exciting time to be in this business! I think intention is key. What do we intend to do? What do we intend to be? How do we intend to look? How do we make our members feel? How do we make ourselves feel? How do we intend to make our staff feel? That is where caring comes into it."

(Norm Cates, Jr. is the Publisher and Editor of THE CLUB INSIDER News. Cates is a 27-year veteran of the health, racquet and sportsclub industry. Cates was a Co-founder and the 1st President of IHRSA in 1981.)

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NEW, IN-CLUB WEIGHT LOSS CENTER PULLS IN "BIG" REVENUE AT GRAND OPENING

Manassas, VA - On September 25th, the Bull Run Athletic Club (BRAC) became the first licensee to open a **HEALTHY INSPIRATIONS** Weight loss and Lifestyle Center within an existing health club. **HEALTHY INSPIRATIONS** is a newly formed national chain of weight loss centers founded by industry consultant, Casey Conrad, that will have both corporate owned centers as well as offer licensing opportunities to club operators.

Although the long-term success of the program remains to be seen, initial response to the program has been great. Owners Ken and Sharree Ryder are ecstatic by the response. Two weeks prior to opening they placed a "coming soon" banner in the club and put out a sign-up sheet for members wishing to find out more about the program. Over 60 people signed up. Five days before opening they sent a simple announcement letter to all members telling them of the program's arrival and encouraging them to come in for an explanation but not making any special offer. No other advertising or promotion was done. In the first two days the Center did just over \$14,000 of business, \$7,500 of which was cash. Say's the Ryders, "We are thrilled

with the response. It has far exceeded our expectations. All our clients are impressed with the program and, because of the training materials it has been simple for our staff to follow. This program is the perfect marriage between the weight loss industry and the health club operator."

BRAC is 13,000 sq. ft. fitness-only facility with a membership base around 2,500. In preparation for bringing the program in, the Ryders converted a portion of a lesser-used cardiovascular equipment room into a 450 square-foot **HEALTHY INSPIRATIONS** center. The 450-sq. ft. was divided into a reception and waiting area, two "Daily Visit" areas where clients meet with a Lifestyle Consultant for nutritional coaching and counseling, one closed-door office that can be used for new client consultations, an area for weighing and measuring and a separate relaxation room where a Shiatsu Massage Tranquility chair is located. Notes Ken Ryder, "We have almost done in one week what I budgeted we would do in a month. There is no doubt in my mind that the **HEALTHY INSPIRATIONS** Weight Loss Center is going to

be the highest per-square-foot revenue producer for my club. By the month's end I will have more than recouped my entire investment."

HEALTHY INSPIRATIONS is a new corporation founded by industry consultant, Casey Conrad. At present there is one corporate-owned **HEALTHY INSPIRATIONS** Weight Loss and Lifestyle Center in El Paso, TX, which opened in August 2000 and two club licenses in VA and FL. A second corporate-owned facility is scheduled to open in RI this December. Conrad is President of Communication Consultants, a company that provides the fitness industry's most comprehensive system of live training seminars, tapes, workbooks, textbooks, on-site club consulting and trade show lecturing, with more than 20 products in use in over 1,600 clubs worldwide. She is creator of Health Club University, a training center in RI that offers monthly sales, marketing and management programs year round. She is now President of **HEALTHY INSPIRATIONS, LLC**. In addition, Conrad is an attorney, licensed in the State of Rhode Island.



(L to R) Donna Furr, Casey Conrad, Lisa Blevins, Ken Ryder, Sharree Ryder and Margaret Kourmadas

GROWTH AT POLAR CONTINUES WITH PURCHASE OF HEALTHFIRST CORPORATION

Acquisition Expands Polar's Physical Fitness Assessment Program

WOODBURY, NY, September 18 — Polar Electro Group announced today that it has acquired HealthFirst Corporation (Albuquerque, NM), a leading developer of complete software and web-based products used in health and fitness assessment, risk appraisal and education, as well as nutritional programming.

The acquisition provides Polar, on a worldwide basis, with a dedicated development group that will enhance existing products from both companies and develop products for the elec-

tronic future. Both companies are privately held; financial arrangements were not disclosed. HealthFirst will operate as Polar's research and development division for software and web-based products.

"Polar and HealthFirst are in every way a natural combination," said Thomas McCoy, Senior Vice President of U.S.-based Polar Electro Inc. "HealthFirst's advanced products are the first step for educational, health club and medical professionals who want to optimize fitness and

health risk assessment for people starting and maintaining exercise and rehabilitation programs. From there, Polar's leading heart rate monitoring technologies work to assure that exercisers safely and effectively meet their personal fitness goals."

McCoy said that the companies already have a strong working relationship dating back to 1995, when HealthFirst started incorporating Polar's heart rate monitoring technology into its products. In March 2000, Polar announced a collaborative effort with HealthFirst directed at the education market.

Ron McPhee, President and Founder of

HealthFirst, said, "Since our founding in 1990, our mission has been to be the premier developer of systems that help assess and improve a person's fitness level, nutritional habits and health risks. Polar has a similar vision. Together, we'll provide unified hardware, software and analysis systems that will help students, patients and the general public in establishing and maintaining a healthy lifestyle."

Both companies see the natural cross-marketing of their products to be a major strength of the merger. The extensive marketing reach of Polar's three business-to-business divisions — education, health club and medical — will enable more wellness-related professions to take advantage of

HealthFirst products.

Polar developed the wireless heart rate monitor in the early 1980s. Today, this personal technology is used in physical education, medical rehabilitation, health clubs and other fitness training programs.

HealthFirst products include TriFIT, an integrated health management and assessment system, the Internet-based Wellness Center and other programs that combine exercise protocols and nutritional guidance.

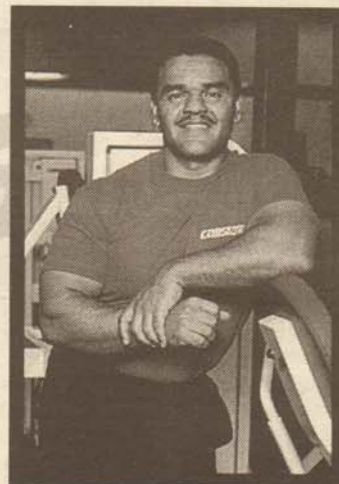
HealthFirst will continue to be based in Albuquerque, NM.

Polar Electro Inc. is part of the Polar Electro OY company, based in Finland.

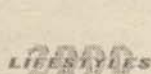
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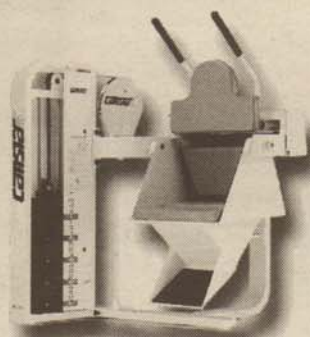


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Owner / Operator
Lifestyles 2000 Fitness, Utah
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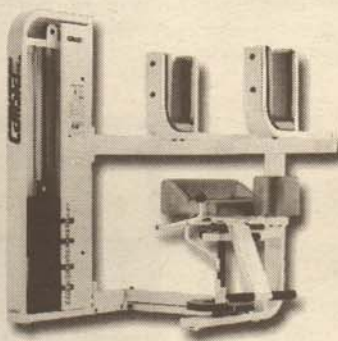


they keep coming back!"

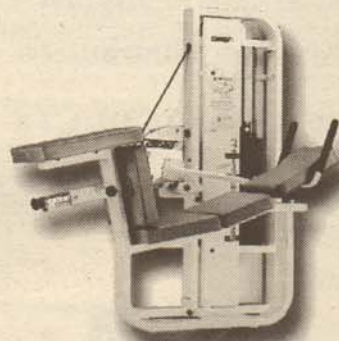
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Maximize Your Training Materials

By Karen D. Woodard, President
 Premium Performance Training

One of the most economical methods of training your staff is through the use of in-club training materials. Training materials include books, tapes, manuals as well as the Internet and can be found (excluding the Internet) in book stores, catalogues, business magazines, industry publications, etc.. If you utilize these as sources — you will generally find good material, however, not industry-specific material.

We are very fortunate in our industry as we have several very strong sources for industry specific training materials. Yes, it

is wise to broaden our scope when looking for new training methods and study how other industries train staff for success. At the same time, it is extremely beneficial to have tools that are customized for our business. Using a mix of the two will keep you on top of your game.

The benefits of using training materials include:

1. compliments a club's training system
2. can be used as the foundation for a club's training system
3. the materials are a documentation and therefore insure consistency in training
4. allow for review, refresh and repetition
5. cost effective training.

To maximize your use of training materials, consider the following tips:

1. Establish your goals for staff training — e.g. what is the desired outcome for this product? Inform your staff of the goals as well as the plan.
2. Establish a timeframe for the goal to be accomplished. There should be a sense of urgency with this, yet manageable. For example, if you purchase books, tapes or manuals that are traditional-style chapters, the staff should be able to cover a chapter or module per week as long as the chapters are 30 pages or less.

If the product is produced in "tip" form, assign a specific number of tips that are relevant to your goal to be read by the specified date.

3. Use your weekly management, sales or departmental meetings as a forum for discussion or practice of the training materials. These meetings are a terrific resource for staff training. My recommendation is that in each of your weekly meetings (yes, we should all have a formal weekly meeting), a half hour is set aside to focus on training

only. Your staff will genuinely appreciate the education and the club will reap the benefits of stronger more consistent performance.

4. Develop a measurement system to determine the success of the materials in attaining the goal.

5. Develop a point system for the staff that provides an extrinsic reward for professional/personal development done on their own that is relevant to the club. The point system can be tied to bonus dollars, prizes, etc.. The extrinsic reward is a kick start for staff who have not yet experienced the intrinsic reward of development. Once they have, the extrinsic system is usually unnecessary.

Professional, well trained Staff is one of your biggest power tools in building stronger market share. Consistent staff development is the key. As we start this new year and this new century, the time is perfect to make the commitment to invest in your club and/or yourself for both professional



Karen Woodard

and personal growth.

(Karen D. Woodard, President of Premium Performance Training specializes in sales, service and management training for the health and fitness industry. She is an international author, speaker and consultant who has owned and operated clubs since 1985. She can be contacted at 303.417.0653.)



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Taking Your Marketing Efforts To The Next Level

By Casey Conrad

Because smaller, independent club operators are so busy tending to the day-to-day tasks of running and maintaining their health club, marketing is one of the most overlooked areas of a club's business plan. In fact, clubs often find themselves so busy that they unintentionally put things like advertising campaigns on the back burner until the last minute. Such work habits often result in poor quality offers, mistakes in ad copy and, worst, lost sales.

Even when a club has a marketing plan, it is often very basic and, therefore, doesn't tap into the incredible potential that marketing offers a business. In this first of a two-part article on the topic, we will bring you through key questions of a marketing audit that will help you identify lost opportunities and share with you a whole variety of marketing tools and techniques that will be able to take your club's marketing efforts to a new, higher level and generate more revenue from a variety of sources.

AUDIT QUESTION #1: Do you have a diverse marketing mix?

Of course, when creating a club's marketing plan it is extremely important to step back and look at it from a 'macro' perspective to ensure you have the proper balance of promotional efforts that reach the most number of prospects in a variety of ways. Marketing experts say that it takes 5 +/- 2 impressions before a prospective customer will take any action from your marketing efforts. What this means for club operators is not only having the proper amount of marketing reach out to prospects but also having multiple outlets and avenues, often referred to as a "marketing mix." There are four distinct areas of marketing that every club operator should be incorporating into their marketing plan. They are 1) External Marketing; 2) Internal Marketing; 3) Guerrilla Marketing; and; 4) Community Outreach.

External marketing is exactly as it sounds. It is the more traditional marketing efforts that a club employs. These would include such things as newspaper advertisements and

inserts, radio spots, television commercials, the Yellow Pages, coupon mailers and direct mail. These are usually done on a large scale and require the most amount of money.

Internal marketing refers to smaller, more targeted efforts that can be created and run by the club or the sales department at a much lower cost than external marketing. Some examples of internal marketing are point of sale and existing member referral programs, in-house advertised specials, free trial or short-term membership offers, mailers to alumni as well as mailers to missed guests.

Guerrilla marketing, on the other hand, refers to marketing efforts that are done by a salesperson as a way to reach out and bring in business at very low or no cost. This would include, but is certainly not limited to, lead boxes, take-one-displays, joint marketing promotions with local businesses, corporate marketing outreach as well as something like passing out business cards. Guerrilla marketing, as one might suspect, is only limited by one's imagination and work ethic. Finally is community outreach. Although one could say that all marketing is community outreach, here we are referring to marketing efforts that are more informational and educational rather than sales oriented. For example, a monthly press release to the local newspaper, television and radio stations on the benefits of a regular exercise program, press releases on club activities, fund raising events and or other philanthropic efforts that the club may be involved in. Such community outreach indirectly sells the club because people learn, through a credible source, all the good things that a club is doing for its' people.

When creating a marketing plan, you must ask yourself, "Does our marketing plan have a good balance between all four areas?" If not, you may not be reaching your full potential and capturing as many prospects as you can. In order to assess your current efforts, make a list outlining each of the concepts mentioned above. Next, make a list of each of the marketing promotions your club did last year. Finally, compare the two in a checklist fashion. You will be able to immediately see where your strengths and weaknesses are and what needs to be incorporated into this next years plan.

AUDIT QUESTION #2: Are you testing your marketing efforts?

Testing a marketing piece is one of the most important things you can do to improve the response rate to all your marketing efforts. Testing refers to two things. One, sampling a marketing piece to a small group prior to mass distribution and, two, testing various parts of a marketing piece over time until it is getting the highest response rate possible. Let's look at both of these strategies and how you can utilize them immediately.

Sampling is one of the easiest things to do in marketing but, unfortunately, it is seldom used in the health and fitness industry. As was mentioned earlier, this is primarily due to the fact that club operators often throw together a marketing piece days before it needs to go to the press. However, for those who have the planning and patience to do it, testing a piece to a small group of prospects will prove to be both very enlightening and financially rewarding.

Let's suppose that you are planning on doing a direct mail piece to a general zip code area around the club. Instead of printing the final piece and mailing to everyone, put together a direct mail letter right off your computer and mail it to 500 of the prospects on the mailing list. If possible, hand-address the envelopes to increase the open rate and do not put the club name on the outside of the envelope for the same reason. Of course, you want to make the same offer you plan on using in the mass mailing, making sure you have a deadline to create urgency to call. Three days after the mailing should be delivered to the homes, do some follow up telemarketing to find out from prospects why they have not responded and what it would have taken for them to call or try out the club. From this feedback you can tweak your body copy and offer to meet the needs and wants of the prospect. Taking the extra week to pre-test a marketing piece can result in huge differences in revenue produced!

The second area of testing is just as important as the sampling. This is where you continue to make modifications to a marketing piece

until it is pulling the greatest number of calls or sales possible. The crucial aspect to proper testing is to change ONLY one element of the marketing piece at a time. This ensures that you identify which change is making the difference in the response. Some of the different elements of a marketing piece that you will want to test are the headline, the body copy, the offer and the packaging.

For example, let's say you send out a direct mail piece with the headline, "New, 30-Minute Class Makes It Simple to Lose Weight" and you received 25

phone calls after sending out 2,000 pieces. That would be about a 1% response rate. Some club operators would be satisfied with that and believe that the next month they would need to come up with a whole new campaign. Top marketers, however, know that it is the business that gets bored with their offer long before a customer does. Therefore, instead of having a whole new campaign every month, the best thing to do would be to go back the following month and try a variation of the same piece again.

Seeing that the headline accounts for 80% of an advertisement's effectiveness, before trying the marketing piece again, you would change the headline. Perhaps this time you might say, "Simple Program Guarantees that You Will Lose Weight. Quick Classes Make It Easy On Your Hectic Schedule." Not too much of a difference but enough to test it out. Of course, you could go with a completely different headline all together. The key is testing it out. If it makes a difference in the response rate, keep it and then move on to testing another element, perhaps the offer the following time. Once you have found the perfect combination of a headline, body copy, offer and packaging that pulls the highest possible response rate, continue to use the piece until it stops making the phone ring.

When you combine sampling with continual testing and tweaking of your marketing efforts, not only will you bring in more revenue because you perfect the promotion but you also save a heck of a lot of



Casey Conrad

money on graphic artist designs. Think about all the major consumer brands, they use a theme for years before moving to a new one because it is repetition that will ultimately impact the consumer. Don't think that just because you have done a marketing piece once you have to start fresh every time. Test, test and when you think you have it just right, test again. It will pay off in the long run.

AUDIT QUESTION #3: Are you using testimonials at every opportunity?

Testimonials are one of the most powerful marketing tools available because they offer other people the "social proof" needed to feel good about making a purchasing decision. When someone reads a positive story or quote, they think to themselves, "If that person can do it, perhaps I can." Another added benefit of testimonials is that, compared to a traditional ad, they do not come across as much like a sales pitch. This makes the information about the product much more believable for the reader.

Some of the different ways that you can tap into the power of testimonials are as follows. First, simply using member quotes in all your marketing materials. Everything from quotes about the facility, the services and, of course, the people can be utilized. An even better way to use testimonials is through before and after pictures. There is nothing like the visual affect of seeing how different someone looks after losing weight or ton-

(See Casey Conrad page 26)

I wish

to inspire my members. To give them every opportunity to get exactly what they want from exercise. I will do everything in my power to prove that exercise is not boring. Exercise at my club will entertain. I will capture my members' imaginations with sights and sounds. I will provide members with the best my industry has to give.

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HANDLING THE IRATE CALLER

By Nancy Friedman

If your job entails taking calls from unhappy clients, you've got your work cut out for you. Employees who deal with calls are especially prone to handle outbursts from clients who are going through an emotional, stressful time. Handling these types of clients takes time and training but can be accomplished effectively. Here are some of Telephone Doctor(r)'s best techniques for turning unhappy callers into satisfied clients.

Get Off On The Right Foot

Realize that angry clients are not unhappy with you, they are unhappy with the situation. Don't take a client's hostility personally. You are merely the lightning rod that redirects the violent lightning. You can do a great deal to diffuse a caller's anger before you ever pick up the phone. How? Smile before you answer the call. You can hear a smile over the phone. It's difficult to be rude to someone who is warm and friendly.

Anatomy of a Hostile Call

There are four basic steps to handling an irate caller. Telephone Doctor(r) calls this the "ASAP" technique.

A Acknowledge the person's feelings and apologize for the inconvenience the client has encountered. Make an effort to be sincere. In today's impersonal society, it's incredibly rare to hear the words, "I'm sorry that happened. Let me get the ball rolling to fix it." You'll probably spend about 80 percent of your time massaging the caller's feelings and 20 percent actually solving the problem.

S Sympathize and empathize with the caller. Phrases like "I understand why you're upset," can help soothe ruffled feathers. (NOT: I KNOW HOW YOU FEEL...you probably don't.) Pretend it's you calling. Then get busy solving the problem.

A Accept responsibility for the call. This is probably the toughest part. Chances are excellent that you had nothing to do with

the problem. However, it's your job to take responsibility and help initiate a solution.

P Prepare to help. Begin by reintroducing yourself. (Callers don't usually remember your name.) State that you will be able to help. If possible, use the caller's name. This helps to diffuse anger. A willing attitude is essential because if the caller senses insincerity or indifference, it will cause them to stay angry. It's exasperating to file a complaint with someone who obviously doesn't care.

Excuses

Never make an excuse to a complaining caller. No one wants to hear, "My computer is down," or "I'm the only one here." That's your problem, not the caller's. When you give an excuse, the caller automatically hears "I'm not going to help you."

Transferring Calls

Sometimes you're not able to solve the problem on the spot. Many times you need more information from another depart-

ment. Perhaps the call needs to be handled by another person. Although these are legitimate courses of action, they usually upset your caller all over again.

When you need more information, **TELL** the caller. Ask them if they're able to hold while you obtain it, or would they prefer a call back? "Joe, I need to check with our claims department in order to answer your question. It might take longer than I care to have you hold. Avoid untrue, frustrating phrases like, "Hold on a second." Nothing takes a second. If you need to transfer a caller, it's a good idea to tell the caller the name of the person they'll be speaking with. You could get disconnected. It's also good to explain why you're bringing in a third party. "Joe, Mrs. Smith in our claims department is a real expert in resolving your type of situation. Let me transfer you to her".

The ASAP technique



Nancy Friedman

works! Try it and see!

(Nancy Friedman is a KEYNOTE speaker at conferences and corporate gatherings. She is president of Telephone Doctor(r) Inc., an international customer service training company. Call (314) 291 1012 for more information or visit the Telephone Doctor(r) web site at www.telephonedoctor.com.)

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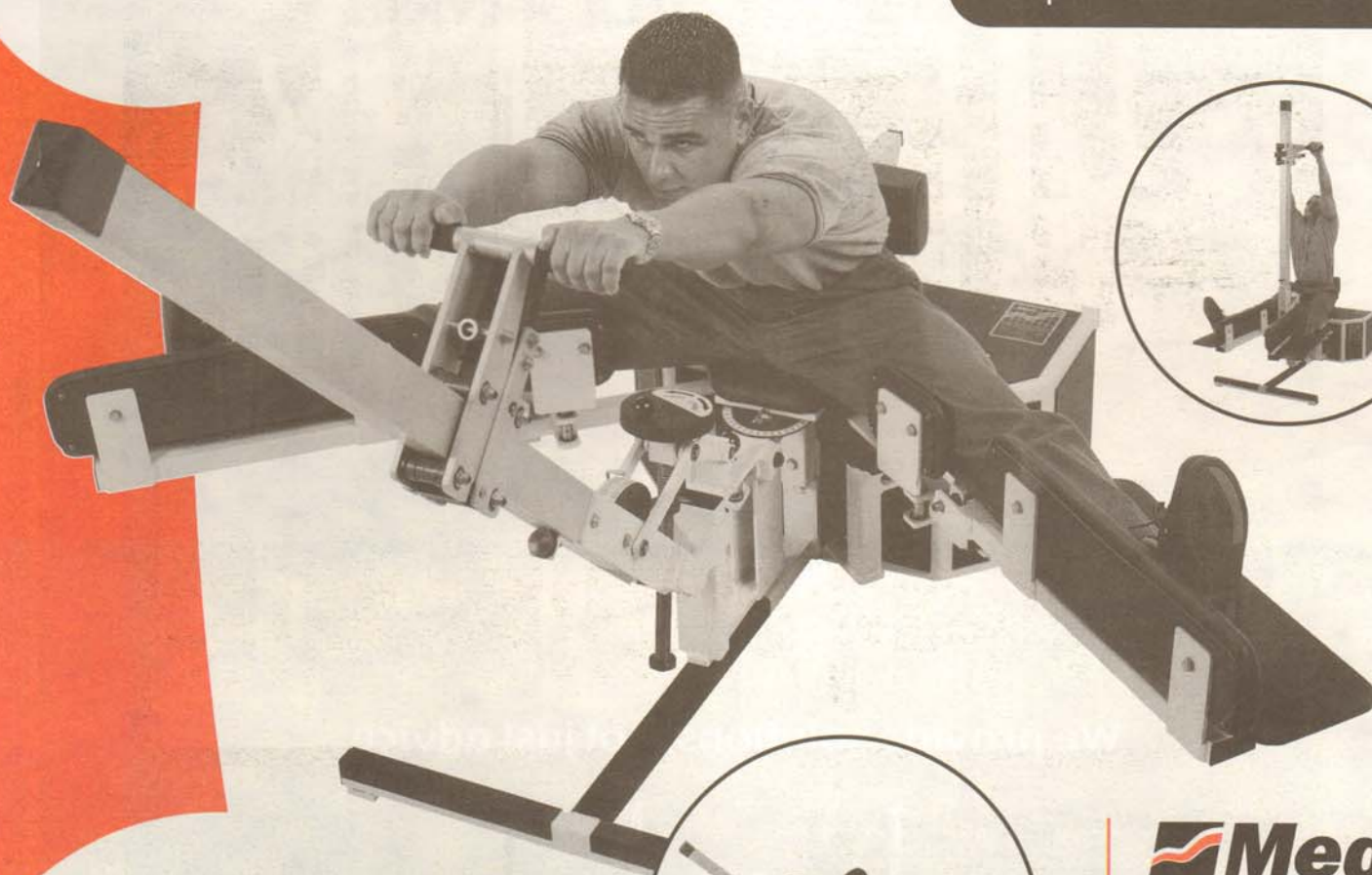
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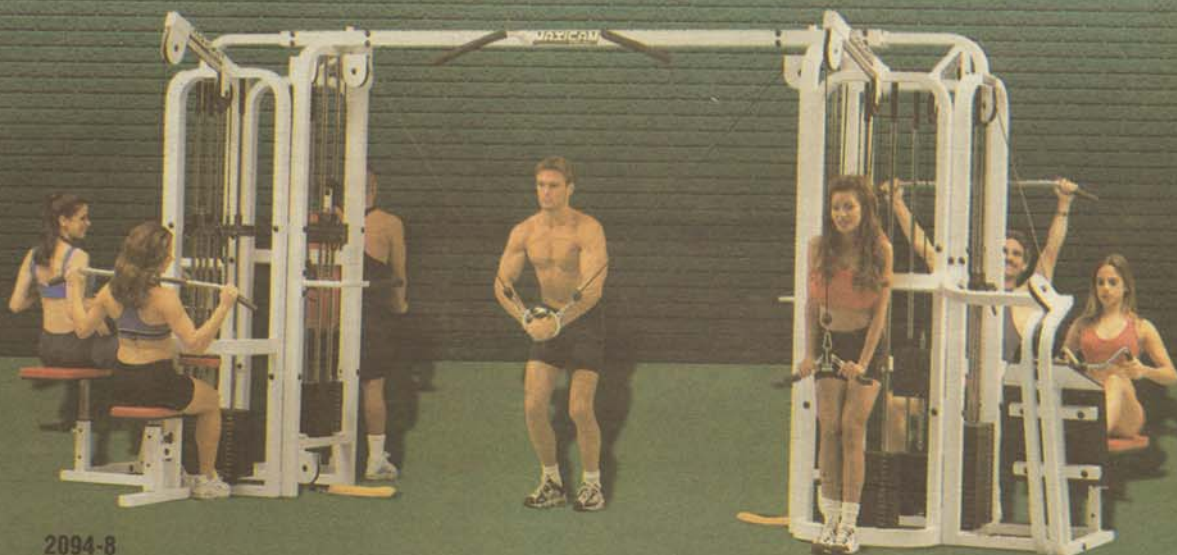
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Once-Weekly Resistance Exercise Improves Muscle Strength and Neuromuscular Performance In Older Adults

By Dr. Ted Lambrinides

The purpose of this study was to determine the effect of frequency of resistive training on gain in muscle strength and neuromuscular performance in healthy older adults. A randomized controlled trial with subjects assigned either to high-intensity resistance training 1, 2, or 3 days per week for 24 weeks or to a control group. Progressive resistance training consisting of three sets of eight exercises targeting major muscle groups of the upper and lower body, at 80% of one-repetition maximum for eight repetitions, either 1, 2, or 3 days per week. Dynamic muscle strength (1-RM) using isotonic equipment every 4 weeks, bone mineral density and

body composition by dual energy X-ray absorptiometry, and neuromuscular performance by timed chair rise and 6-meter backward tandem walk. The results found that for each of the eight exercises, muscle strength increased in the exercise groups relative to the control group, with no difference among the 1, 2, and 3 days per week groups at any measurement interval. The time to rise successfully from the chair 5 times decreased significantly at 24 weeks, whereas improvement in the 6-meter backward tandem walk approached significance in the three exercise groups compared with the control group. Changes in chair rise ability were correlated to percent changes in quadriceps strength and lean mass. It was concluded that a program of once or twice weekly resistance ex-

ercise achieves muscle strength gains similar to 3 days per week training in older adults and is associated with improved neuromuscular performance. Such improvement could potentially reduce the risk of falls and fracture in older adults.



Dr. Ted Lambrinides

Strength Training Normalizes Resting Blood Pressure In 65 to 73 Year Old Men and Women With High Normal Blood Pressure

Researchers at the University of Maryland examined the effects of heavy resistance strength training on resting blood

pressure in older men and women. Twenty-one sedentary, healthy older men and women served as subjects for the study. The subjects undertook six months of progressive whole body strength training performed 3 days per week. One repetition maximum (1-RM) strength was measured for seven different exercises before and after the strength training program. Resting blood pressure was measured on six separate occasions before and after strength training for each subject. The results found substantial increases in 1-RM strength for upper body and lower body muscle groups for men and women. The strength program led to reduc-

tions in both systolic and diastolic blood pressure. Systolic blood pressure was reduced significantly in men but not in women, whereas diastolic blood pressure was reduced following training in both men and women. It was concluded that six months of heavy resistance strength training may reduce resting blood pressure in older persons. According to the latest guidelines from the Joint National Committee for the Detection, Evaluation, and Treatment of Hypertension, the changes in resting blood pressure noted in the present study represent a shift from the high normal to the normal category.

(Ted Lambrinides is Director of Education for MEDX Corporation. He may be reached at (352) 622-2112)

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The CLUB INSIDER News World View

The big news on the international front is the Bankruptcy filing of South Africa's LeisureNet club group. LeisureNet had 83 clubs in South Africa and 23 in Europe and their shares had dropped 45% on September 22, 2000, from August 28th. On that date, the two top executives of LeisureNet's Healthland offshore operation, PETER GARDNER and RODNEY MITCHELL announced that Healthland would open 17 new locations in Europe by February, 2001. Shares in the giant-publicly traded Cape Town,

South Africa chain dropped 19.2% further on Friday, September 29th. On October 4th, it was reported that LeisureNet had signed a letter of intent to sell its 57.8% Healthland operation to RICHARD BRANSON'S Virgin Active Holdings, Ltd. for \$51,450,000 (U.S.). The deal was subject to due diligence and approvals from LeisureNet's shareholders, the Johannesburg Stock Exchange and the South African Reserve Bank Exchange Control Dept. On October 5th, 2000, Virgin's COO, FRANK REED withdrew the company's bid to

acquire LeisureNet's 23 clubs and 40 additional sites. Finally, on October 6th LeisureNet filed for Bankruptcy.

•TOSHIKAZU SAITO, the CEO and President of Tokyo-based DIC Renaissance, Inc., had the biggest international news of the month before the LeisureNet debacle hit. On October 2, 2000, Mr. Saito informed The CLUB INSIDER News of the merger of DIC Renaissance with Sports Club Trimm, the 15th biggest chain in Japan. DIC Renaissance owns. DIC owns 38 clubs, man-

ages 6 and franchises 1 and that the merger with Sports Club Trimm's 7 fitness centers would be effective December 1, 2000. This merger will make DIC Renaissance the 3rd largest club chain in Japan and it appears that Toshikazu Saito's leadership is making DIC Renaissance, Inc. stronger and stronger. The new entity, which will own 45 facilities, manages 6 and franchises 1, will have combined revenues of \$170-million (USD).

•HARM TEGELAARS, CEO of the Cannons Group, based in London, has announced an ag-

gressive growth plan to add 27 new clubs (22 in the UK, 5 in the Netherlands) by the year 2002. Tegelaars reported first-half revenues up 61% to approximately \$70 million (USD) and membership grew by 7%.

•FRED TUROK's LA Fitness opened 6 clubs in July and will open 8 more by July, 2001. That will bring the total to 32 clubs. The average pre-sale membership number is a whopping 1,415 memberships with an average \$53.65 per month for a single adult.

•The CLUB INSIDER News World View information courtesy of IHRSA.



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A F F I L I A T E D A C C E P T A N C E C O R P O R A T I O N

IHRSA's Capitol Report

Capitol Report Reprinted Courtesy Of IHRSA

Two IHRSA club operators testified recently at fair competition hearings being conducted in Virginia.

Earlier this year, Virginia Senate Joint Resolution 219 requested that the state's Commonwealth Competition Council (CCC) conduct a study into the ongoing or permanent commercial activities of not-for-profit organizations. The study is also to consider the effects of such activities on state revenues. The CCC's Taskforce on Commercial Activities of Charitable Organizations has been conducting conferences around the state as part of its fact-finding mission.

Testifying on behalf of the health club industry were Ken Ryder, owner of Bull Run Athletic Club, and Ward Hamilton of

Robious Sports and Fitness Center. The Taskforce has been extremely receptive to our industry's testimony and is interested in what the IRS and other states have done to curb tax-exempt competition with small business.

A favorable recommendation on behalf of the fitness industry from an independent third party could have far-reaching implications. Not only could the Taskforce's conclusions begin to eradicate the practice of unfair competition in Virginia, but they could act as a catalyst for the entire country.

Virginia club operators are encouraged to visit the CCC's web site at <http://vipnet.org/ccf/taskforce.htm> and submit their comments to the "discussion forum," as IHRSA

has done.

"MY STATE" IS NEWEST IHRSA.ORG FEATURE

The Public Policy section of ihrsa.org has been overhauled, and the result is a site that's more useful than ever. Its newest feature, called "My State," provides each of the following on one page per state:

- health club statute;
- sales tax information;
- child care licensing laws;
- link to its legislature;
- links to recent news stories;
- summary of waiver laws; and
- recent legislative activity.

You'll need your IHRSA member number & password to access some legal & legislative information. Call Member Service at (800) 228-4772 for assistance.

WILL YOUR WAIVER PROTECT YOUR CLUB?

With the number of sports-related lawsuits increasing each year, club operators need to be sure that their liability waivers will hold up in court should they ever be challenged.

The newly updated edition of *Waivers & Releases for the Health and Fitness Club Industry* is now available. It includes:

- An overview of waiver laws in each state;

- The important factors to consider when writing a waiver in any state;

- An explanation of why waivers sometimes fail;

- A section on alternatives to waivers (such as "agreements to participate") for use with minors; and

- Sample waiver clauses.

While every liability waiver used in a health club should be approved by an attorney, this book can help minimize your legal fees associated with the drafting of a waiver.

The cost for IHRSA members is only \$25 (non-members \$50). To order your copy, call 800-228-4772 or visit the "Acquisition publications" section of ihrsa.org.

California Governor Vetoes Health Club Bill

Governor Gray Davis has vetoed legislation that would have allowed exceptions to California's \$1,000 cap on health club memberships.

A 1981 law prohibits California health club contracts from requiring member payment in excess of \$1,000. Senate Bill 1744 would have allowed a club's contracts to exceed that amount as long as the club maintained a surety bond of at least \$500,000.

The bond would not have been required once a club was in operation for 10 years.

SB 1744 was vetoed on Sunday, five days after it was sent to the governor's desk.

Governor Davis said he was "not convinced that the bill would continue to ensure consumer protection against excessive fees charged by health clubs." Furthermore, he felt the requirement that health studios maintain a \$500,000 surety bond for the first 10 years that they are in operation appeared to be "excessive" and "could adversely

impact smaller health clubs and force them to go out of business."

Contact IHRSA Public Policy with any questions on this legislative development.

MILWAUKEE YMCA TO MAKE PAYMENTS TO CITY

The city of Milwaukee and the Y have reached a 3-year agreement which declares that Y properties are tax-exempt through 2001, the Milwaukee Journal-Sentinel has reported. The Y, in return, will make a payment to the city of about \$30,000 for 1999 for its downtown facility, and a similar amount for 2000 and 2001.

This will give Y officials time to seek a clarification at the state level of whether their properties should be taxed at all.

Under Wisconsin law, some groups are specifically

listed as tax-exempt, and others fall under the category of benevolent groups. Because the Y isn't specifically listed, it asks to be classified in that category.

This issue arose in Milwaukee when city officials moved to tax a portion of the Y's new \$6.5 million health club. They compared that facility to a private club and argued that it should be taxed in the same manner.

The Legislature may have the final say since the Y will likely ask it for a specific exemption.

The \$30,000 "payment in lieu of taxes" the Y has agreed to is less than the tax bill of nearly \$48,000 the Y received in April.

SUIT CLAIMS Y DAY CARE VIOLATED ADA

A \$650,000 discrimination lawsuit has been

filed against Ohio's Greater Toledo YMCA, according to the Toledo Blade.

The suit, filed by a mother on behalf of her 7-year-old son, contends that the boy was removed from the Y's child care program because he is autistic.

The Americans With Disabilities Act (ADA) requires public accommodations such as child care centers to take reasonable measures to accommodate individuals with disabilities.

The action seeks \$150,000 in compensatory damages and \$500,000 in punitive damages. It also asks that the court readmit the boy to the program.

The YMCA would not comment on the case.

This lawsuit serves as a reminder that club operators need to make reasonable accommodations to allow children with disabilities to benefit from the same services and programs as other children. For more information, read IHRSA's "Americans With Disabilities Act" legal briefing paper (available at www.ihrsa.org or by contacting IHRSA's member service department).

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WHO ARE THE TRUE FITNESS "PROFESSIONALS"?

By Carrie Morrow, MBA, J.D.
 National Fitness
 Therapy Association (NFTA)

PROFESSIONALISM DEFINED

What are the basic attributes that constitute a "professional"? Webster's Dictionary lists the definition of a professional as "one engaged in a vocation or occupation requiring advanced education or training, and involving intellectual skills, as medicine, law, theology, engineering, teaching, etc." What types of credentials or expertise must one exhibit or possess in order to become a doctor or a lawyer, or a fire fighter or police officer or any other kind of professional?

According to Webster's, in order to become a professional, one needs some level of education and training. Perhaps a testing and certification, regular review of required training, and some type of standard accreditation would lend itself to professionalism.

In order to become a professional fire fighter, in addition to the education and training, it is important to know the dangers attached to the job. The professional must also be aware of the risks and liabilities associated and to acquire the very best training one can have, because lives are at stake, and one wrong move can be disastrous.

In order to become a police officer, one must go through extensive training and review in order to maintain professional status due to the associated dangers and risks. We all know that education and experience are required to become a professional, doctor or lawyer or accountant. This is necessary because serious financial and medical consequences can arise if proper training is not administered and demanded from these professionals.

With all of these requirements in every other profession, why is it that a professional fitness trainer is not required to maintain the same level of standardization? Are there no dangers or threats of injury? Is there no risk or liability associated with this job?

Well, let's take a look:

RISKS OF LIABILITY

Recently, personal trainers and/or fitness centers and equipment manufacturers have been involved in much legal questioning if not actual lawsuits claiming negligence, wrongful death and thousands (sometimes hundreds of thousands) of dollars in resultant damages.

Some of the most recent claims of negligence against personal trainers involve the following: prescription of dietary supplements involving death of the client (June 1999, State Supreme Court, Manhattan, N.Y.) failing to provide proper instruction on exercise equipment (Thomas vs. Sport-City Inc., 738 So.2d 1153, La. App. 2Cir., 1999), poorly qualified instruction by a trainer (Mathias vs. New York Health Club Inc., 1999.N.Y. 48859, Supreme Court of New York, Appellate Division, First Department 1999), (Feeney vs. Manhattan Sports Club Inc., 642

N.Y.S.2d 674, Supreme Court of New York, Appellate Division, First Department, 1996), poorly administering or failing to administer CPR, (Skotak vs. Vic Tanny International, 513 N.W.2d 428 1994), (Chai v. Sports & Fitness Clubs of America, Circuit Court, 17th Judicial Circuit, Broward County, Fla., Case No. 98-16053 CA (05)), and questionable signings of release from liability and waivers (Rickey vs. Houston Health Club Inc., 1993 Tex. 1466, 863 S.W.2d 148), (Seigneur v. National Fitness Institute, Inc.) and (Universal Gym Equipment v. Vic Tanny International, 526 N.W.2d 5, 207, 1994).

As much as we might like to think we are immune from litigation, professional fitness trainers are an open target in the new frenzy of litigation over fitness center liability.

RAISING THE BAR

As the fitness industry enjoys its continued growth and expansion, we must be aware of the standards of professionalism that the public must expect and demand

from personal fitness trainers. We must live up to the corresponding standards that other business professionals have established as a minimum for recognition in the industry. If we do not, litigation will gain power and strength, and the fitness trainer profession will be regulated by settlements and court decisions.

So, how do we meet this level of professionalism? First, we must position ourselves with the knowledge and information so as to provide quality and professional care and uphold the highest professional standards and duty of care to our clients who entrust their health and wellness to us as professionals. This first step begins with education. Personal Fitness Professionals are in a delicate situation with clients whether they are medical-fitness, post-rehabilitation referrals* or more mainstream fitness center members.

We are involved in an intimate relationship with people who may be recovering from injuries, surgery, chronic disease or involved in medical rehabilitation. We assess current fitness levels and prescribe exercise plans. We touch, turn and (See Carrie Morrow page 24)

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We've put ourselves in a position that forces us to perform for you or we don't make a profit. I'm not trying to impress you but I want you to see our commitment. We must satisfy you so you will buy from us on your next fitness room project and refer more customers to us. We can't service our huge overhead without repeat business.

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When our client's come see our National headquarters in Orange, California, they're amazed. They enter our gigantic warehouse with over 1,000 machines on racks 3 stories high. It looks like 50 health clubs went out of business and we bought all their inventory. When we tour them through our state-of-the-art remanufacturing facility, they say they've never seen anything like it. When they see our finished product they think it's brand new, and after we convince them that it is not, they say they will never buy brand new fitness equipment again.



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We Have Over 1,300 Customers That You Can Speak With To Give You Buying Confidence

In today's business climate you have to protect yourself from mis-information. You can't take advertising statements as fact. We understand this, and make accessible to

you our past customers so you can make your own judgments, we don't want you to make a mistake. We want to make sure this is the right buy for your business.

"Worldwide Fitness Saved Me Over \$150,000 And My Maintenance Staff Still Thinks The Equipment Was Brand New, I Don't Feel I Sacrificed Anything. I Will Do All My Future Purchases With Worldwide." (Mike Boccon is the CEO of YMCA's)

"I Bought My Equipment From Worldwide For my second Club. I Saved Over \$25,000 And Used These Savings To Increase My Advertising Budget. This Extra Advertising Money Allowed me To Hit My One Year Sales Goals In My First 90 Days." Stephen Priest, MS, Fitness Health Club.

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MAKE IT FUN!!! For Thanksgiving

By Sandy Coffman

With the Thanksgiving season approaching, I think it is very fitting that we are all thankful that we found our great industry and that we have the opportunity of sharing our energy, enthusiasm, and expertise, to make people of all ages, interests, and skill levels happier and healthier.

But let's get our priorities in order. We must realize that the happier you are the healthier you will become. A positive, happy attitude will be the key to a healthy lifestyle and a happier club experience, so let's make sure that we, as leaders in this industry, MAKE IT FUN!

This is a great time of the year to get all your new members involved in the club as well as all those summer drop outs who have come back in to get rid of the ice cream bulges.

To capitalize on the season, you may want to run some short, fun competitions. For example, you can call your program, **BALANCE YOUR FALL**. The logo or caricature can be a turkey holding a set of balance scales which could represent the balance of do-

ing a cardiovascular workout and a strength training workout each week.

The scales could represent a two man/woman team. Each person on the team needs to work out 2 or 3 times per week for 3 weeks leading up to Thanksgiving Day.

With any court sports activities - racquetball, squash, tennis, volleyball, wallyball, basketball - this would be a great time to run a **TURKEY SHOOT** competition. You would have to give 1st and 2nd and 3rd prizes of course. The first prize would be a **TURKEY**, the second prize would be a **CHICKEN**, and the third prize would be a **CORNISH GAME HEN**.

As always, take pictures of the winners holding their prizes, and you will be thankful next year when you promote these programs again by displaying the pictures of your participating members from this year holding their turkeys, chickens, and little hens. It will become an annual Thanksgiving event.

You see, with the right at-

titude, we can take fitness, competitions, and work out programs and **MAKE THEM FUN**.

Since emotional and spiritual health are so important in total fitness, I feel this topic is of utmost importance. Let me share the following with you

THE VALUE OF A SMILE AND LAUGHTER

A smile is a curve that sets everything straight. It can help you sell more merchandise and raise more confident children. It improves your appearance, and now, researchers say, it may even make you happy!

Studies have already shown that people who smile more tend to be better teachers and communicators. A smile gains, and holds our attention and often wins our affection. It closes the sale. It is common knowledge that we smile because we're happy. But now the University of Michigan's research center suggests that the opposite may also be true: We're happy because we smile. The studies show that as a

smile tightens the cheek muscles, it decreases the blood flow, the release of mood-altering chemicals in the body. Frowning or scowling increases and warms up the blood flow, causing the opposite effect.

The findings fit right in with what scientists have learned about laughter.

A hearty laugh:

a. Increases the depth of breathing, exercising and respiratory muscles.

b. Brings more oxygen into the blood, stimulating the heart and benefiting the entire circulatory system.

c. Raises the level of endorphins, a pain-killing chemical released by the brain, resulting in a temporarily high pain threshold.

d. Causes a satisfying sense of relaxation after the laughter subsides.

No wonder laughter has been likened to "inner jogging!" Humor is a naturally effective, and drug-free, stress management tool. Those under too much stress are prone to more sickness because of the immune system is weakened. So smile to stay happy and



Sandy Coffman

healthy and you'll get a lot more smiles in return!

(Sandy Coffman is the world's leading professional in programming for clubs and the President of Programming For Profit. Sandy is an international speaker and author. She may be reached at: (941) 795-7887.)

**Make
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Fun!**

FitnessMX.com Surpasses 1,000 Signed Suppliers and Facilities

(For Industry's Premier NetMarket Exchange and Procurement Solution Top Industry Suppliers Join Leading Facilities in FitnessMX.com's Health and Fitness B2B Initiative)

BETHESDA, Md.—(BUSINESS WIRE)—Aug. 29, 2000—FitnessMX.com, a real-time business-to-business netmarket exchange and procurement solution created specifically for the health and fitness industry, announced today it has signed agreements representing over 1,000 major industry suppliers and premier health club facilities who will enjoy the advantages of community and cost savings associated with FitnessMX.com's streamlined procurement solution.

Since the company began supplier acquisition early this summer, a host of leading equipment and product suppliers and services have joined the FitnessMX.com network, including these recently signed organizations:

*American Athletic Inc. (AAI): A part of American Sports Product Group (ASPG), a leading industry-wide provider of athletic equipment to professional sports organizations,

universities and high schools around the world.

*BodyMaster: A premier strength equipment manufacturer. Their line includes, free weights, benches, multi stations and selectorized strength training equipment.

*Cybex: A leader in the design and manufacture of premium quality cardiovascular and strength training fitness equipment. Based on the sciences of biomechanics and ergonomics, Cybex equipment is designed for human performance to achieve optimum results and ensure proper body movement.

*Icarian/Fitness Products International: A leading manufacturer of strength equipment offering selectorized, multi-stations, free weights, and a variety of fitness accessories.

*Iron Grip Barbell Company: A premier manufacturer of dumbbells, barbells, Olympic plates and bars, and a complete line of active apparel. Iron Grip offers exclusively American-made, premium free weight equipment under the Iron Grip brand, as well as the new aggressively priced IGX Strength free weight line.

*Platinum Healthcare

(PHC): A leading provider of high-quality janitorial/maintenance supplies and equipment. Platinum offers over 2,500 products through a national distribution network.

Precor Incorporated: A worldwide leader in innovation - providing consistent and user-friendly performance. Manufacturing the EFX Elliptical Fitness Crosstrainer, the Total Body Elliptical, treadmills, bikes, climbers, strength, and stretching products that set the industry standard.

*Reebok/CCS Fitness Inc. A licensee of Reebok International and the exclusive U.S. manufacturer for Reebok commercial exercise equipment with distribution centers in over 36 countries.

*Star Trac by Unisen: A worldwide leader in the manufacturing and distribution of commercial cardiovascular equipment and a leader in technology and innovation.

*Schwinn Cycling and Fitness: Offering high quality, innovative fitness equipment including upright and recumbent stationary bikes, treadmills, stepers, the time-tested and acclaimed line of Airdyne(r) stationary bikes, and Johnny G Spinner(r) bikes.

*Universal Nutrition: The industry leader in the development of nutritional supplements. Manufacturer of Animal Pak, Animal Stak, Animal Max Protein, and Animal Cuts products.

Also joining the FitnessMX.com initiative is the American Council on Exercise (ACE), the largest fitness certification and educational organization in the world.

"With these suppliers onboard, it only reinforces what FitnessMX.com is all about: Bringing the health and fitness industry's buyers and suppliers together in a real-time venue to maximize and enjoy the best equipment, the best supplies, and the best prices," FitnessMX.com President and COO Mitch Wald said. "With over 1,000 facilities and suppliers participating and dozens more joining every week, FitnessMX.com is the premier netmarket exchange and procurement solution for the health and fitness industry."

"These key organizations joining our initiative solidifies our leading position in the marketplace," FitnessMX.com Senior Director of Sales Rod Karstetter noted. "These suppliers represent leading organizations within their respective product categories, and each will have direct access to the

critical mass of facilities that have already chosen FitnessMX.com as their primary procurement tool."

About FitnessMX.com

Founded in November 1999, FitnessMX.com is the premier, fully integrated market exchange and procurement solution for the health and fitness industry. FitnessMX.com offers a true vertical netmarket exchange and procurement solution for industry buyers and suppliers featuring one-stop shopping - from towels to treadmills.

By combining a contextual blend of commerce and content, FitnessMX.com provides several key features including:

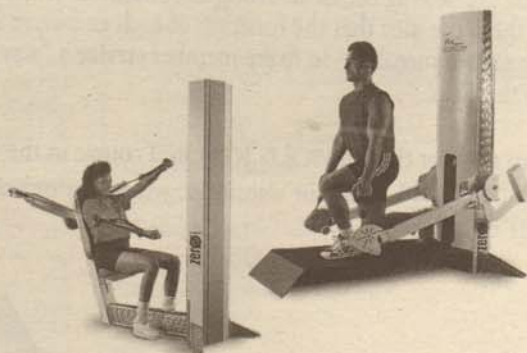
- * Buyer "request a bid" from single or multiple suppliers.
- * Buyer e-procurement and cataloging capability.
- * Supplier to buyer auctions.
- * Value-added interactive e-tools for all participants.
- * Real-time, seamless customer relations management (CRM).
- * Special online industry events and expert-led forums.
- * Facility driven supplier ratings.
- * Supplier e-commerce enabling.

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Carrie Morrow

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manipulate, add weights, encourage movement, and purposely increase heart rates, blood pressure, breathing rates, and create muscle tension and soreness. We provide more hands-on services than most other professions, and until now, have no standard to differentiate experienced and qualified trainers from a non-experienced or qualified trainer. Name one other professional organization that has absolutely no standards of professionalism and more risk of liability than this!

We learn to prescribe the most effective and safe exercise program that will benefit each individual client. Where do we get this information? How do we stay current in the fitness industry in order to provide these safe and effective programs? This must be done through proper education, experience and continued training in the fitness industry. We must standardize and maintain our own level of professionalism in order to provide a basic standard of care as professionals.

PROFESSIONAL STANDARD OF CARE

So, you ask yourselves, what is our basic standard of care as fitness professionals? Each fitness trainer certifying organization has its own definition of that standard. The

standards put forth by the ISSA, ACE, ACSM and NSCA, among others, require a very high level of knowledge in order to obtain proper certification. But not all agencies require that candidates meet these standards. The current law in all states provides that we owe to our clients the duty of standard professional behavior. This means that we must not perform any act that is negligent (i.e. a failure to act or the substandard performance of an act when performance was due) or cause intentional harm or injury to a client. That's it - a very broad standard and one that is difficult to prove during litigation. How do we know what is "substandard" when we have no definition of "standard"?

As we know, personal trainers have no regulated certification at this time. Why not? We are educated, experienced, trained and intelligent people working towards improving the overall health and wellness of the general population, 80% of which does not regularly exercise!

There are several avenues in which to advance the administration of standards and guidelines in the industry. One excellent process is through the National Fitness Therapy Association (NFTA). This organization is responsible for accrediting fitness facilities for medical-fitness referral programs, as well as accrediting personal fitness trainers. The NFTA has formulated these standards to be utilized across the country in order to measure the level and qualifications for personal trainers provid-

ing services to post-rehabilitative clients, as well as to the general population. These standards address the different levels of accreditation and the associated risks of liability for each.

The standards provide that an Accredited Fitness Professional possess and maintain a certain level of education, experience and training in the industry as well as professional liability coverage as a standard of professionalism. This set of standards corresponds to the professional standards that must be met and maintained in other professions and meets the Webster's definition as well!

ACQUIRE THE KNOWLEDGE

It is imperative that today's fitness facilities as well as professionals be aware of these standards and enforce them. Any accredited fitness professional and/or facility can risk being held negligent for failing to adhere to these guidelines when administering care for post-rehabilitative clients referred from a medical facility or physician.

In consideration of this accreditation, Accredited Fitness Professionals (AFPs) and their accredited facilities, meeting the standards will receive special rates on liability insurance, busi-

ness marketing through the NFTA and recognition in all NFTA associated materials, higher levels of credibility, and medical referrals.

IN CONCLUSION

The time is long overdue for the fitness industry to start to regulate its professionals. Signed releases and waivers will not protect the fitness industry forever and insurance only goes so far. If we fail to recognize the need for standardization, lawsuits, settlements and litigation will continue to mount causing government regulation over the fitness industry. Short of licensing, accreditation will act to protect fitness professionals and raise the level of minimum standards in the fitness industry. Although personal trainers and fitness centers may be financially viable at present, the potential financial damage of one lawsuit can be disastrous to an otherwise successful organization.

So, who are the true fitness professionals? Those who continue to educate themselves and others, and maintain the highest standards in this ever expanding industry.

A "professional" standard assumes a higher standard of care, therefore it is extremely important that trainers are aware that liability issues increase for post-rehabilitative continued exercise programs. These programs are more extensive than that of the general fitness center

member exhibiting minimal symptoms of disease or injury. An Accredited Fitness Professional must be closely involved in the client's physical therapy treatment and have a continuing relationship with the client's physician in order to monitor treatment and progress. Continuous feedback and an ongoing relationship must be maintained among these professionals in order to provide the highest level of care and treatment in addition to minimal risk of injury and potential liability.

(Carrie Morrow is the Director of Fitness Programs at the YWCA of Greater Pittsburgh. She also serves as Chairperson of the Standards Committee for the National Fitness Therapy Association and is a member of the National Advisory Committee, American College of Sports Medicine, and National Strength and Conditioning Association. Carrie has been involved in the fitness industry for over 16 years as an instructor and personal trainer. Carrie holds an MBA and a Law Degree from Duquesne University School of Law. She is currently involved in researching and assessing risk management and liability issues for fitness centers involved in post-rehabilitative exercise prescriptions. Carrie can be reached at (412) 255-1250 or email <mailto:cmorrow@ywcaphgh.org>



CLUB EXCELLENCE PROGRAM



SERVICE IS JOB ONE!

Whether we call them customers, clients, guests, patients, patrons, passengers, employees, bosses—or MEMBERS, all of us must satisfy the needs or create "moments of magic" for someone in our day-to-day work.

Creating these "moments of magic" involves introducing everyone to a new approach—to take a look at the club "through your member's eyes." It also involves reviewing the basic concepts of member service; and ingraining in them the idea that the function of each employee is to acquire and maintain members; to make member service a "way of life" for everyone in the club!

To sign up now for the SERVICE IS JOB ONE! course in the **Club Excellence PROGRAM**...visit our website at: www.mentor.com/faust/ club TODAY or call...

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TOP 10 BENEFITS of the Club Excellence Program

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7. Realize in Real Time what people have learned, how well they are doing and how to reinforce the training.
8. Always Available in all locations—even at home.
9. Receive Great Training content from the experts—at home or club.
10. Provides a solid base of skills in 3 Critical Areas: Customer Service, Sales and Management.

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The merger between Netpulse Communications, E-Zone Networks and Xystos Media Networks elevates exercise entertainment to an exceptional new level. But what we offer is beyond just entertainment.

Through this merger and the strengths of the three companies, we can offer an unparalleled interactive exercise experience incorporating multi-media entertainment, internet, workout tracking, video-on-demand training programs and much more.

By joining together we have created an industry standard for the 21st century, and can now bring the best products and services available to all our customers.

For more information on the merger, check out our website at www.netpulse-ezone.com.

Netpulse E-Zone
MEDIA NETWORKS

Technology Delivers - Sales & Retention

In an ideal world, each club would have a full time sales trainer, a customer service trainer, and a management consultant to insure that the club is selling and retaining as many members as possible. And, each club would also have an in-house graphic designer and commercial photographer to assist in the marketing of the club. Well, thanks to technology, this may now be possible. A company based in Denver Colorado, called Club Performance Network, is gearing up to deliver these tools to clubs around the world via the Internet. Club Performance offers sales and marketing tools, staff and management training, and an interactive website bulletin board to subscriber clubs.

And you don't even have to be connected to the Internet. As a matter of fact, Club Performance will even supply you with a specially configured, easy to use iMac computer to

access the sales and marketing tools, as well as the training component, at what they refer to as the club's e-learning center. They guarantee that even the most tech-challenged person will be able to operate the sophisticated e-learning center.

Using state-of-the-art technology via the Internet or the iMac, Club Performance subscribers will have unlimited access to a constantly updated database of promotional ideas, marketing tools, and an extensive stock photo library. "It's not an in-house marketing department," says Kelly Herrin (VP, Graphics & Production), "but it's a great source for promotional ideas, graphic design templates, clip-art, and stock images." Clubs will no longer have to hire an outside company for photography or graphic design work.

Club Performance, also, delivers multi-media training sessions with audio, video, and PowerPoint presentations on a

myriad of subjects that are directly related to making a fitness club more profitable. The presentations are offered via the Internet or at the club's e-learning center. Their initial offering of over 50 sessions includes presentations for the sales manager, sales staff, management, and general staff. A sampling of topics for the sales manager includes: Power Prospecting, How to Motivate Your Sales Staff, and How to Create a successful Marketing Plan. Offerings for management include: Building a Club Vision and Making it Happen, 101+ Ways to a More Profitable Club, and the Role of the General Manager in the Sales Process. Programs available for all staff include: Delivering Five Star Service, How to Respond to an Upset Member, Everybody Sells, and Stopping Sexual Harassment in the Workplace.

Traditional employee training for fitness clubs has consisted of operations manuals, videotapes, industry conferences, and consultants. Each of these methods is valid, but have their challenges. Manuals lack interaction and videotapes are not often available covering the variety of topics relevant to the fitness business. Seminars given at industry conferences have proven invaluable to owners and managers, but are not a practical means of providing ongoing, entry-level employee training. A

very effective means of attaining outside help is to hire a consultant. They are excellent in providing detailed training in many areas of the club including customer service and management. However, for many clubs this option is cost prohibitive, especially considering employee turnover.

Club Performance offers an innovative and cost effective training method. "On-going updates and new training session topics are the cornerstone of this product," says Club Performance CEO Bob Chaiken whose 30 years in the industry is only part of the combined experience brought to the table. Other presenters include Janet Lossick (sales & marketing consultant, former general manager and sales manager), Karen Woodard (owner of Premium Performance Training), and Mary Jo Chaiken (club training consultant).

Chaiken adds, "There are two benefits to providing training. First of all, communicating to your employees what your expectations are and, secondly, giving them the tools they need to succeed. These benefits can definitely have an impact on both employee retention and the club's bottom line. We plan to change traditional ways of learning to time-critical learning on your own time, at your own pace, and in your own space."

Our website bulletin board is a way to develop a network of relationships between employees of clubs across the country. Asking questions and getting support from peers has proven to be successful and creates camaraderie between the employees!

"We have just started beta testing with some clubs here in Colorado," says Lossick (VP, Sales and Marketing), "and the response has been even better than we expected. We've even had club owners who have wanted to invest in the company and that's a pretty good testimonial." Lossick continues, "Most clubs know they need help in membership sales and customer service, especially if they have high staff turnover. They just don't think they can afford it. We provide detailed training to all new hires and current employees, at a price any club can afford. If a club can sell, or retain, just one more member per month as a result of subscribing to this service, it will more than pay for itself." Club Performance Network's motto is - Sell 'em... Keep 'em...

Club Performance Network will be introducing their services at the Club Industry 2000 conference in Chicago (booth #784) in October. Those interested in more information can contact Club Performance at 303-526-2066, or on-line at www.clubperformance.net.

Norm Cates' **THE Club Insider** NEWS

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Casey Conrad

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ing and firming. This can be a powerful motivator for others as it gives them hope that your product or service might be able to give them the same results. Another way to utilize testimonials that will impact current sales as well as motivate existing members is to have a "Wall of Fame" in the club. On this wall should be framed testimonial letters and before and after pictures of members. During the tour this can be a wonderful stopping place to let the customer see all the happy, successful members. Further, members can look to the board for continued motivation. And, if your club doesn't have the wall space for a "Wall of Fame" you can still make this marketing tool work for you just by changing the format. Instead of posting the letters and pictures on the wall, make up a testimonial

scrapbook that can be kept in the reception or lobby area. When a prospect checks in for their visit, the receptionist can either hand them the book or direct them to it in the waiting area. Such a book can be utilized as a wonderful pre-selling tool as well as a nice way to keep the prospect occupied while waiting for a sales person. However you are able to do it, testimonials should be a key component to all your marketing pieces. Of course, make sure you get the proper model release forms signed by a member before ever quoting them or using their pictures for any purposes whatsoever.

Marketing is a complex area but one that is so important to the success of any club operation. In this article we have touched upon just three of the many elements that make up a successful marketing program. By taking the time to examine what you are doing

now and then making the proper adjustments in your efforts and strategies, you can dramatically improve your marketing and advertising pieces. Ultimately that means more membership sales for your club. After mastering these first three concepts you will be ready for another level of marketing, which we will examine in the next issue, Part II.

(Casey Conrad is President of Communication Consultants, a company dedicated to providing high quality sales, marketing and management seminars to the health and fitness industry worldwide. She has authored over 20 different publications and tapes for the industry and runs the Health Club University training center in RI. Most recently she created and opened a national chain of weight loss centers entitled "Healthy Inspirations Weight Loss and Lifestyle Center.")



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PROFILE No. 139	name	David Ruff
	title	National Fitness Director/The Fitness Company, Gaithersburg, MD
	competitive edge	Self-reliant. Determined. Always responds to the needs of his members. Relies on Life Fitness to help.
	personal profile	Loves a cold beer after a good workout. Likes in-line skating with his buddy, Wishbone. Fitness freak since age 12.

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