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Norm Cates

# THE Club Insider<sup>®</sup> NEWS

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

OCTOBER 2001  
VOLUME 8 NUMBER 10



**Pat Laus - World Class Visionary  
and Creator of The Atlantic Club  
- One of the World's Top Clubs**

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# THE Club Insider<sup>®</sup>

## NEWS

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

## Patricia Laus - World Class Visionary and Creator Of The Atlantic Club - One Of The World's Top Clubs

An Interview  
With Patricia Laus,  
Tom Pear  
and  
Kevin McHugh

By Norm Cates, Jr.

I arrived in Wall, New Jersey on a sunny Wednesday afternoon in late July and was driv-

ing along Atlantic Avenue looking for the entrance to Patricia Laus' Atlantic Club. Spotting the entrance, I passed it before I had time to make the turn. So, I continued down the road looking for a turn-around spot. A few hun-

dred yards down the road I spotted a second entrance to the Atlantic Club! Signaling my turn, I entered The Atlantic Club property, a 44-acre 'club campus', that resembles a small college campus more than it does an athletic club. Parking in

the huge parking lot, I made my way into the club.

The lobby of the Atlantic Club is a bright, airy, warm, energetic and happy feeling place. It is a high volume area accom- (See Pat Laus page 6)

## Club Performance Network and Health Fitness Corporation Announce Agreement

Minneapolis, MN - Health Fitness Corporation (HFC) and Club Performance Network (CPN) announced on October 11, 2001 that Club Performance Network will provide HFC clubs and centers with a web-based training system to deliver nationwide training to HFC associates.

Health Fitness Corporation is one of the largest providers of corporate and hospital-based fitness services, managing more than 150 sites worldwide.

Club Performance Net-

work is an Internet services provider for the fitness industry based in Golden, Colorado. Club Performance provides training modules for managers, supervisors and front line staff. Club Performance Network personnel include Brian Tracy, Tony Alessandra, and Rick Barrera, as well as fitness industry notables, including Gerry Faust, Brenda Abdilla, Sandy Coffman, Rick Caro, Bob Chaiken, and Janet Lossick.

"We are excited about having Club Performance provide our Internet training services,"

says Jerry Noyce, HFC President. "With our large number of geographically dispersed clubs and centers, it is a challenge to provide a consistent message. By using the Club Performance learning system, our employees are able to view the best ideas from the best trainers via the Internet, 24 hours a day, seven days a week. This allows us to provide an effective training program in an economical way."

Under the HFC agreement, CPN will provide a "private label" format where HFC as-

sociates will access training lessons through the HFC website and view training sessions from the Club Performance server. Jeanne Crawford, Vice President of Human Resources, said that HFC managers can set deadlines for completing courses and online testing. Real-time reporting lets managers know who is on track and managers can use lesson completion as part of their performance reviews.

Club Performance is currently offering over 50 lessons with more in production. The program also includes a variety of market-

ing ideas and a ready source of royalty free photos to assist in club marketing and promotions.

HFC plans to add internally-developed courses customized to their philosophy and proprietary training programs. HFC also plans to create their own internal Bulletin Board developed by Club Performance to provide a company wide online community for HFC clubs and centers to share programming information and to exchange resources.

## Bally Total Fitness Contracts To Buy Crunch Fitness

Chicago, IL - On October 15, 2001 Bally Total Fitness announced it had signed a merger agreement with Crunch Fitness(R), one of the world's leading fitness and entertainment brands. The move establishes

Bally as the leader in one of the industry's fastest growing segments — the upscale, young, urban fitness market. The combination of Crunch's brand equity with Bally's resources and expertise will enable Crunch to raise its profile in an unprecedented way with

increased Crunch locations worldwide.

The companies reached an agreement whereby Bally will acquire Crunch, a private concern of 19 clubs in six key urban centers, New York, Los Angeles, Miami, Chicago, San Francisco and Atlanta, in a cash and stock merger. The transaction is subject to the satisfaction of standard closing conditions for deals of this nature and the closing is expected by the end of the year. The terms call for Bally to issue approximately three million shares of common stock together with cash and other considerations. Based on Bally's current stock

price, the purchase price is valued at approximately \$90 million. Crunch will operate as a separate brand of Bally Total Fitness.

Lee Hillman, Chairman and Chief Executive Officer of Bally Total Fitness and Doug Levine, Founder and Chairman of Crunch Fitness, cited the natural synergies between the companies as the primary reason for the partnership. "By bringing the two best-known brands in fitness under a single corporate umbrella, we have created a truly unbeatable combination," said Lee Hillman. "Doug and his team have established one of the most recognized, innovative brands in the leisure and entertain-

ment industry, and it is our collective vision to build on this tremendous success."

"For us, there is no better company to partner with than Bally. Over the past five years, Lee and his team have proven that Bally is the leader in the mass-market health and fitness category, and that they have an acute understanding as to what people are looking for in health and fitness products and services. It is this peerless expertise, combined with the talents of the Crunch team, that will allow us to unleash the full potential of our brand," Levine said.

### Inside The Insider

- \*Needs Analysis & Qualifying Questions to Determine Why The Prospect Will or Won't Join Today
- \*Thanks, Joe Cirulli
- \*Sales and Closing Are Not Dirty Words!
- \*Crank Up Your Winter Revenues
- By Attending IHRSA Orlando!

# • NORM'S NOTES •

•Our sincere condolences to the families of the 72 employees and untold number of members of the **One World Trade Center Club** as they lost their lives in the **September 11, 2001** attack. The 80,000 square-foot club is an affiliate of **IHRSA Member, Club Corporation of America**. The 1,100-member club seats close to 500 people in several different rooms and many were there for breakfast at the time of the attack, including a breakfast meeting group of 125. Our condolences and thanks to former Club Manager, **JULES ROINNE**, the Manager for 22 years before the attack, for providing us with these details. Jules told me that the club covered the entire 106th and 107th floor of the North World Trade Center Tower. He also told me that he was feeling a terrible and deep sense of loss because he had both professional and friendly relationships with many of the 72 employees who perished. **GOD BLESS THEM ALL and GOD BLESS AMERICA!**

About this **WAR**, last month I commented in this column that I, as just one American, was not going to let terrorist activity stop me from doing my job. I hope each of you feel the same way and have continued to live on fully and completely and have not let fear stop you from doing so. Before going to work each day, find consolation and reflect on and consider the words about the **WAR** from two of our Contributing Authors, **JOHN BROWN** (whose comments appear below and on page #18 and **SANDY COFFMAN** (page #25). Here is what John had to say about this world we are all now living in and how we should view the club business. John Brown wrote: "Our sales have been steady, but not exceptional, meaning our closing ratios are down. But, I believe that can be quickly improved by "burst training" our staffs relating to this anomaly and teaching them that when we are at war and the economy is shaky, the last thing

you want to do is use price as a closing too. I always preach this anyway. We should retrain all of them to concentrate on being caring and compassionate to the prospects and reminding them of all the wonderful things this industry can and does do for people everyday. Listed below are the core concepts that hit me hard and always make me feel that what I am doing really does matter: **JOHN BROWN OUTLINES THE VALUE OF OUR PRODUCTS**

"OUR PRODUCT LITERALLY CHANGES PEOPLE'S LIVES! IT TRULY IMPROVES THE QUALITY OF PEOPLE'S LIVES! IT HAS SUBTLE, BUT POWERFUL MEANING AND VALUE. WHAT IS ONE MORE DAY OF LIFE WORTH? WHAT IS MAKING SOMEONE FEEL HAPPY TODAY WORTH? WHAT IS THE VALUE TO A MEMBER WHEN THEY MAKE A NEW FRIEND AT THE CLUB? WHAT IS THE VALUE ON A MAN OR WOMAN'S LIFE WHEN THEY LIVE LONGER TO BE THERE FOR AND WITH THEIR FAMILY? WHAT IS THE VALUE OF, AT LEAST TEMPORARILY, BREAKING THE CYCLE OF DEPRESSION AND LONELINESS WHICH EXISTS IN THE WORLD EVERYWHERE? WHAT IS THE VALUE TO THE MEMBER TO BE RECOGNIZED AND MADE TO FEEL WELCOME AND SPECIAL?"

MAYBE IT SOUNDS CORNY, BUT I BELIEVE ALL OF THE ABOVE ARE PRICELESS."

•Congratulations to **KEVIN GRODSKI**, President, and his **Life Fitness Team**, as Life Fitness has just built its **500,000th Lifecycle!** What a story. **AUGIE NIETO**, while still a college student, teamed up with another industry legend, **RAY WILSON** to perfect this

famous bike originally designed by **DR.KEENE DIMICK** and as they say, the rest is history. The Lifecycle truly was the beginning of high volume aerobic equipment development worldwide and continues to lead the way worldwide. Along the way, the Lifecycle grew into the company now called **Life Fitness** and over the years, Life Fitness was owned by **Bally Entertainment** and now is owned by the giant **Brunswick Corporation**, a worldwide leader in all kinds of recreation products. Along with the genius, **ARTHUR JONES'** invention of **Nautilus** in the late 1960s, the Lifecycle changed the world in our business. Thanks **Augie**, **Ray** and **Arthur!**

•Congratulations to **GEOFFREY DYER** and the **IHRSA Board of Directors** and **JOHN MCCARTHY**, **HELEN DIRKIN** and the **IHRSA Staff**, as they are now racking up **VICTORY** after **VICTORY** in the nationwide battle against non-profit, non-tax-paying competition from **Parks and Recreation Departments, Universities** and **non-profit hospitals**. And, the challenges still are there with the **YMCA** battle, but it is a slower moving, tougher fight. But, there is progress on that front as well as recent Court Orders like the one described in Capitol Reports on page #16 of this edition prove. The **YMCA** organization is now over 150 years old and will continue to be the single greatest challenge to the commercial health club industry across North America. The simple reason is that **YMCAs** do not pay Federal, State or Local Taxes and also enjoy numerous other financial advantages over commercial health club operators that sell the same products to the same markets. It is a shame that in America, the Land of the Free, two groups of people, doing the exact same thing, are treated in two **TOTALLY DIFFERENT WAYS** in respect to the Government's taxation policy. But, we will fight on for what is right. **STAY TUNED.**

•Be sure to make plans to attend the **IHRSA Club Business Conference and Trade Show** in Orlando, December 5 - 8th. For information on that opportunity to

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move forward with your sales and marketing, call **IHRSA** at: 9800) 228-4772.

•Congratulations to **BROTHER CURT BEUSMAN** and **JANE BEUSMAN** as they celebrated their **50th Wedding Anniversary** in September! What a wonderful couple and what amazing things **Curt** and **Jane** have done for our industry. **Curt**, a PhD. in Chemistry, is one of our industry's greatest minds and he and **Jane** have been there when it counts for so many of us. They were there when we started **IHRSA** back in 1981 and they were there when we started **The CLUB INSIDER News** 9 years ago. **Curt** has been one of the industry's greatest teachers and without **Curt** and **Jane**, I am not sure where we would be in the industry now. Congrats and thanks **Brother Beusman** and **Jane!** All the best to you both.

•Congratulations to **LEE HILLMAN**, Chairman, CEO and President of **Bally Total Fitness** was honored on October 17 in Chicago with the **TORCH OF LIBERTY** presented by the **Anti-Defamation League (ADL)**. The **ADL** is a coalition of religious, political and business leaders who work to improve race, ethnic and religious relations in the U.S. Also, **Bally Total Fitness' PAUL TOBACK**, announced on October 10th that **BTF** had entered into a relationship with **Sports and Leisure Technology** to produce **Bally Branded** fitness products which will be available in 3,300 retail outlets in the U.S. **Toback** says, "For us, it is all about leveraging the **Bally** brand in a powerful and positive way. Expanding distribution of our exercise products will enable more consumers to enjoy **Bally Total Fitness** both at home and in the club."

•More congratulations, this time as the **Aphelion Software Corporation** was recently honored by **Deloitte and Touche**, a nationally acclaimed CPA firm, for nomination to the **Texas Crescent Technology Fast 50**. **Deloitte and Touche** sponsors

this annual event, which recognizes the 50 fastest growing technology companies in Dallas, Austin and Houston markets. **Aphelion**, founded in 1986 by **DR. REG BERKA** and **BILL NICHTBERGER**, specializes in management software for the health and fitness industry.

•**JOE CIRULLI** recently hosted a **Gator Fanatic Fitness Day** at his super **Gainesville Health and Fitness Center** in Gainesville, Florida to help Florida Gator Head Football Coach, **STEVE SPURRIER** and other Florida Gator coaching greats kick off the Gator athletics seasons. In addition to Coach **Spurrier** (see photo on next page), **BILLY DONOVAN**, **BECKY BURLEIGH**, **PAT McMAHON**, **CAROL ROSS** and others were in attendance. In 1966, the year Coach **Spurrier** won the **HEISMAN TROPHY**, I and my **N.C. State Wolfpack Football Team** had the misfortune of playing against **Spurrier** in Gatorland. I will never forget it. When our team ran out onto the field through the tunnel at the brimming full **BEN HILL GRIFFIN STADIUM** (aka Florida Field), the crowd was screaming: '**GATOR BAIT!**' - '**GATOR BAIT!**' - '**GATOR BAIT!**' We ended up being '**Gator Bait!**' as the Gators whipped us 28-10, if I recall correctly. And, my money is on the **FLORIDA GATORS** to win the National Championship. That is, if they can get by the **AUBURN TIGERS** and the **GEORGIA BULLDAWGS** at the "Biggest Cocktail Party In The World In Jacksonville, Florida!" Also showcased at the event was **Joe's** newly renovated lobby which now includes a smoothie cafe, a lounge area with TV's and four Internet equipped computer kiosks. **Joe Cirulli** just finished his term as **IHRSA's 20th President** and made a lot of friends along the way. Check out **PLESANT LEWIS** and **CAROLINE SAN JUAN** comments about **Joe** on page #26.

•The **Wellbridge Corporation**, led by **ED WILLIAMS**, (See **Norm's Notes** page 5)

Norm Cates' **THE Club Insider**  
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## Karen Woodard Announces Round Table Program

**K**aren D. Woodard, President of Premium Performance Training is pleased to announce the introduction of the 2002 Club Round Table Program. The purpose of the program is to bring 6-8 non-competing clubs together in a region for

business consulting and staff training on a quarterly basis. A few of the program benefits include consistency in training, meeting/exceeding growth expectations, minimizing the re-invention of the wheel and minimizing the expense of staff train-

ing and operational excellence. The first RT starts in February of 2002. Call **Karen** at 303.417.0653 to learn how this program will benefit your club's profitability in the year and years to come.

## Norm's Notes

continued from page 5

CEO and ART CURTIS, COO, has been retained to manage the Calhoun Beach Club, one of Minneapolis' premier indoor-outdoor, athletic and social clubs. The club includes exclusive dining and banquet facilities.

•TOM BEHAN and ANDREW EKER, with a total of 11 clubs either open or in the pipeline are kicking some butt up in Alaska! In the near future they will have 9 clubs in Anchorage and already have 2 clubs in Fairbanks. Tom, thanks for your service on the IHRSA Board.

•LLOYD GAINSBORO, owner of the Dedham Health and Athletic Club was having a tough time getting his Junior Tennis Program off the ground until he found BILL FLOOR. This Fall, Floor had 337 children signed up for group lessons. Way to go BILL!

•JOHN KINNEY, CEO of Club One Inc. has announced that the company has successfully placed \$6 million in a financing package recently. Club One now owns and operates 18 clubs and 49 corporate fitness sites.

•MACMA, the Mid-Atlantic Club Management Association, held its Annual Conference and Trade Show on Au-

gust 20 and 21. At the Board Meeting, the following slate of officers was announced for 2001/2002: BILL McBRIDE- President, LEAH KLEINBERG- Vice President, CAROL HIMES - Secretary, Treasurer, PETE BAZZEL and Ex-officio, JULIA WHEATLEY. Also, MICHAEL MEEHAN was elected to the Board of Directors for a 3-year term.

•The Sports Club Company CEO, REX LICKLIDER, announced that SCC has opened its latest locations in Boston and San Francisco, completing a 3-year expansion plan. That makes a total of 9 luxury and 1 mean luxury,

sports and fitness complexes nationwide.

•STEPHEN ROMA, The President and Founder of WOW! Work Out World in New Jersey, has pledged \$10,000 of his club chain's money to the American Red Cross and has set a goal of \$50,000 to be raised in his 7 clubs. Roma has also announced the opening of two more locations in Red Bank and Navesink, New Jersey.

•Gold's Gym International (GGI) announced that it has acquired the 38,000 s.f. Gold's in Long Beach, CA. Formerly owned by ED CONNORS and MICHELE AND JIM FREE.

•BRUCE WILLSON, the General Manager of The Health and Wellness Connection in Vineland, N.J., says that his staff recently saved the life of a 70-year-old man who was warming up for a tennis game and suddenly went into cardiac arrest. The save was done with the club's AED system and afterward, doctors discovered a 95% blockage in one of his main arteries. Doctors installed a stent and the man is doing very well. This brings to 4 the numbers of "saves" done with AED devices in IHRSA clubs in the last 90 days. It took two shocks to bring the gentleman back. GOD BLESSED HIM!

•GOD BLESS AMERICA and STAY TUNED!

# The CLUB INSIDER News Worldview

•REEBOK along with Sportsplex International and Chicago-based Lakeshore Athletic Clubs, are in negotiations to develop two additional Reebok Sports Clubs in the United Kingdom. Reebok's first entry into the UK

market is scheduled to open at Canary Wharf in late 2002 and is projecting to serve 10,000 members.

•HARMTEGELAARS' CANNONS Group is raising millions by selling and leasing back 10 of its 16 free-standing club fa-

cilities. Also, Cannons has made it known that Chelsea's Harbour Club is also for sale "at the right price." The cash generated will be used to reduce debt incurred to Royal Bank Private Equity (RBPE) which backed the recent buyout.

•MIKE BALFOUR continues to roll out new Fitness First facilities around the globe with the 200th club to open by October 31, 2001. In the United Kingdom, 9 new clubs will open in October. In September/Oct-

ber, 3 clubs will have opened in Germany, 3 in Spain, 2 in Italy, 3 in France, 1 in the Netherlands, 2 in Hong Kong, 1 in the Philippines and 1 in Thailand. As of October 31, 2001, Fitness First will have 100 (See Worldview page 25)



(Left to Right) Gator Fan, Joe Cirulli & Steve Spurrier

## Life Fitness Celebrates Production Of 500,000th Lifecycle Exercise Bike

**F**RANKLIN PARK, Ill. - Life Fitness, the leading manufacturer of a full line of cardiovascular and strength training equipment, proudly announced on October 8, 2001, the production of its 500,000th Lifecycle exercise bike, the No. 1 bike in commercial fitness facilities worldwide. The Lifecycle exercise bike was manufactured in Life Fitness' plant at the company's suburban Chicago headquarters. "We are thrilled to reach this milestone," said Kevin Grodzki, president of Life Fitness. "As we look back at the celebrated history of the Lifecycle exercise bike and the enormous impact it has had on health clubs and advancing fitness worldwide, we are confident that we will continue revolutionizing the fitness industry with even more innovative products in the years to come."



progress. In the 1970s, the legendary health club pioneer and fitness entrepreneur Ray Wilson bought the rights to the bike and eventually teamed up with business student and fitness industry visionary Augie Nieto to establish Lifecycle, Inc. The Lifecycle exercise bike began to make significant inroads into the health club market during the early 1980s. In 1987, the company, which had been renamed Life Fitness, introduced the first consumer unit, enabling exercisers to duplicate at home the experience they had with the Lifecycle bike at the gym. Through three decades and eight versions, Lifecycle exercise bikes have set the standard for computerized exercise equipment around the world, having pioneered virtually every major improvement in technology, ease of use, comfort and motivating feedback. Currently, for the commercial market, Life Fitness offers the 9500HR, 9100 and 8500 Lifecycle bikes in recumbent and upright models. Consumer versions include the C3, C7i and C9i upright Lifecycle bikes and the recumbent R7i and R9i. Life Fitness recently celebrated the milestone with a ceremony at its Franklin Park manufacturing plant as the 500,000th Lifecycle bike rolled off the production line.

### 500,000th Lifecycle Exercise Bike

**T**he late Dr. Keene P. Dimick, an acclaimed chemist, originally created the Lifecycle exercise bike in 1967 to help executives improve their physical fitness and measure and track their

Norm Cates'

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## ...Pat Laus

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modating traffic for the 250,000 square-foot Atlantic Club that hosts in excess of 1,500 people per day. The lobby is more like the lobby of a world class hotel than it is the lobby of an athletic club. Directly behind the reception desk is the Atlantic Club indoor swimming pool, also known as the Natatorium, due to its 3-story ceiling, tropical foliage and beautiful art work. Enclosed in glass, this pool is one of four pools on the property. Immediately upon entering the lobby you see the beautiful reception area with the colorful pool and the fitness/cardio area in the background.

This writer has traveled North America extensively and visited many clubs in the past 27 years. The Atlantic Club is, in my opinion, one of the Top 5 mega-clubs in North America, if not the world. The other clubs on my Top 5 list are: Red Lerille's Health and Racquet Club, Lafayette, Louisiana, the East Bank Club, Chicago, Illinois, the Thoreau Club, Concord, Massachusetts and Cedardale Athletic Club, Haverhill, Massachusetts.

### A World Class Visionary

The Atlantic Club is the product of one of the health, racquet and sportsclub industry's greatest visionaries, Patricia Laus. In 1983, Pat Laus assumed operational control of a 17-court racquetball club called "What's Your Racquet?" "What's Your Racquet" had opened in 1978 and was situated on 5 acres of land. It offered only racquetball on a 'pay-as-you-go' court-time basis. Through a process of visualization, Pat Laus has created a club business that will generate \$17 million in revenue in 2001. The Atlantic Club is a club business with many businesses contained within. An amazingly high percentage of The Atlantic Club revenues are derived from non-dues categories. Prior to taking over "What's Your Racquet" in 1983, Laus had no experience whatsoever in club operations. She was a Registered Nurse, aerobics instructor, mother and wife when she was thrust into the role of owner/operator. Pat has been through an amazing experience since then, and she has survived some very trying times to reach the level of success that she now enjoys. But, she will be the first one to tell you that what she has accomplished with The Atlantic Club has truly been a team effort. She has assembled a terrific team of leaders and managers including Tom Pear, CEO and President, and Kevin McHugh, COO of The Atlantic Club, Corp., President and Headmaster of Atlantis Prep School and President of The Atlantic Club - Red Bank along with a number of other key managers. (See sidebar). Together, this team has built business after business within the club, in-

cluding the following businesses generating annual revenues as shown: the Collage Shop - \$600,000, Spa - \$1.75 million, food and beverage - \$1 million, Summer Camps - \$ 1 plus million and the Atlantis Prep School - \$2 million for a total annual revenue of \$17 million!

What Pat Laus has done and how she has done it is an inspiring story indeed. Continue on and you will read her truly amazing story of dreaming, fact-finding, planning, communication and execution.

I had scheduled a second trip back to The Atlantic Club for interviews, but that visit was cancelled because of the WAR. So, we contacted Pat Laus, Tom Pear and Kevin McHugh by phone for interviews, and we also reached out to The Atlantic Club staff by email for their comments. Those interviews follow on page 14.

Q. Pat, tell us how you originally entered the club business?

A. "In 1978 'What's Your Racquet?' was founded with a General Manager and an owner. It survived the early years until about 1982 on the 'Pay-As-You-Go' court time program, as everybody else in the industry was doing. In 1982 they installed some Nautilus equipment and begin to offer aerobics classes. That was the beginning of a conversion period from strictly racquetball courts to multiple services. In 1983 the business was failing and I chose to take the opportunity that was offered to me and took over the club, despite the fact that I had never run a business. I had been a Registered Nurse, an aerobics instructor, a mother and a wife. I looked at the opportunity and just thought, 'Now smart guy, what are you going to do?' Through some networking I came upon an IRSA (no typo here as IHRSA had no H in those days) Newsletter from 1983 which was all of four pages. I looked at the list of the Founders and Board of Directors and where they were located and Curt Beusman turned out to be "my man." So, in 1983 I went up to visit Curt and his Controller, Tom Pear. Curt was very high on the business and I asked Curt to be my consultant to help me get started. That was the period of time when the club industry was going through the transition from court time to monthly dues and also clubs were just getting into computers with Dick Mitchell of RCM Systems. Curt came in and he brought Tom Pear along to help us with our business formulas. That was a real learning experience. And, I thank Curt until this day for being soft when he needed to be soft and tough when he needed to be tough. I really was what kids call, 'Nowhere.' He educated me and guided me and then gave me

space to really improve on my own style, which is really the definition of a leader. And, that is what Curt is. He is a leader. So, that's how I got started in the club business. Very importantly, I went to my first IRSA Convention in 1983 (IRSA's 2nd Convention.) I sought out those people that I felt had a grasp of the club industry at that time. And, those people are still there! Red Lerille, Alan Schwartz, Roger Ralph, Rick Caro and many others. I was fortunate that I was able to spend a little bit of time with the people that were doing it successfully at that time. The entire industry at the time was in a state of disarray. It had no identity. There was racquetball and indoor tennis, but there was no stronghold on fitness yet. No one was sure of what we were going to be when we grew up. (Author's note: Except Red Lerille who in 1983 had been operating his mega-club in Lafayette, Louisiana for 20 years by then).

Club Insider-"And, when you grew way-way up, you became The Atlantic Club."

Laus- "I guess. That's not a bad wish to have."

Q. Pat, I noticed that you had 5 acres of land with your racquetball club. That is a lot of land for a racquetball club in those days. Tell me about that?

A. "I had mentioned that timing is everything. In this case, the 5-acre parcel had been part of a farm and farm land was very inexpensive at the time because there was not much development down here then. Farmers were starting to sell their land and retire. The original 5 acres of land was \$500 per acre. To contrast the times, the two acres I bought last year were \$100,000 per acre. If you are real honest Norm, you have to admit that part of success comes from fact finding, planning and hard work. And, some of it is timing. And, that timing, I think, comes from above."

Q. Pat, one of the key purposes of The CLUB INSIDER News is to share success stories for our readers so they can copy the success that people like yourself have. A big part of your success at The Atlantic Club has been through the 'growing', if you will, of businesses within the business of The Atlantic Club. What can you share with us about that success?

A. It is one thing to look at a club like ours and say, 'Well, they have that big club with 44 acres, etc. so they can do that!' All of our programs may be delivered in a very small scale in much smaller clubs. I will not let anybody off the hook about not being able to do it - because all of our programs were started in very small spaces as 'pilot' pro-

## The ATLANTIC CLUB Key Personnel

Pat Laus - Chief Executive Officer  
 Tom Pear - Chief Financial Officer & President  
 Kevin McHugh - Chief Operating Officer  
 Ellen Veprek - General Manager  
 Kathy Guibord - The Atlantic Club - Red Bank  
 Christian Young & Pat Weir - Fitness  
 Beth Rogers & Christina Siegler - Marketing  
 Donna Kravitz - Collage Shop  
 Clayton Taylor - Tennis  
 Bridget Gielis - Customer Service Desk  
 Frankie Browne - Sales  
 Janice Grasso - Fieldhouse/Camp  
 Stephanie Crofton - Aquatics  
 Rita Greenberg - Spa  
 Anna Sacco - Food and beverage  
 Jan Vas - Business Office

grams for a year or two first. With as much as it looks like we are doing now, all of it started small and was expanded, and expanded and expanded. And, some of our programs were discarded. We weeded them out. But, you're not going to know what will work unless you try. What we have evolved into was what I had envisioned. We'll talk more about visioning later. Some people are shut down to the idea of visioning because they haven't done it or they don't want to do it. But, I've got to tell you, it is the only way. If I had to define my role here, it is that of a visionary for my staff and for myself because you are asking your staff to go about the business of running a business. They have to have something to look to. Regardless of whether that vision is small and then they achieve it and you take that vision and grow that vision and they achieve it again. This is exactly how businesses are grown. The important thing is to have a vision of what you want to achieve and to have everyone pushing together to achieve that single vision.

Q. You seem to have a terrific grasp of management concepts and principles. To what do you attribute all of this knowledge?

A. Truly Norm, without IHRSA throughout the years, we could not have done it. There has not been a month that goes by that I don't contact other IHRSA club owners to find out what they're doing. You're not in competition with compatriots at IHRSA. Years ago, John McCarthy (IHRSA's Executive Director) gave a speech in which he emphasized the importance of the industry working together to increase the number of exercisers and that we are all in effect, "Floating the boat" to a higher level and all boats will rise. John was SO

right! IHRSA has been there for all of us and continues to be, and that is fortunate for all of us. (Author's comment: But, Pat Laus has been there for IHRSA also, serving from 1990-1993 on the IHRSA Board of Directors. She also received IHRSA's Distinguished Service Award in 1994). Attending the conventions has given me the opportunity to meet and interact with many industry leaders and top speakers. Some of these speakers, like Dr. Gerry Faust, have not only become consultants, but also our friends. Years after I met Gerry Faust, I still ask him to help us. In fact, he will be here next week to conduct a meeting with our staff. And, guess what he is going to share with our staff? Teamwork and how we should all work together to push toward the same vision and goal. He calls that presentation, "The Rock" and it is an incredible way to get the message of teamwork across to our staff. You don't come by a Gerry Faust just by hanging out. You have to be part of an organization. Another person that has helped us over the years is Klaus Hilgers. Klaus taught me the 5 Steps To Success that I still use until this day when I am putting together another part of our business and am engaged in visualization. They are: (1) Fact finding; (2) Planning; (3) Communication; (4) Performance and (5) Evaluation. Another advantage that I've had in recent years is becoming a member of TEC International (The Executive Committee). TEC has opened the door for a tremendous amount of growth for me and my staff. While IHRSA is more targeted and focused on the club business, TEC International helps us in the goal of growing people to run a big business. For example, John Cappel is someone who took Kevin and Tommy and I through our 'Visionary Day.' There isn't a moment in my life when I don't have that vision in front of me. It has made life so much easier running the business because the three of us as leaders are on the same page.

(See Pat Laus page 8)



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## ...Pat Laus

continued from page 6

**Q.** Speaking of the 'three of you', let's talk about Tom Pear and Kevin McHugh, your two 'right-hand men.' Tell us about Tom and Kevin?

**A.** Tom came on board full-time in October, 1994 and Kevin joined me in November, 1993. They are just incredible. This was the turning point in my life. These two people were in the perimeters of my life, but then I was able to look at them from a different viewpoint and bring them together.

Tom Pear recalls Pat's early years as an owner/club manager and her dreams: "She took over as Executive Director of the club in 1983 and she contacted Curt Beusman and me early on for help. She basically told us that she didn't know anything about the club business and wanted to learn how to own and operate a club. We

came here as consultants for her. Her dream was to expand the club and to make a difference in people's lives. The club that you see today was her dream 18 years ago. In the early years, I would handle the computer and systems aspects of the business. I was basically her systems analyst. Plus, we would talk about business and other issues. I consulted with Pat until 1994 when I became Vice President and began to run the financial end of the business. Kevin was initially the Marketing and Sales Director and later became the General Manager. My focus has always been to oversee the business and financial aspects of the business. Kevin's focus is more on the marketing side of it. Pat has the vision and is the driving force for what she wants done. One of our goals that I focus on is to drive revenues upward and make the business more profitable and to protect Pat's interests. We've done that successfully over the years. The Atlantic Club has been profitable and has stood on

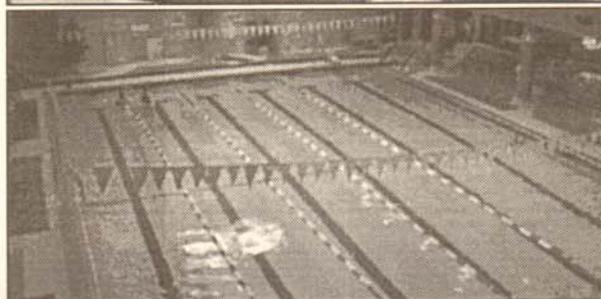
its own financially since 1988."

Kevin McHugh, The Atlantic Club, Inc. COO, President and Headmaster of the Atlantic Prep School and President of the Atlantic Club - Red Bank was, believe it or not, a painter at the club when Pat Laus discovered him in 1993. McHugh, a Manhattan College Undergraduate and Master's Graduate, had spent several years with the consumer goods company Gramm Metropolitan and was in between corporate jobs. But, while conducting job searches in the somewhat dry 1993 market, McHugh was working as a painter in the early AM hours (4 am) until 10 am, working during the day as an insurance consultant and working at night as a College Professor at the Brookdale Community College. Pat Laus was an 'early-bird' club user and swimmer. One morning at about 5:30 am she spotted this fellow painting in the indoor pool area of the Atlantic Club. Later, she inquired about him and found that his nickname was "Professor". She approached him one day and said, "You shouldn't be painting." After learning about Kevin's educational and corporate background, Pat became interested in Kevin taking over the sales and marketing departments. So, she invited him to attend the IHRSA Sales and Marketing Conference held in December, 1993, so that he could get a feel for the people and events in the industry. Upon their return, Pat and Kevin made a deal for Kevin to be the Marketing/Sales Director for The Atlantic Club. Here is what Kevin had to say about his role: "With the new holding company that we're putting together for Pat, I will be overseeing the sales and marketing for all of the properties. Underneath that falls responsibility for projects like the new Spas and the current sales operations. In the past year and half I've taken over The Atlantis Prep School's Headmaster as well as the new project, the Atlantic Club - Red Bank. I usually go in first, then I replace myself."

McHugh continues, "We've been working on the Spa expansion at the Atlantic Club for the past five years. Plus, we've been working on getting into the new club project in Red Bank for 5 or 6 years. On December 1st, we will open the new Atlantic Club - Red Bank, the newly expanded to 10,000 square-foot Spa at The Atlantic Club - Wall, N.J. and the new Spa at Red Bank! Quite a busy day!"

**Q.** For Kevin McHugh- "Kevin, recall for us how you and Pat teamed up and why?"

**A.** "The thing that sold me on Pat was not the day-to-day operations. It was when she said, 'This is what I want to build over the next 5 years.' That was what



### The Atlantic Club

excited me. I wanted to see what was out there beyond what we were doing in 1993. I really wanted to see where we would be in 1998 and beyond. She told me about her dreams and how she wanted the team to help accomplish them. She was very consistent. By 1999 we had in place pretty much what Pat dreamed about in 1993. From a visionary standpoint, she became stronger and she is still out there planning now for 2003 and beyond."

**Q.** Pat, in addition to your major Summer Camp Program for kids, you have a fully accredited prep school on site with over 450 full-time students. Tell us about that?

**A.** "It is called The Atlantis Prep School. Atlantis Prep started originally as an outgrowth of our nursery program for our members. We realized that there was a possibility of a nursery school concept and we did that. We then went into a pre-school program and eventually we got accredited and introduced Kindergarden. About four years ago I had this idea that instead of spending our life changing people's lives in the clubs, maybe we could do something about growing people from the ground up that would have the values and balance in their lifestyles along with a rich educational experience. My concept was to just teach them those values from

early on. Then we made the transition to Atlantis Prep and we added the younger classes. We have 446 students. I've given Kevin the additional challenge to add both a 4th and 5th grade in 2002. Thereby, providing in 5 years, a graduating class of students who have been with us for 8 years! I have such respect for my teachers and their creativity. Their classrooms are just like DisneyWorld. They're phenomenal, disciplined, they're visual. The children are all dressed in their little Atlantis Prep uniforms. The kids are so polite and nice.

**Q.** Do you know what the student to teacher ratio is?

**A.** Yes. I was required to specifically build the classrooms to comply with State regulations and the regulations were built to accommodate 16 children per classroom. So, you have a teacher and an aid in every class providing a 2 to 16 teacher-to-student ratio that is guaranteed to parents. The school began as a 3-room facility and we've added and added space and we are up to 20,000 square-feet with 19 classrooms right now. And, within the next 3 years, we will be replacing the building. Of course, a great benefit is that during our club down-times the school uses the Fieldhouse, the Aquatic Center and the 20+ acres of sports fields. It takes some doing scheduling wise, but we try to have every square-foot functioning around the clock.

(See Pat Laus page 12)



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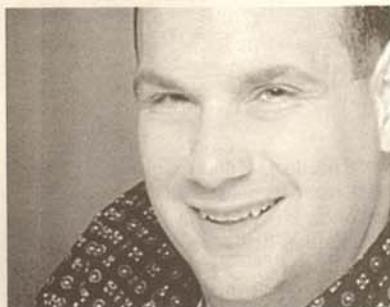
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(Note: You do not have to send in this pass if you are pre-registered for either the Athletic Business Conference or the IHRSA Club Business Conference. Registration for either of the complete conferences includes trade show admission. For trade show and conference details, visit [www.ihrsa.org/meetings/conference](http://www.ihrsa.org/meetings/conference) or [www.athleticbusiness.com](http://www.athleticbusiness.com))

(Please photocopy for additional registrants.)

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**Questions (must be completed for admission)**

**1. Which of the following best describes your facility/affiliation?**

- Multipurpose club
- Fitness-only club
- Personal training studio
- College or university athletic or recreation center
- Park or recreation dept./district facility
- Military facility
- Hospital, rehab and wellness centers
- Corporate fitness facility
- Resort/hotel facility
- YMCA/YWCA
- JCC
- High school/private school athletic facility
- Private sports/recreation center
- Pro facility
- Police/fire department
- Apartment/condo facility
- Church facility
- Community association/developer
- Architectural firm
- Consulting firm
- Association
- Manufacturer/distributor
- No facility
- Other (please specify)

- President/Executive Director
- Vice President
- Fitness Director
- Recreation/Intramural Director
- Parks & Rec Director/Superintendent
- MWR Director
- Athletic/Sports Director
- Assoc./Asst. Athletic/Sports Director
- Aquatic Director/Coordinator
- Youth Sports Director
- Program Director
- Facilities/Buildings & Grounds Manager
- Equipment Manager
- Athletic Trainer
- Architect/Facilities Planner
- Consultant
- Personal Trainer
- Instructor
- Dealer/Distributor

**3. What is your role in purchasing or leasing fitness/sports equipment, products or services for your facility?**

- Final Decision
- Specify Brands
- Recommend
- No Role in Purchasing Process

**4. What specific categories of products/services are you interested in seeing (please check all that apply)?**

- Cardiovascular equipment

- Strength equipment
- Health screening/testing equipment
- Entertainment/sound/music
- Software/internet products
- Nutritional/concession products
- Financial services/insurance
- Air/fabric structures
- Sports surfaces
- Weight room flooring
- Basketball/volleyball/soccer/baseball equipment
- Lockers/locker room products
- Aquatic components/products
- Scoreboards/large-screen video
- Gym dividers/padding/rigging
- Bleachers/seating
- Racquetball/squash systems
- Ice arena/inline components
- Lighting
- Architectural/consulting services

**5. Are you coming to the show with plans to purchase any of the above products/services?**

- Yes  No

**6. If yes, what is your timeframe for making such a purchase?**

- Purchase at show/within one month
- 1-3 months
- 3-6 months
- 6 months-1 year

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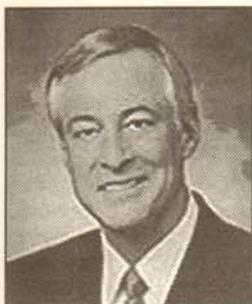
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**...Pat Laus**  
continued from page 8

**Q.** It must be a tremendously fulfilling experience to deliver Atlantis Prep to your community as a part of your club.

**A.** It really is phenomenal. And knowing that we are still growing it and that my teachers are very aggressive about their own professional growth. That aspect of the school is just incredible because what happens is it starts to feed on itself and it keeps bringing new programs. The children's curriculum is so rich in so many ways. There is not another place that they will go to school that has the benefit early on of getting a mind/body. Fitness early on. Proper nutrition early on. Who they are in the community early on. Everything is so integrated with their regular studies. They learn Spanish beginning in Kindergarten through 4th Grade and then in the 5th, 6th, 7th and 8th they will learn French. So, by the time they leave the Atlantis Prep School and enter high school they will be multi-lingual.

**Q.** Pat, I was amazed with a conversation that I had with Tom Pear yesterday when he indicated that approximately 50% of The Atlantic Club's \$17 million in revenue comes from non-dues categories.

**A.** We call those categories ancillary services. That's the key. What we've done with the Management Team is always ask

the question: "Where is the added value to the member?" So, if you keep the value in the membership and then you offer ancillary programs they don't mind paying for the ancillary programs because they know they are getting professional one-on-one or small group participation. The minute you start to compromise on what you offer as the general value of the membership is when the member will feel squeezed. So, the key is the balancing act. Wherever we can, we put it into the membership. For instance, Yoga classes are part of the general membership. If you want a private Pilates session, that would be an additional charge. Once you embrace your member and they've joined the club and they come in for what we call 'other reasons', you have an opportunity with all of those members to introduce them with new ways to be married to your club. That is how you build loyalty with them. If you are going to offer them personal training, it's got to be quality personal training. If you're going to offer them massage, it has to be the best massage they can get within a 25-mile radius of the club. If you're going to offer them a facial, it has to be a special experience and must have products that they can't find in their local store. So, every step of the way, you are embracing them more and more in their need to have the club as the '3rd Place' their life. Home, work, club.



**(Left to Right) Audrey Bradley, Grace Farren, Anthony Schweizer, Kevin McHugh, Alexandra Bologna, Perri Anderson and Lauren Waters**

**Q.** I am aware Pat that you're actively involved in a number of community service efforts. Do you have any particular special causes that you focus on? How do you go about deciding where you're going to allocate your club's community service efforts?

**A.** It has become more difficult because once you are an allocator, you become very popular. For the right reasons early on, I had to raise the visibility of the club and turn the reputation of the

club around in the community. I wanted to send the message that we were there as part of the community. In the 90s I received every award under the sun here because I work so hard at everything. Currently, I still support all of those causes: the local hospital, Big Brothers and Big Sisters, Chamber of Commerce, the Girl Scouts, National Conference of Christians and Jews, the American Cancer Society and the local Foodbank. On a day-to-day basis, we handle the donations for all of the surrounding towns. Importantly, it is not just taking out an ad or something. We've found ways to raise funds doing things such as a wonderful gift basket with a tennis lesson and a few tennis items in it. So, we make a contribution like that and before you know it, we end up getting a member from it. So, it is a win-win. We have also supported the township. For example, when the town's tennis courts were out of service, we worked with them to provide tennis access to people that normally would be playing on the city courts.

**Q.** Pat, what is The Atlantic Club's Mission Statement?

**A.** We have our Mission Statement functioning with our Vision Statement, which is: "Expanding Life." It incorporates our strategic initiative, what we value in life, what our business is about, which is a place where people grow better. The great thing about doing this Vision exercise with Tom and Kevin is that we had the opportunity to do our own personal vision statement, which I strongly encourage owners to do with their key people. As much as you think you know your people, it was a very personal and intimate experience for us. As an owner, it was very rewarding to be correct, if you will, about the people that are at your right and

left elbow because they share similar values and goals. So, when you're doing things like building something that you want to last, if you can surround yourself with people who have the same values in life, the rest is a piece of cake. I am very, very blessed to have Tom Pear and Kevin McHugh in my life. And, I mean that not just professionally, but also personally. We have incredible respect for each other. We have fun doing what we're doing. And, the most important thing for me personally, is that I trust them both implicitly. They really made me realize that I could trust again, which is a great place to be! With the help of some of the education that we've been able to obtain, we're able to function on a day-to-day basis in such a productive way. We speak the same language. We might have a big-slam-bang meeting and then Tommy will look at me and say, "Will this be on target?" I might then think about it and acknowledge something like, "Nah, it is a little idea for me to have fun with on the side." Well, its not O.K. for me to have 'fun' on the side sometimes. I've learned that I can't do that. You have to be focused and 'The Vision' brings you back. And, when you share 'The Vision' with the two guys and the Management Team that I do, your trip back is quicker than it would be if 'The Vision' wasn't there. 'The Vision' is a wonderful, wonderful tool. And, its fun! There is a line there. I'm the leader. But, look what I am leading. Two leaders. And, look who they are leading. Other leaders. So, together we're all in this. And, it's not about the money. When you get your eye off the money, it becomes fun. And, when you have a vision that says you're going to expand people's lives, the money follows. It follows, because our members see our staff bubbling and happy; it all contributes to the

(See Pat Laus page 26)

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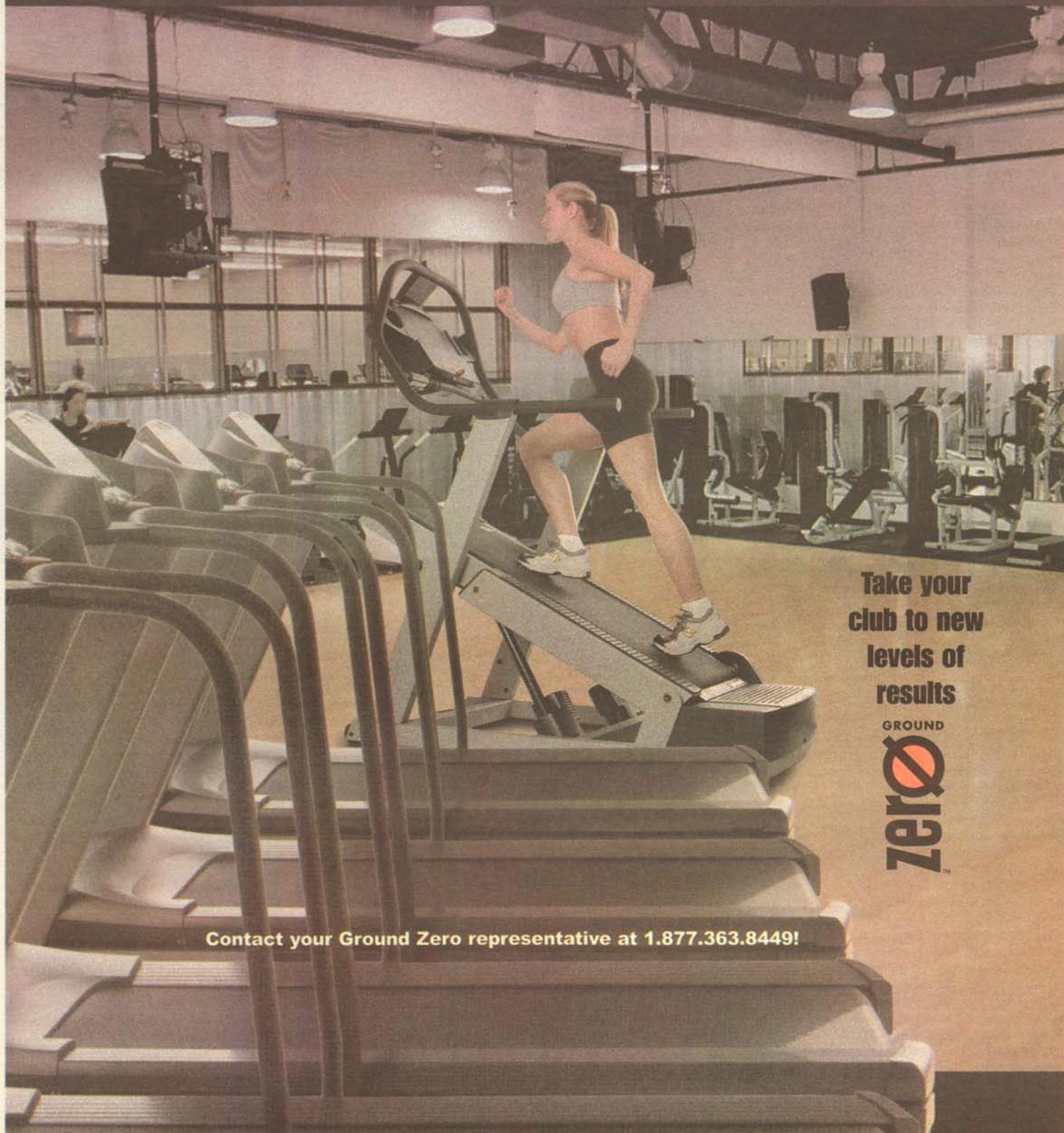
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# The Atlantic Club Staff Shares Their Secrets On The "Inside" With The CLUB INSIDER News

When we originally scheduled the interviews for the article about Pat Laus' Atlantic Club, we had planned to meet individually with some of the key staff.

However, since the WAR caused us to cancel our scheduled trip to New Jersey on September 22nd, we were assisted by Tom Pear and Kevin McHugh in getting to know some of the Atlantic Club staff through the Internet. Here is what they had to say:

## ELLEN VEPREK General Manager

Q. What your favorite part of your job?

A. Our staff at The Atlantic Club is family. We care about each other and care about our membership. This energy is evident throughout the Club.

Q. Tell me about your role at The Atlantic Club?

A. My role as General Manager is to operate and continue to develop the club in a manner that continues to position the facility as a center that our community and membership want to be a part of. I strive to build profit centers that allow the corporation to diversify business in selected areas. Very importantly, my role is to lead an effective, happy, motivated staff who contributes to the profitability of The Atlantic Club.

Q. What are your priorities as General Manager?

A. My goal is to operate a profitable club that continues to expand. We provide a beautiful health facility and full-day spa that supports our membership and staff in living a healthy lifestyle.

## BETH ROGERS Sales and Marketing Manager

Q. Beth, tell me about your role at The Atlantic Club?

A. I manage all aspects of The Club's sales and marketing efforts, including memberships and promoting the large amount of ancillary businesses here at the club.

Q. How does The Atlantic Club market its many products?

A. We begin by being true to The Atlantic Club brand. By that I mean that the Atlantic Club has established a position in the marketplace as a high quality, exclusive product. We ensure that everything we do fits into that brand and the rest comes together. The challenge is meeting the needs of 10+ different department managers, a changing marketplace and at the present moment - an economy which has taken a downturn. It is more challenging than ever to produce the same results that we were

able to accomplish in the past 2 years when our economy was thriving.

Q. What are the The Atlantic Club market differentiators? How do you position the Club?

A. We are careful to position the club as a lifestyle center - one that caters to the mind, body and spirit. We also position ourselves as a club that offers much more than your basic health club membership. We use media placement and advertising that fits in with our image and reaches a high end consumer.

Q. Tell me about the support you receive from the managers?

A. The role each manager plays in working with marketing to promote products and services is crucial to its department's success. The managers who are most successful are those that take a passionate interest in who their customers are and can identify what their members needs and wants are. They also actively seek areas to improve profits and offer more services. That is where marketing joins in the effort and helps put together promotional material.

## CHRISTINA SEIGLER Marketing and Web Coordinator

Q. Describe your role at the Atlantic Club?

A. To facilitate and coordinate marketing efforts for multi-operational health and fitness facilities.

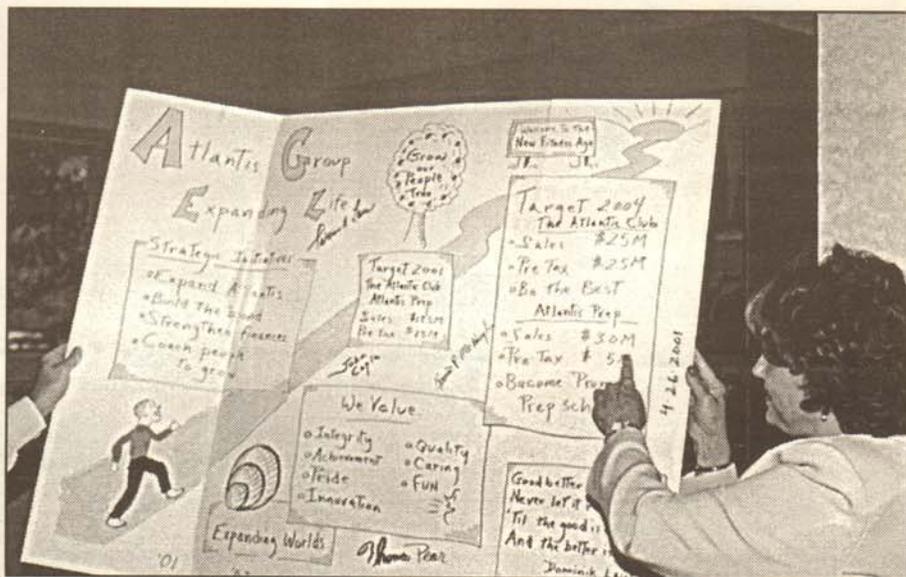
Q. What the things you like most about the Atlantic Club?

A. My co-workers at the club always add to my day and make it a fun place to work. I also enjoy the overall atmosphere of the club. It is all about de-stressing for our members and it's nice to see others enjoying their lives and making the most of their time here.

## CLAYTON TAYLOR Tennis Director

Q. Clayton, tell me about how you came to The Atlantic Club here in New Jersey?

A. I was at Nick Bollettieri's Tennis Academy in Bradenton, Fla., a world renowned tennis teaching complex, coaching the best junior and adult tennis players in the world. I was traveling with the players on the tour and to national events when a fellow professional suggested I take a look at a club in the Northeast that was looking for a Director/Head Pro.



## Pat Laus With 'Vision Board'

I called the Manager and he asked me to do a video interview. After the video interview he called to set up an interview at the club. I was not sure that I really wanted to relocate to the Northeast but I was looking to leave Bollettieri's because my children were getting to the age that I wanted to be around to help and watch them grow up. So my wife (Julie) and I set out on a Friday to visit the Atlantic Club. Kevin McHugh, the General Mgr., met us at the airport and the rest is history.

I saw the club, met the employees and the owner, Pat Laus. I saw substantial potential in the club for growth in all areas, especially tennis. The surrounding environment provided everything you would want as a parent for the raising of your children. Major cities, the beach and a great Northeast education. But the final reason I came was Pat Laus. She was a visionary and so am I, I knew after our meeting that I wanted to work for someone who would take risk and be a front runner in the business world.

Q. What do you feel is the secret to your success of the tennis program at The Atlantic Club?

A. The secret of success in any area of life is enjoy what you do! I really enjoy all areas of my job. I have enjoyed the fact that every year we have raised the bar for the tennis center in usage and income. This usage and income increase has been due to programming, programming and programming. I have also surrounded myself with a very educated and loyal staff, which makes it even more fun to go to work.

Q. Where did you get all of your ideas for tennis programming?

A. In as short a sentence as I can write I would say that the success of tennis here or anywhere is based on offering excellent programs focused on the development of non-serious tennis players, rather than a particular market demographics. Programs were created for all ages, (we have players from age 3-95 playing), time of the day and night and levels of play. We have drills and round robins, monthly tournaments, leagues, party's, socials, and too many more to list.

Q. What will allow The Atlantic Club to address the future and continue the growth enjoyed over the years you have been at the club?

A. The Atlantic Club seems to change daily, right before my eyes. These changes make it easier for all employees here to satisfy their current customers and recruit new ones. The club must continue to offer new and exciting programs for all ages that cross train the customers for many areas of their lives. I would like to think the staff at the Atlantic Club is helping their customers establish good habits, become more self disciplined, develop self-esteem and set goals all in a positive environment. As a club we must also remember that once anyone or business becomes a success, failure can be lurking just around the corner.

## KATHY GUIBORD New General Manager Atlantic Club-Red Bank

Q. How long have you

been at the club?

A. I have been at The Atlantic Club for 12 Years.

Q. You have had several roles At The Atlantic Club over the 12 years. Tell us about those opportunities.

A. I began at The Atlantic Club as a Personal Trainer working in the Fitness Department. I then went on to become the Assistant Fitness Director which then progressed to the Fitness Director. In my role as Fitness Director, I coordinated, planned, executed and evaluated the various components of the Fitness Department. These included: Customer Service, Personal Training, Programming, Budgeting, Hiring, Training, Supervising and Implementing Special Events. From there, I was promoted to a Senior Manager. In this role, I worked with the Managers of Fitness, Group Exercise, Aquatics, Junior Programming, Tennis and Spa to ensure that all departments and areas were meeting and exceeding customer and budgetary expectations. Now, I have been promoted to General Manager of the new Atlantic Club in Red Bank that is projected to open December 2001. In this role, I am involved with all aspects of start up of a new facility. Some of the major things include: working with Kevin McHugh and the marketing team to develop a marketing plan that will enable us to pre-sell 2000 memberships before opening! Hiring and Training a great team of Managers and front line staff to ensure that once we sell them, we retain them. We are very focused on quality, customer service and expanding the lives of our members. I am also involved in choos-

(See Atlantic Club page 21)

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# IHRSA's Capitol Report

## Capitol Report Reprinted Courtesy Of IHRSA

### KEN COOPER ADVOCATES IHRSA'S FAIRNESS IN FITNESS INITIATIVE

**D**r. Kenneth H. Cooper, the Texas physician who introduced aerobics and is a candidate to become the nation's next Surgeon General, has come out in support of IHRSA's Fairness in Fitness Initiative. In a recent letter, Dr. Cooper asked Senator Kay Bailey Hutchinson (R-TX) to meet with IHRSA representatives to discuss changing the current tax law so that it does not discourage corporations from supporting off-site corporate wellness programs. Currently, large companies that can afford on-site fitness centers can offer tax-free wellness services to their employees. However, when business owners outsource employee fitness services, employees are responsible for paying taxes on the cost of those services, as if it were income. IHRSA's Fairness in Fitness Initiative would correct this inequity. Visit <http://www.ihrsa.org/publicpolicy/crusade.html> today to send a pre-written e-mail message supporting this measure to your members of Congress.

### U.S. SCHOOLS ALLOW STUDENTS TO AVOID EXERCISE

**U**.S. high schools are increasingly allowing students to avoid physical education despite alarming increases in obesity, according to a report released today. The Shape of the Nation report by the National Association for Sport and Physical Education, or NASPE, said the majority of high school students take physical education for only one year between 9th and 12th grades. Nearly half of all states allow substitutions for physical education, the study said. In many school districts, band members or cheerleaders can be exempt from physical education. "Many school districts are reducing time allotted for physical education and physical activity at school in favor of increased academic time and children are not meeting the recommendations for physical activity," said NASPE President Bradford Strand.

### IN ABSENCE OF WAIVER, HEALTH CLUB INJURY CLAIM PROCEEDS

**A**New York court has refused to grant summary judgment to a health club in which a woman was injured during a group cycling class. The woman was severely injured

when her foot came off the pedal and the jagged metal part of the pedal cut the back of her left calf, exposing the muscle. She sued for injury, alleging negligence and insufficient instruction. The club argued that the woman assumed the risk of injury. It also claimed that its instructors demonstrated before each class the appropriate procedure if a participant's foot become dislodged from the pedal. While first-time students at the club were ordinarily asked to sign a liability waiver, the woman was never asked to sign one. The court concluded that since the injured woman lacked experience in the activity involved, and there was an alleged lack of instruction, it was unclear whether the risks to which she was exposed were known or reasonably foreseeable to her. The case against the club will continue. This case is a reminder of the importance of a solid, enforceable liability waiver that outlines the risks involved in the use of a health club. Visit <http://www.ihrsa.org/publicpolicy/state/index.html> and choose your state for a summary of its views towards waivers. Call Member Service at (800) 228-4772 to order Waivers & Releases for the Health & Fitness Club Industry.

### STATE LEGISLATIVE UPDATES

**F**or more information on any of these issues, visit <http://www.ihrsa.org/publicpolicy/state/index.html>.

**OHIO:** HB 361 would include health club dues among the expenses that may be paid from a medical savings account without Ohio income tax liability being incurred. A related bill, HCR 31, requests the United States Congress to amend the federal laws governing medical savings accounts to allow the use of such accounts to pay for health club memberships. Both measures are in the House Committee on Insurance. Ohio club operators, please contact the committee's chairman, Representative Dennis Stapleton (614-466-3506), as well as your own representative, and urge them to support both bills. **CALIFORNIA:** AB 357 was vetoed yesterday by the governor. It would have raised the \$1,000 cap on health club contracts to \$2,500. It also would have provided that consumers who cancel contracts get a pro rata refund on any portion of the unused contract (except

contracts of less than \$750 and initiation fees which equal less than half of the total contract amount). Governor Gray Davis said, "Although this bill may provide health studios with greater flexibility in providing a variety of services to their customers, I am concerned that this bill will permit health club studios to increase fees by up to 150%." "I would be willing to consider a bill that raises the \$1,000 limit on contracts," he continued, "But only if it truly adds meaningful consumer protections such as a lower threshold for pro-rated refunds and a reasonable limitation on nonrefundable initiation fees." AB 357 had proponents and opponents alike in our industry. The problem of the restrictive cap on health club memberships remains and will hopefully be resolved with legislation that can be supported by all IHRSA members. Fair Competition Victories - Progress On Three Fronts

### U.S. TAX COURT TELLS IRS: TIGHTEN UP ON 'COMMUNITY BENEFIT' TITLE TO TAX EXEMPTION. Tax Court Says: IRS Too Lenient in Granting 'Community Benefit' Exemption

**L**ast month, for the first time since 1994, the U.S. Tax Court examined the "community benefit" standard and issued three related decisions. The Court denied 501(c)(3) exemptions to a Utah-based HMO and two subsidiaries on the basis that the three organizations did not meet the community benefit test. While the decisions don't involve health clubs, the decision clarifies what is required to be tax-exempt, and re-emphasize several issues long-supported by IHRSA. Essentially, the U.S. Tax Court has told the IRS that it has been too lenient in enforcing the community benefit standard. IHRSA has planned a strong push to continue this positive momentum. E-mail [gr@ihrsa.org](mailto:gr@ihrsa.org) for more information.

### LA Hospital Abandons Health Club Development Clubowner Forces Hospital To Back Down

**B**owing to concerns from a local health club, Louisiana's St. Charles Parish Hospital has abandoned plans to open an off-site fitness center. Hospital officials had

planned to move exercise equipment to a new, off-site facility to relieve overcrowding in its fitness center. But owners of a nearby health club, St. Charles Fitness, objected to the plan, worrying that it might constitute unfair competition. Last month, the club owners met with Martinez, a parish councilman, and members of the hospital Board. At the meeting, hospital officials agreed not to move their wellness center outside the hospital. "We worked out a compromise with the club so it wouldn't present a problem to them," Hospital Administrator Fred Martinez told the Times-Picayune. "It's another business in the parish, and we try to be sensitive to the community."

### Montpelier Mayor: 'No More Free Ride for Tax-Exempts'

**T**he Mayor of Montpelier, Vermont has asked the town's nonprofit groups to chip in a "voluntary" property tax payment. Mayor Chuck Karparis says the town is struggling with one of the highest property tax rates in the state. "Among the reasons: a very high service demand and an unusually high percentage of tax-exempt properties," he said. The idea of payments by nonprofits in lieu of taxes has been explored in other areas of the country, including Maryland, Minnesota, and Colorado. The money raised helps offset the cost to towns of providing police, fire, and other services to tax-exempt organizations.

### VICTORY: TAX COURT STRENGTHENS COMMUNITY BENEFIT STANDARD

**L**ast month, for the first time since 1994, the U.S. Tax Court examined The "community benefit" standard and issued three related decisions. [In order for an organization to be tax-exempt, the IRS requires that it be primarily engaged in activities that provide a "community benefit." IHRSA has long argued that many fitness programs at tax-exempt health clubs fail to adequately benefit the community.] The Court denied 501(c)(3) exemptions to a Utah-based HMO and two subsidiaries because the HMO did not meet the community benefit test. While the decisions don't involve health clubs, they clarify what is required for health facilities to be exempt, and re-emphasize some potential is-

suces for IHRSA to raise with the IRS. The analysis the Court made of what is required of a 501(c)(3) organization includes:

### The operational test:

**I**t must be organized and operated exclusively for certain specified exempt purposes. [It will be deemed as "operated exclusively" for an exempt purpose if it "primarily" engages in activities which accomplish the exempt purpose.] •The operational test focuses on "actual purposes rather than on the organization's statement of purpose." •A single activity might be directed to both exempt and nonexempt purposes, but the non-exempt purpose "if substantial in nature will destroy the exemption regardless of the number or importance of truly exempt purposes."

### The charitable purpose/ community benefit test:

**F**urnishing medical care is itself not an exempt purpose, but "promotion of health for the benefit of the community is a charitable purpose." •Burden is on the health care provider to demonstrate the community benefit. •Positive factors showing community access include conducting research and offering educational programs, especially those open to the public. •"Little significance" is given to a subsidized dues program where the community benefited was limited to those who belonged to the HMO. Essentially, the U.S. Tax Court has told the IRS that it has been too lenient in enforcing the community benefit standard. IHRSA has planned a strong push to continue this positive momentum. E-mail [gr@ihrsa.org](mailto:gr@ihrsa.org) for more information.

### STATE LEGISLATIVE UPDATE

**F**or more information on these bills, visit <http://www.ihrsa.org/publicpolicy/state/index.html>. **CALIFORNIA:** SB 85, which prohibits a contract from requiring payments or financing beyond the term of the contract and requires that a statement be placed above the space reserved for the signature disclosing the length of the contract, was signed into law. **NEW YORK:** AB 1722, which requires clubs to have resuscitation equipment (including an adult exhaled air resuscitation mask, a pediatric exhaled Air resuscitation mask, and latex gloves) was signed into law. Signs must be posted informing patrons that such equipment is available and explaining (See *Capitol Report* page 30)



# Sales and Closing Are Not Dirty Words!

By John M. Brown  
President - Professional  
Club Management, Inc.

You know what? I feel guilty. I cannot seem to do enough to change the way people in this industry think, act and work. I don't think any of us so called experts are getting through to the masses who make this industry their second home.

My opinion, for what it's worth, is that it's our fault more people aren't members or remain members. Including me. I'd like to have the statistics from the past few

years regarding, not the people who have joined, but the people who have not joined. It would be a discovery beyond belief if we actually surveyed these people to find out really why they didn't become members. I understand there is some data out that suggests some reasons why people don't join. But to me it's meaningless. My way of thinking tells me to lump them all together and call it industry incompetence. It's for sure not the prospects' fault they didn't join.

The first problem, at the core of the whole epidemic, is that our people who are selling our product don't believe to the

very core of their souls that these prospects have full intentions of joining and more importantly, starting a workout program. Want to change the industry? Just effectively communicate to and with the people who come to us and start with the belief they are there to start and it's absolutely life changing for them to do so now. If I could instill the concept and belief of being assumptive into the people selling the product, we could all be rich off the people who come to us and we talk them out of it! I sit and fantasize about the 90% of the population out there who are not our customers. Then it hits me. What would we do with them even if they all came? Currently, the trend would indicate we would somehow convince them this is not the thing to do and ineptly handle them even if they showed up! Here's a frightening example of what I mean.

I consider myself pretty astute at the club business and the operations of clubs. After all, I have been doing it for 23 years now; you would think after all that time I would have it down. I must be some kind of expert; after all they let me write articles. Anyway, I'm standing at my front desk of one of my brand new, 45,000 sq. ft. facilities, prime time, like I always do, when I start feeling really good about myself. Well, after about an hour of just observing, taking notes and listening I was compelled to come down from my ivory tower and dive into the fray. In a little less than an hour, I counted 19 legitimate sales opportunities either missed or mishandled! I basically took over every interaction that occurred for the next hour and a half, and we converted more than 70% of all the opportunities that occurred during that time. Genius you think? Nope. Stupid. You see what happens to us in operations, and especially sales management, is what we let happen. We can control much of what occurs and the results if we are vigilant in managing the opportunities. Needless to say, we made immediate changes the next evening and during any other prime times by placing a management or ownership level person at the front check in area to monitor, manage, access, control and convert more opportunities that exist right under our noses. I can hear you saying, "That doesn't happen at my club", or "We already do that", or "We have that down". Every time I hear that I begin to correlate that to when people tell me "Money's No Problem"! Every time someone has said that to me, it's a problem. Here's the important point. If it can happen to me it can

happen to you. I'm not any better, smarter or probably more expert than any of you. I've been called a lot of things, most of them true, as my mother used to say, "A skunk is a skunk no matter how you dress them", but rarely has anyone called me unobservant. Please take this in the spirit I am truly giving it. WAKE UP! There are more opportunities going in and out of your club than you have time to handle. But you have to be looking, watching, observant, and most of all understand how to recognize these opportunities and better yet, how to manage them. Learn that part of the business and teach it to everybody else on your staff, and you will never be hungry.

It's about time to get to the lead in this article. In our efforts to not high-pressure people (which I'm totally against and won't do) we, in many cases, have become so passive we can't convince the majority of people to join. I believe we need what I call "Positive Enthusiasm" in other words, let's not let the "undecided" prospects sell us on why they should wait to begin a healthy lifestyle. I don't know about you, but I'm proud of what I sell and I'm not ashamed to tell anyone about the benefits of our product. Sales and closing are not dirty words! In fact, they are not even four letter words!

How can we begin to embark on a better way? I don't have all the answers, but I have a few thoughts, suggestions and implementation items that you may find helpful. Anyone else who has any more, call me and I'll cheerfully add to the list.

## HAVE A GOOD "FOUNDATION"

First, you have to have a good "foundation" to build on. The following is my foundation. Yours may be different, but at least have one.

\* We must embrace, understand and preach the immutable good that occurs in our facilities every day. We truly change people's lives. I ask you what value can you place on someone lowering his cholesterol to a healthy level through diet, regular exercise and even medication so that he can live 10 years longer and spend that time with his family? What value can you place on someone making a new friend? What value can you place on, at least temporarily, relieving someone's loneliness or depression? I could go on for hours. Try talking about some of these things next time you are having trouble closing a guest instead of join today and I'll give you this or that.

Closing on discounting and price is for the weak and timid. It is a crutch that can never be thrown away. And it doesn't work very well.

\* Sell the sizzle not the steak! Work on, practice, and yes practice, on selling our product. Our product is not the price, our product is health and results along with a multitude of other great things and not one of them is price. I know we are in a war. I know we may be in a recession. I know it's a competitive market out there. But listen carefully. Price is only a consideration, not the deciding factor in a person joining. Price is always more important to the salesperson than to the customer. A properly handled prospect, who is properly motivated, would rob 10 liquor stores to get the money if they really wanted it. There's no stopping them. When they give you objections, give them the product not the price!

\* The only truly effective way to sell this product is by being a member of "The First Church Of Fitness". Yes I am advocating evangelistic fervor when helping someone get started on a regular exercise program. I stole that term, by the way, from a very brilliant and wise man, Dr. Jack Scammahorn, PhD, a good friend to me and a better mentor.

\* An important part of my foundation is the complete and absolute belief that every guest, TI and prospect that actually crosses our threshold has the total intent to join. I had that concept inculcated into me years ago, and it has served me well. You would have to kill me to get me to think otherwise. You know why I believe this so fervently? I finally figured it out a couple of years ago. I truly care about people in general, and it gives my life meaning to be able to provide them with the vehicles to live and feel better. Sounds corny but it's true.

\* If you want to have more members you first have to perform for the ones you already have. Do all you can to keep them using the product and be happy about doing it. It probably isn't too smart to ask for more traffic if you aren't utterly convinced you are and can handle what you are already getting. Ideally, you would want more opportunities to increase incrementally as your success with what you already have rises. Yes, there are probably more complaints from owners regarding the lack of traffic, but I tell you they are linked like "Siamese Twins", totally pinioned together.

## TRY THESE ACTION ITEMS

Here are a few suggestions  
(See John Brown page 21)

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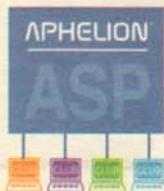
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Aphelion's ASP makes it easy for members to connect to your club through the Internet from their office, home, etc. They can make payments on-line, view account balances, make reservations, schedule workouts, and join additional classes. Members feel in charge of their accounts and at the same time it frees your employees from handling those time-consuming routine tasks.

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While our system provides the highest data integrity and availability, you may be more secure using your own data center and staff. For you, we offer software products that work with your local data center.

Or, if you prefer to do business the traditional way, you'll want our V-3 Fitness Management desktop software. Aphelion software is the most popular in the world. It works right out of the box. No bugs. No worries. Just smiles. You can download a demo version and try it from our website at [www.aphelion.net](http://www.aphelion.net). It's very affordable.

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## ..John Brown

continued from page 18

tions and action items, which you may be able to use.

\* When I'm looking for quality salespeople, I'm first looking for people who can exhibit true and luminous compassion and caring for people in general. Give me a team of people with those traits and I can rule the world. Know why? Cause selling the membership part is easy. In fact, it's so easy people complicate it. I can teach the water fountain how to sell a membership. Add sincerity, compassion, caring and you can't miss.

\* If your salespeople are going to be the ones selling the product don't you think it would be a good idea to have their compensation packages reflect at least the illusion of "a real job"? People back home still ask me when I'm going to get a job. Professional salespeople make professional wages because they are designed to do so. There are many creative ways to compensate your production people. Personally, I don't care if a salesperson makes \$1,000,000 a year. If they do I

made \$50,000,000. It's up to me to design their packages so they are mutually beneficial, are equitable, provide a return on investment for the club, and are tied to direct production.

\* Don't shortcut the process! Personally, I use a system wherein I am able to tour, ask questions, receive answers and prove to the customer I am really listening! When someone listens to you these days you are either in jail or at the doctor's office. Listening is absolutely earth shattering to the majority of the population. Why? Because it's so rare. It's sad, but true. It's so important that I truly wish I could take a prospective member on a tour and never have to say a word. Just let them talk about themselves. I don't know about you but besides my mother, I love talking about myself. So do most people.

\* View every sales opportunity as 100% real until it is proven not to be. There is not even one good person on the face of this earth, including and especially me, who can with any certainty, consistency or accuracy, qualify a person or opportunity until it is further investigated. This mindset I find helps me "find" opportunities I might have otherwise

prequalified.

\* If you want more people to join your club then try framing your presentation in such a manner that joining and what it costs are only the "gateway" to the treasures which really await them inside. The price and actually being a member would put me to sleep. What really gets my attention is when someone shows genuine interest in what I want and what I have to say. Maybe it's me. I'm a man. I'm designed to be insecure. I think many people enjoy the spotlight being shined on them once in awhile.

\* When trying to close a tough prospect sell from the platforms of Advocacy, Conviction, Delivery, Compassion, Caring. You are a formidable ally to them when debating from these platforms. When someone is really tough, I actually tear the presentation or price sheet up into little pieces and ask them "What can I do today to allow you to give me the opportunity to help you start a regular exercise program"? I follow up with "Give me the privilege of helping you".

\* Want more mem-

bers? Integrate the ones you have and give it your all to make sure they are using the product and are happy with it. Yeah, easier said than done, I know. But at least have a system, which ensures that every member has a fighting chance to get what he or she came there to receive. It is one of the most appalling parts to our industry when I see or find out about a member who joined and never used the club. It's just not right.

\* Owners and Managers! Create, nurture, maintain and manage your production people for success. Create real career paths for them and most of all, give them a level playing field by giving them adequate training and retraining. Just cause they were trained once doesn't mean they are still trained. In fact, if it's more than six months since the last training what they are saying and doing probably does not even resemble what your initial training program taught. Remember this, Peter Drucker, the father of modern management practice said, "If your people aren't succeeding you have only one person to blame. Yourself."

\* Last, salespeople take this one tip; it will make you money immediately. You must

mentally prepare yourself for every guest, TI, prospect call. I can't even count high enough the times I have witnessed a salesperson go from one "bad", opportunity to a new one and have the last one carry over. Remember, you are as transparent as glass. If people feel something is not quite right, they then think something is not right. Our product still remains mostly an emotional purchase, which after the fact, when they get home, is then validated by some form of logic. Focus; concentrate, 90% of the sale occurs in your head.

Hopefully some of the things above have and will help you in your quest for success however you may define it. I hope at least some of it caused you to stop and think, because when that occurs, great things can happen.

*(John Brown is a nationally known consultant, speaker and author. A veteran of the club industry for over 23 years, he owns, operates, manages and consults with over 80 clubs across the country and in South America. His company, Professional Club Management, Inc. is a leader in developing clubs. He can be reached at 913-557-9018 or email Jbrown8137@aol.com)*

## ..Atlantic Club

continued from page 14

ing fitness equipment, group exercise equipment, etc, etc. as well as meeting and exceeding budget projections.

Q. Congratulations on being the new General Manager at the new Club scheduled to open December 1, 2001! Tell me about your role, it sounds exciting?

A. "The Vision" is being accomplished by ensuring that each and every team member understands and believes in the vision of the company and all of their actions reflect that. Leading by example and maintaining a positive attitude also assist to this end. We have a great core of individuals working with the company and the plan is to keep expanding that core as we grow.

Q. Tell me how 'The Vision' is being accomplished or has been accomplished over the past as well the future?

A. The Atlantic Club believes in growth & development. We constantly strive to stay cutting edge by reading industry magazines, sending staff to a variety of workshops and conferences, hosting workshops and providing in-house training. We look to develop a great corporate culture and believe in promoting from within when at all possible.

**STEPHANIE CAREY**  
*Aquatic Director*

Q. Stephanie, how long

have you been working with the Club?

A. 5 years part time and 6 years full time -

Q. "Tell me about the programs and the Aquatic Department philosophy?"

A. We feel that it is important that everyone, from age 6 months to adult, learn to swim. Especially when we are surrounded by many bodies of water, safety is a very important aspect when learning to swim. Swimming is also a lifelong healthy way to workout.

Q. That is an amazing story about how you have developed a special learning approach to Swimming for children as well as for Adults-This provides a unique difference from any other teaching approach?

A. The Gruneberg Technique allows us to teach everyone how to breath properly without going into a pool on the first lesson. Learning to breath will relax and allow the participant to float and swim without any tension. It is an "Aqua-Yoga" technique- it can be used on children and adults alike.

Q. What do you feel will allow the Aquatics Program to continue to grow strongly into the future?

A. There are many new program ideas to get more and more people to learn how to swim, to teach them a healthy lifelong way to workout for young and old alike. We can actually show parents how to be comfortable with newborns in water, scuba for 8-15 year olds, and many adult programs

to improve on all swim techniques.

### **DONNA FORTNEY**

*Director of the Early Childhood Learning and Development Center and Enrichment Programs*

Q. What is your role and how did you become involved with the Atlantis Preparatory School?

A. My role at Atlantis Prep is Director of the Early Childhood Learning and Development Center and Enrichment Programs. I started at the Atlantis Club as Director of the FasTracKids Enrichment Learning Program in February of 1999. Since then my role has expanded to include all Enrichment Programs (FutureKids Computer Learning, FasTracKids Enrichment Learning Program, The Discovery Lab Enrichment Center as well as the early childhood division of Atlantis Prep (Infant/Toddler, Early Learner, Part Time Preschool and PreKindergarten.)

Q. Tell me about the term Enrichment learning and how does it fit into a Health Club? Why would a club buy such a product/concept?

A. Enrichment Learning is a concept that fits nicely into a health club environment. Enrichment is meant to complement a school situation, not replace it. Enrichment programs at Atlantis Prep can be

as little as 1 hour per week. This allows a parent a nice alternative to the nursery and is more attractive for parents of school aged kids. Parents are given the time to work out and feel good that their kids are getting a top-notch educational experience. I think that The Atlantic Club is unique in that we have an existing school, Atlantis Prep, that has a wonderful reputation and is well respected within the community. It is because of this that we have the credibility to offer an educational enrichment program.

Q. How many students do you have in your area?

A. I have 275 students in the Early Childhood Learning & Development Center, and 200 in our Enrichment Programs.

Q. Why do they come to your school, versus other schools?

A. I feel that parents choose our school over others because we have a strong curriculum that offers things that no other school offers. We have a low teacher to student ratio, well below state requirements. We pride ourselves on having and keeping a great staff that is well-trained, current on educational trends and focused on the vision of Atlantis Prep.

Q. Tell me how you view the future of the school?

A. This is an exciting time at Atlantis Prep. This school will add a grade level every year up to 8th grade, we are currently through 3rd grade. We are planning for a state-of-the art school facility to be built on our campus

in 2-3 years. We plan and look toward the future everyday. We look forward to growing the areas of Enrichment Learning and Early Childhood by offering classes that fit the needs of the child and parent.

### **COLLEEN BRENNAN**

*Assistant Director-Atlantis Prep*

A. Colleen, tell me about your role at Atlantis Prep?

A. I am the Primary School Assistant Director at The Atlantis Preparatory School. The Primary School consists of full day classrooms from Preschool through Third Grade. I oversee these classrooms to ensure the Atlantis Prep curriculum is being implemented by our certified teaching staff. I take care of the everyday activities of the Primary School.

Q. How many students do you have in your area?

A. There are 175 students in The Atlantis Preparatory Primary School.

Q. What makes your school different from other schools?

A. Atlantis Preparatory School is different from other schools because in addition to the academic curriculum we incorporate the Mind/Body aspect, a foreign language and fine arts. The children are also exposed to various specialized sports programs throughout the year

### **PATRICIA WEIR**

*Assistant Fitness Director and Mature Adult Program Coordinator*

Q. Congratulations on be-  
 (See Atlantic Club page 30)

# THE MILNER REPORT

## News and Views on Aging

Welcome to "The Milner Report," a monthly interactive column dedicated to providing you with the latest insights into the burgeoning Baby Boomer and older adult markets. My goal is to provide you with leading edge information that you want and need, helping you keep up with the silver tsunami.

This wave of change is amongst us every day, but can we actually get people to change?

### Good Advice

New research, in the September issue of the "Journal of the American Medical Association", shows that advice from doctors and other health professionals can make a difference. In the two-year study of sedentary adults, researchers found that exercise education programs—and even just a little guidance from a doctor—help get inactive people moving.

What are you doing to take advantage of this? The Swedish may have the answer.

In a recent interview with Reuters Newswire a group of Swedish Physical Therapist suggests that written prescriptions can encourage patients to realize the importance of keeping active. They have developed a "prescription sheet" for exercise that they want doctors to use as a means to treat and prevent illnesses.

How are you working with your medical community?

### Staying Healthy and Living Longer

The Alliance for Aging Research reports that large majorities of aging American's consider eating nutritious foods (87%), having a positive outlook (90%), exercising regularly (86%), keeping stress to a minimum (80%) and getting routine physical exams

(79%) as "very important" or "essential" to stay healthy as one grows older. Slightly fewer Americans place this same importance on "the genes you were born with" (70%), and fewer still on avoiding overwork (51%) or having good luck (29%).

The belief that individuals can take responsibility for their own health is accompanied by widespread views that having access to the best medical treatments (84%) and being able to afford medications (87%) are very important or essential to staying healthy as one ages. Also of importance are having new scientific and medical breakthroughs (72%), having access to health care information (67%) and access to alternative medicines and treatments (63%).

How are you tapping into this?

### Economic Issues

The need to prevent illness and preserve the health of the world has never been greater, as the world's richest countries are greying so fast that the combination of fewer workers, lower consumption and the burden on health care may doom many of them to a permanent recession.

Paul Hewitt, Director of the Global Aging Initiative at the Washington-based Center for Strategic and International Studies, states that "global aging is among the most important problems the world will face in the first half of the 21st century."

### A Moderate Answer

Moderate levels of leisure-time physical activity can help protect the older adult against a hip fracture, according to a report in the July issue of the American Journal of Epidemiology. On the flip side, a person's risk for hip

fracture seems to increase if he or she became less active as they age.

"Recommendation of regular physical activity and maintenance of physical activity during the aging process should become an essential part of strategies aimed at controlling the alarming increase in hip fractures worldwide," concluded the researchers in the American Journal of Epidemiology.

Another study out of the Netherlands, published in the British Geriatrics Society Journal, Age and Ageing, shows that not only hip fractures, but also wrist fractures may reduce older people's chances of remaining independent. The study found that those who fell and fractured had not regained their independence at the end of a year.

This study further supports the need to remain active, and the creation of balance, stability and fall prevention programs within your facility.

### Netting More Profits

If you have been considering the value of your web site or have been thinking about creating one, you may want to check out the latest Web usage numbers from Nielsen//NetRatings.

The report, shows that 58% of the USA adults (165 million) had Internet access at home in July 2001, up from 52% (144 million) last summer and 39% (106 million) in July 1999.

Evergreen Direct, a marketing company that specializes in the older adult market, says that "Close to 78% of all consumers age 55plus have purchased online. And, in one year the 50plus market spends over \$7,000,000,000 online."

### The Corporate Approach

Have you been tearing your hair out looking for ways to get the older adult interested in what you offer?

Here's a gentler approach. Get involved with your corporate community.

A survey by Hewitt Associates stated that 40% of U.S. companies offer elder care assistance.

Society for Human Resource Management states that 95% of companies with 5,000 or more employees have some kind of elder care program in place.

### A Monster Market

The latest IHRSA/ASD Health Club Trend Report confirms the tsunami power of the "Active Age Wave."

The report shows an increase of 15% in club memberships amongst the 55 plus crowd between 2000 and 2001 and an overall increase of 380% between 1987 and 2001.

John McCarthy, Executive Director of IHRSA, was so excited he called the 55-plus demographic "a monster market," and stated that this research "is the best possible news for health clubs."

What are you doing to attract and serve them?

### A Tasty Choice

Older Americans spend an estimated \$16 billion or more a year on dietary supplements and alternative medicines and treatments.

### Muscle Decline

Contrary to the general belief about why muscle wanes with age, a new study shows that a decline in protein production is not the culprit. Researchers say this could be good news, since such a fundamental decline would be tough to prevent or reverse.

The findings, reported in the September 12th issue of The Journal of the American Medical Association, may mean that strategies centered on diet and exercise—rather than attempts to tinker with the body's protein metabolism—can help combat age-



Colin Milner

related muscle loss.

### Thirty Year Layoff

Even substantial decreases in cardiovascular fitness resulting from decades of inactivity can be substantially reversed with modest endurance training, according to two reports, by the same research team, in *Circulation: Journal of the American Heart Association*.

The finding showed that the study's participants, after a relatively modest 6-month endurance training program, were able to get back to an aerobic power level consistent with their 20-year-old baseline. They were able to reverse a substantial portion of that aerobic power that had been lost over the years.

If you would like additional information on any of the above research or have a question you would like answered, please email me at [Colinmilner@icaa.cc](mailto:Colinmilner@icaa.cc) or call toll free 1-866-335-9777

(Colin Milner is the CEO of the International Council on Active Aging. He has 18 years of industry background including club management, consulting, and publishing, and is the former President of IDEA Health and Fitness Association and Chief Operating Officer of the Keiser Institute on Aging. He has authored over 60 industry articles and has been interviewed extensively in leading publications such as, *The New York and Los Angeles Times* and *The Wall Street Journal*.)

# Are you ready for me?

I am one of the many who make up the 50 plus market, the fastest growing segment in your industry today. As a matter of fact, the percentage of exercisers over 50 has risen sharply to 30 percent, that's more than four percent above the general population.

A "one-size fits all" approach doesn't work with us. To succeed, your programs must be as diverse as we are. The question is, are you ready to get diverse?

At the International Council on Active Aging, they'll help you embrace us because they focus exclusively on active aging. They know what it takes to attract, serve, and succeed with us.

Using their approach, you'll empower us to make healthier lifestyle choices with diverse "active aging" programs that enhance our total well-being.

Go ahead, call them today to find out how,  
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- ✓ How to get referrals from every new member.

This step-by-step, interactive training program is taught entirely by Casey Conrad, industry expert. A limited number of participants, role-playing and testing all play a major part in the program's success.

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First 50 callers receive a complimentary copy of "How to Successfully Launch New Sales Employees."



# CRANK UP YOUR WINTER REVENUES!

*12% of club memberships sold in January—don't fall short of your goals and play catch up all year!*

From IHRSA's just released Annual Industry Data Report, Profiles of Success, club operators can see just how important January is as the first month of the year. February and March aren't far behind, but you will be far behind your projections for the year if you haven't sold 30% or more of your annual membership goal by March 31. There are many tricks to selling when consumer confidence is low, and to positioning your club so that members come often to relax and de-stress. These tricks will be the topic of many sessions on sales and marketing at IHRSA's upcoming Club Business Conference in Orlando, December 5-8—including one session on "How to Make Your Club Recession Proof," by Diana Martin of The Benfield group. Here are just four of the good questions operators have of themselves and their people:

### **Do You Follow Systems?**

1. Do we religiously follow our own systems at the desk and in the membership office, with prospects, guests and referrals?

You may be amazed at the money you are leaving on the table by not taking the thousands of small, but critical opportunities which come in your door and happen on the phone every day. Karen Woodard, of Premium Performance Training will conduct a half-day workshop from 8:30 - 12:30 on Thursday, December 6th in Orlando at IHRSA, titled "Successsss! From Call to Close." If you are lucky enough to have already spent time with Karen before on this topic, you may choose to get a complete sales management and tracking system from Paul Goldner, of the Sales and Performance Group, who will give a workshop at the same time.

### **Do You Understand Consumers?**

2. Do we understand the mindset of the consumers in our communities? In marketing terms, to quote guru Ted Levitt, "What is the problem to which we are the solution?" Are we just providing equipment and classes, or helping people shed a few pounds? Robert McPhee, Heart Set, Inc., will

share how to offer the kind of emotional support needed by prospects and members while they work toward their goals, and how the attitudes, beliefs and self images of consumers affect sales, retention and referrals. The corporate client is different—so Lee Valley, CorporateFit.com, will address the importance of profiling your corporate clients through interviews, and of customizing your program for each.

### **Do You Know How To Reach Target Markets?**

3. Do we know how to reach and get a response from our target markets? In other words, is our marketing as efficient and effective as it can be? Casey Conrad, Communications Consultants, will do a half-day workshop Friday, December 7th from 8:30 - 12:30 on "How to Create & Implement a 12-Month Marketing Plan that Drives Sales." In small groups of 4, you will work on the 4 basic elements

in your 12-month grid, and follow the 8 steps necessary to create an effective marketing piece. And if consumers don't yet see a club membership as a solution to their problem, there are ways clubs can help. Jim Evans, of the Peninsula Athletic Club, will share his success at networking with senior community groups and local government organizations. Peter Moore, Fitness Venture Group, and Gregory Florez, First Fitness, will share ways to use the internet to develop revenue from training and other sources.

### **Do You Help Stressed Individuals?**

4. Last, but never least, does our service help the many stressed individuals to experience everything they need and we want them to have at our clubs? It won't be news to you, but the key to succeeding at this ever-challenging task is to have a staff that is incentivized to innovate. Libby Brown and Pat Green, of the White Bear Racquet & Swim Club, will share their ideas and

success with getting people to innovate. The next day, Terry Dezzutti, of Merritt Athletic Clubs, will lay out a management structure for marketing and other staff incentives.

There's one more reason you should attend the Conference and Trade Show in Orlando this December, and we're not talking about the trade show—which is itself a big reason (it is the largest and best show in the Southeast, partnered with Athletic Business Magazine). You, too, and your staff need a break from the stress of running a club and a chance to get really fired up about what you are doing. This meeting is always a great opportunity to unwind with others who share your profession and many of your dreams. Registration includes a free evening at Pleasure Island, which is always a popular Friday night spot for IHRSA attendees. This relatively small conference has a loyal following of clubs that attend every year from around the country. As of this writing (in September), most of the frequent attendees from the previous years have already signed up to return. Why don't you? You can save \$50 on a registration fee before Friday, November 9. Call IHRSA at 800-228-4772.

# MAKE IT FUN!

By Sandy Coffman

There has probably never been a better time to write an article about MAKING IT FUN, reading an article about MAKING IT FUN, or making a deliberate attempt to look at how you are programming your members. Now is the time to ensure that every visit to your club will be a fantastic experience because you will MAKE IT FUN.

I often mention how our clubs are, and will continue to be, the third place in people's lives. Now more than ever, we may be the only place for your members to come and relieve stress, release tension, or get a break from frustration, depression, anxiety, worry and uncertainty. This is what "mind, body, and spirit" is all about. We need to lift our spirits in order to clear our minds and work towards a positive goal to keep our bodies healthy.

We clearly have an opportunity to do all that through the way we market our programs and communicate our mission, but, more importantly, are we taking the responsibility of doing things differently and calling attention to the spirit of the mind.

## CREATE A "CLUB" ENVIRONMENT

People need other people to have fun. That's exactly what our business was born to do. The word "club" reminds us of sociability, conversation and laughter. Therefore, whenever you have the opportunity of putting people together while working out, do it. We are quick to suggest that our members should find a workout partner because it's easier to be motivated to exercise when you are committed to another person, and, of course, the social experience MAKES IT MORE FUN.

The problem, however, is that it is not easy or comfortable for people to find their own workout partners or organize their workout routines. That's when we must realize that it is our responsibility to create programs that automatically put people with other mem-

bers sharing a common goal towards fitness and a common experience of exercising.

## TAKE ADVANTAGE OF THE CALENDAR

Your programming calendar year begins in the Fall. Kids go back to school and adults get back to a routine. Mom's look forward to taking some time for themselves and enjoying adult experiences. Men schedule their workouts to meet with business associates. Snowbirds move to new climates, and they need things to do, places to go and people to meet. People make exercise commitments in the Fall much like they do in January with New Year's resolutions. Take advantage of this time and create a program that puts people together to ensure participation, FUN and retention. It could generate lots of new business, too!

## GET SET FOR SUCCESS

Be sure the program has a definite beginning and definite end. A six-to-eight week time frame gives your members a reasonable opportunity to live up to their responsibility. Everyone needs a goal to reach and obviously that goal will be reached more readily if the member is having FUN reaching it. A lifestyle or lifelong commitment can seem - and is - endless, but a six-to-eight week project is doable! The duration of the program may be the difference between success and failure. The program becomes more FUN when the end is in sight, the commitment is shared with someone else, and each six to eight week project is one more step towards success.

Keep in mind, you should be having as much FUN as your member. Being directly accountable for the participation of the member makes it FUN for you too. A successful club experience is FUN when it is shared between the member and the club, not when it is left to the individual member to grind out alone. A successful program is one that experiences the joy of uniting with oth-

ers to reach a common goal, and then to share the joy of victory together.

## BALANCE YOUR FALL

A professional, but FUN, program must begin with a professional, but FUN promotion. Use the time of the year to capitalize on creating the initial interest. Create a FUN title to create the initial interest. Make it sound like FUN rather than drudgery. Use a little "tongue in cheek" humor to set the tone. If you give the message of FUN directly to your member through communicating it in your title as you create the initial interest you will again set yourself up for success. The program will sell itself. For example, an exercise program that runs for a seven-week period could be called "The Seven Week Workout" or "Balance Your Fall." Which title do you think will create an initial interest that will make the member want to learn more about it?

We all know that most people don't read fliers and bulletin boards, so use pictures to get their attention. Pictures can be boring or pictures can be FUN. You can use a picture of a perfect body lifting an unreasonable and intimidating amount of weight, or you can use a picture of a turkey balancing an unknown, therefore attainable amount of weight. It's cute, it's easy, it's FUN. It shows a little sense of humor and certainly appeals to the mind and spirit of the program as well as to the body.

The picture, the title, and the activity should promote camaraderie, sociability and FUN, as it begins to offer a complete club experience to the member getting into an exercise program during this Fall season. The buddy system works, but it's you who must encourage it and make it happen within your programming structure.

## BALANCE YOUR LIFE

In these times of ing profit for the first six months saw increases of 41%, membership retention increased to 73% and same-store sales rose 10.5%. Crown Sports operates 45 facilities with 75,000 members in the U.K. STEVE PHILPOTT, Crown's Managing Director, resigned as of September 19, 2001.



Sandy Coffman

(Sandy Coffman is President of Programming For Profit, a Florida-based club consulting company. Sandy is the world's leading expert in Programming for clubs. Sandy may be reached at: 941.795.7887).

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## ...Worldview

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clubs in the UK, 39 in Germany, 11 in Belgium, 8 in Spain, 3 in the Netherlands, 5 in Italy, 4 in France, 15 in Australia and 15 in Asia.

•October 25 - 27th IHRSA will host a European Congress in Brussels, Belgium. For information, call STEPHANIE EYNON at (617) 316-6741.

•JEFF CHAPMAN, Chairman of Crown Sports Plc, reported on September 19 that Dragon's Health Club's operat-

# THANKS, JOE

**EDITOR'S NOTE:** I was contacted by Pleasant Lewis, Florida Gold's Gym owner, who expressed a very high regard for Joe Cirulli, IHRSA's 20th President and owner of the Gainesville Health and Fitness Centers in Gainesville, Florida. Pleasant brought to my attention the following Letter to the Editor's Published in the September, 2001 edition of IHRSA's CBI Magazine and re-

quested that I reprint the article for anyone that may have not seen it. We contacted Jay Ablondi of IHRSA and with his permission, have reprinted the THANKS, JOE letter for you. And, we would also like to say again, "THANKS, JOE" for the great job you have done for IHRSA and the club industry in general.

## THANKS, JOE

I noticed that the July issue

of CBI featured Joe Cirulli's last "Letter" as the President of IHRSA. I thought it only appropriate to share a few words acknowledging the impact that he's had on the fitness industry, and on all those with whom he's come into contact.

I've had the privilege of knowing Joe for 12 years. I'm one of the many that he mentored, willingly and tirelessly, and helped to succeed in this business. Joe is obviously

devoted to the industry, but his passion for helping others is even more impressive.

His integrity, ethics, intelligence, vision, and dedication have raised the standard of club excellence worldwide. His own facilities reflect his character and consummate professionalism - they are run impeccably, with an uncompromising emphasis on customer service. However, it's his generosity, kindness, and genuine de-

sire to make a difference that, to my way of thinking, have made him most successful.

He's a reminder to us all that, by helping others, we help ourselves - that kind words and good deeds come back to us a hundred-fold. It's for this powerful lesson that I thank him most.

Caroline M. San Juan, MSM  
 Ground Zero Design  
 Colorado Springs, CO

## CLUB INSIDER News Contributing Author Team

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## ...Pat Laus

*continued from page 12*

energy and environment of the club. (Author's Note: To get a feel for the mindset amongst Patricia Laus' Management Team, check out the sidebar of comments on page # 14.) We try to make a regular contribution to our staff members in the form of some educational program that helps them grow. Then it increases their self-confidence and sense of self-worth. Even if it is sending them to a Dale Carnegie Course, a local conference or an IHRSA Convention. Whatever it is, it comes back to us a hundred fold. That is the nature of our staff. We're building self-confident, self-esteemed, valued individuals who by the way, have a skill on a professional level, that happens to integrate with our business.

**Q.** Pat, you've taken a long and amazing path to find yourself at this juncture of your life. Where have you found the strength and fortitude to deal with the challenges you had?

**A.** Everything happens in life for a reason. It's your attitude that makes a difference. If you can accept what's happening at that moment, and have a vision that you can stay focused on and surround yourself with people that have the same value system as you, you will prevail. They will give you strength when you need strength. They will be there to hold you up when you need to be

held up. Sooner or later, you're going to grow yourself out of whatever misery you have in life. And, you will become more than you ever dreamed you could be. And, that's the story of my life.

**Q.** Isn't that great! Don't you feel terrific?

**A.** Oh! Blessed. Sometimes I have to stop and put things into perspective and count my blessings. So, I regularly try to take some 'time-out' to reflect. We, as adults, need to take 'time-outs' because we don't do it. And, if you will give yourself 15 minutes in a 'time-out' chair every morning, your day will be much better.

**Q.** In 1983 you were Pat, a Registered Nurse, aerobics instructor, Mom and wife and not an 'empowerer.' In other words, you didn't know how to do then what you know how to do now. How did you get from there to here? Philosophically, how did you learn how to let go of control and empower your people the way you have?

**A.** Norm, that is really a good question. You know, life is a sum of all your parts and personality. And, many times, your work fills a void in your life. In my case, my work was my salvation because it gave me an opportunity to grow and learn a business, to learn about people, to learn my own limitations and to learn my strengths. And, to learn that you don't need to control everything. You go through an evolution. In the beginning, because you're the only one that has any idea of what

you might be able to do, you hold tight to it. Pretty soon, it starts to open up like a flower. Then the flower becomes like a bush. And, you have more blooms on it. Then you decide you're going to plant another bush. It's called tennis. And then you plant another bush and it's called a Spa. Pretty soon, you can't take care of your rose garden by yourself. It starts to look not so great. And somebody else can come along and feeds your roses, pollinates your roses, expands your rose garden with you and you become much more. And, what you learn is, the more you let go, the better the product. And, along that way, you build relationships and trust. That is where we are with Tom and Kevin and the other key people in our organization. So now, it's time for a new rose garden in Red Bank. You know what? I'm being mentored through the transition from being President to being CEO and it has been one of the most rewarding parts of my learning curve and one of the most difficult ones because I have to get out of the way. My days of leading have been passed on to Tom and Kevin. I only lead Tom and Kevin. The staff at the club are not really my staff. They are Tom and Kevin's staff. I have to remind myself of that. I have truly empowered them now. When I step back into the day-to-day picture, I get mad at myself. Because I am really distracting from their ability to perform. I now have a meeting once a week with them where we cover their key indicators and I

work on new business plans, separate and away from the club. The day-to-day and the staff is theirs. They have their incentive plan and their goals. I've approved their goals and I am out of their way. It is the only way you can grow a business.

**Q.** Pat, you've broken ground on a second Atlantic Club in Red Bank in July and it is scheduled to open December 1, 2001, plus if I understand correctly, you plan to build several more Atlantic Clubs. You already have a \$17 million per year club throwing off 20% profits. So Pat, why are you building that new club in Red Bank?

**A.** To expand people's lives. I really do believe in the product. I can't think of anything more fulfilling. You saw my office and where it is situated right in the front of the club. I love seeing people bouncing in and out of there and knowing that we make a difference in their lives. That is what we are doing. We're providing a place for them to socialize, to do something physical and to set goals that they never dreamed that they would set and to attain those goals.

At this point in time my greatest fulfillment is knowing that I have shared my vision with Tom and Kevin and our managers and we're in the business of growing people. From a personal perspective, striving to live a balanced lifestyle is as difficult as it can be. The very thing that we are in the business of promoting is the very thing that is the most difficult thing for us to do. As entrepreneurs, as business people, as senior members of our families, because there are

only 168 hours in each week we need to have enough self respect and self-worth to carve out a little time for ourselves so that we can recharge and re-nourish our souls and get the energy we need to go forward as leaders. And, a message that should come from this story is that we are here for other club owners and developers just like the IHRSA members have been there for us. They need to know that."

Patricia Laus is a really great example of what a person with 'The Vision' and world class tenacity and determination can accomplish. What Pat has accomplished, had she been functioning in the best of personal situations, would be truly outstanding. But, given the personal situation she has had to cope with while building her business, what Pat Laus has accomplished is nothing short of extraordinary and absolutely amazing. But, as we have learned, her Team truly makes it happen now and she gives them full credit for their great accomplishments.

*(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. In 1981, Cates was the 1st IHRSA President and a Co-founder of the Association. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award. In June, he was honored as the International Journalist of the Year by the Italian Fitness Federation. Cates may be reached at: clubinsidernews@mindspring.com)*

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# Needs Analysis & Qualifying Questions to Determine Why the Prospect Will or Won't Join Today

By Karen D. Woodard, President  
 Premium Performance Training

The Needs Analysis and Qualifying Questions are two critical elements in the sales process that often times end up being rushed or missed all together. These two elements allow the membership sales rep to really investigate what will and what won't allow the prospect to make their buying decision and join the club today. In addition, they provide the following:

1. information you need to build desire for the prospect on the tour
2. information for you to create urgency
3. information for you to be able to understand the prospect's concerns before they become objections
4. the ability to be able to handle objections while on the tour.

## NEEDS ANALYSIS UNCOVERS WHY

Let's approach the Needs questions first. Needs questions will tell you why the prospect is interested in joining. They cover interests, needs and motivation and should be done before the tour to be most useful for you. Usually the conversation goes something like this:

Sales Rep: "Bob, what would you like to do at the club?"  
 Bob: "Well, I'd like to

play some basketball, maybe swim a bit and lift weights."

At this point, the sales rep has discovered what Bob is interested in but has not yet uncovered Bob's needs. To do that, the conversation should progress as follows:

Sales Rep: "Well Bob, we certainly can provide excellent programs and equipment for you in those areas. Tell me, what is it that you want to accomplish with basketball, swimming and weights?"

Bob: "I'd like to work on my coordination, my heart and my strength."

The sales rep has now discovered the true needs. Read on as the rep uncovers the motivation:

Sales Rep: "Wow-it looks like you have some pretty clear goals in mind. Kudos to you because most people aren't quite so clear. Do you mind if I ask what is motivating you to have those goals?"

Bob: "Yeah sure — I use to play basketball in high school and we have our 20th reunion coming up. At the reunion is a basketball tournament, and it's been a while since I've played."

Too often, we go only as far as the interests or activities that the prospect wants and mistake those for needs. We need to continue to probe or develop the conversation and go for the needs and the motivation. The motivation is imperative as it is the force that causes any of

us to act on something. It turns desire into decision and decision into action. Furthermore, it allows us to build urgency for the prospect without appearing pushy. The reason you can do it without appearing pushy is because you are using their motivation versus your motivation for them to join. Read on to see how their motivation can start the process of creating urgency:

Sales Rep: "OOOHHH — alright your 20th reunion! So you want to play well, feel good and look good. How much time do we have to accomplish your goals?"

Bob: "The reunion is in two and a half months."

Sales Rep: "No worries Bob. You're timing is great—if we start now, we can make it happen, but you might not want to stall your start."

At this point, the sales rep has enough information to know what will make Bob say yes, but not enough information to understand what will make Bob say no. Now is where we start discussing the Qualifying Questions to uncover any concerns before they become objections after the tour. You never want to find yourself giving a great tour with great energy and rapport and then lose it because a bunch of objections are thrown at you later. By asking qualifying questions before the tour, you can uncover problem areas and have more time to work through them while you are on the tour.

## QUALIFYING QUESTIONS UNCOVER OBJECTIONS

Qualifying Questions uncover the 5 major areas of objection. Certainly there are more than 5 objections—we will cover the major areas. As mentioned earlier, in the Qualifying process, your goal is to uncover these concerns before they are expressed as an objection, thus, this is a very pro-active process. These questions are designed to see if any concern exists for the

prospect and get it out in the open so you know what you are dealing with:

Area: Eagerness/motivation to join

Question: When are you planning on making your decision to start a fitness program?" or "When are you wanting to start your membership?"

Concern expressed: "I want to think about it", "I'm shopping around", "Not sure I can commit."

Area: Decision making ability

Question: Is there anyone else who will need information on this decision?

Concern expressed: I need to talk with my spouse, doctor, insurance company, employer, etc.

Area: Time availability

Question: How many days a week are you planning on using the club? and What time of day works best in your schedule?

Concern expressed: I don't think I can make time in my schedule, I'm too busy, etc.

Area: Financial ability

Question: What price range are you considering for membership? or Our membership rates go from \_\_\_ to \_\_\_, does that fit with what you have in mind?

Concern Expressed: I can't afford it, It costs too much, etc.

Area: Other limitations

Question: Assuming you feel that the club works for you, is there anything that would hold you back from joining today?

Concern expressed: I don't live here yet, I am recovering from an injury, I have to get in shape before I join, etc. (This category could be anything!)

Those are the Qualifying Questions that will help you to successfully uncover what concerns



**Karen Woodard**

may exist. It is important to note at this point that when you uncover the concerns they should not always be handled at that moment. Remember, this is still pre-tour which means it is fairly early in the sales relationship and you don't want it to feel adversarial. Concerns or objections are best handled on the tour.

To highlight some key points in your questioning process, use the following tips to insure success:

Questions should always be delivered in a warm, soft manner with genuine interest. Questions should always be conversational. Respond based on their answer; not your next question. During Needs questions, go for interests, needs and motivation

Needs and Qualifying Questions are more effective when done pre-tour conceptually, once you have uncovered interests, needs, motivation and qualified the prospect—then you go on tour.

Too many sales reps spend too much time telling the prospective Member what the rep wants to tell them rather than what the prospective Member wants to hear. This invariably results in lost sales. By effectively doing your Needs and Qualifying Questions, you will find out what is really important to the prospect that will turn them into a Member that much faster.

(Karen Woodard is the President of Premium Performance Training, a Boulder, Colorado-based club business consulting firm. Karen may be reached at: (303) 417-0653.)

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**...Atlantic Club**

*continued from page 21*

ing selected to win The Kaiser 50+ Programming Award at IHRSA last March. How did you get started? What is your role today at the club?

A. Thank you. I came to the Atlantic Club six years ago to provide a program for members to get involved in walking as an important exercise. I moved into fitness as a personal trainer and taught special classes for mature adults such as Arthritis classes. Today I am Assistant Fitness Director and Mature Adult Program coordinator. I also help coordinate Special events, Community Service programs and ACES Adventure programs.

Q. What do you feel is required to be involved in building future programs for this growing Mature Adult age group

A. I think having a 'CORE' belief FROM THE TOP down that this is really important. As we have seen and heard, the population from 47 to 77 is the most compliant to exercise, affluent, educated about the importance of fit-

ness, the biggest numbers in the industry!! Get every department involved, try anything.

Q. What advice can you give to clubs embarking on new Mature Adult programming?

A. Get every department involved. We started with a "focus group". Gain trust with the 50 + members that your CLUB is really interested in them. Survey them. Use the existing programs you have and expand or HIGHLIGHT programs for ACES week. Get real active athletes That are over 50 to get involved in your programs. Make it FUN!! Establish events that are 6-8 weeks away so members work toward a fitness goal/activity. Like a Hike or Bike Trip. Provide Free Educational programs with quality speakers and don't forget to Make it FUN!!

**JANICE GROSSO**  
*Fieldhouse and Summer Camp Director*

Q. Briefly describe a few of your many programs.

A. The 24,000 s.f.

fieldhouse is home to programming for children ages 6 months to 15 years old. Birthday parties are available, children can choose their favorite theme. Sports strength and conditioning classes are available for children. We have our own junior weight room, as well as individual and team sports training. Parent and me classes are available in yoga, music and movement beginning at 6 months of age. Our junior members experience a variety of sports and games supervised by our trained staff after school and on weekends

Q. What attracts families to bring their children to your camps?

A. Children attend our camps to experience the diversity of programs available on our 44 acre site. We offer swim and tennis programs, general summer camp, drama, music, karate, computers and music. Families may tailor a camp program based on their child's interests.

**RITA GREENBERG**  
*SPA Director*

Q. Rita, when I visited the

Atlantic Club last July there was construction underway for a major SPA expansion. Tell me about it.

A. Our current spa has been in business for ten years. The spa industry is growing so rapidly that we felt the need to expand our 1200 s.f. spa 9600 s.f. Our new spa will offer 14 treatment rooms compared to our current 3, plus a wide array of expanded services and facilities. We will also be expanding our menu of services accordingly.

Q. How do you incorporate the membership into the Spa and Salon?

A. Being in a health club facility has its perks. You do not have to be a member to come into the spa and enjoy a service, but we do offer the members special rates and a birthday coupon offering special discounts. We also always have walk-ins due to our convenient location.

Q. What can you recommend to clubs interested in Salons and Spas?

A. Question your members. See what types of spa ser-

vices they are looking for. Keep your standards high, only hire the right people and never settle for less. Have a good rapport with the employees. Be open to suggestions.

Q. What will make your Spa and Salon grow into the future? Kevin McHugh tells me the spa could one day reach \$5 million a year in sales?

A. All of us in the spa love what we do. We are happy and it shows and it extends itself out to our customers. We are always looking to be the best at what we do, thus keeping the customers happy and coming back often.

So, it is clear why Pat Laus' Atlantic Club is one of the top in world. It is simple. Everything they do at The Atlantic Club is simply first class, especially the terrific Team ATLANTIC CLUB!

**MAKE IT FUN**

**Capitol Report**

*continued from page 16*

how to obtain CPR training. AB 1722 appears to be redundant of current OSHA requirements.

**IHRSA ASKS CONGRESS FOR FAIRNESS IN FITNESS**

Several members of Congress are currently reviewing the "Fairness in Fitness Act," a solution

proposed by IHRSA to correct a substantial inequity in federal tax law. Large companies that can afford on-site fitness centers can offer tax-free wellness services to their employees. However, when business owners outsource employee fitness services, employees

are responsible for paying taxes on the cost of those services, as if it were income. The Fairness in Fitness Act would exclude health club memberships that are paid for by employers from the personal, taxable income of employees. Please urge your members of Congress to sponsor this important initiative. Visit <http://www.ihrsa.org/publicpolicy/crusade.html>, enter your information, and click on "off-site wellness" to send a pre-written e-mail message.

**IHRSA STILL ADVOCATING P.E. FUNDING**

IHRSA's Washington representative, Thomas Scanlon, continues to join forces with representatives of the Sporting Goods Manufacturers Association (SGMA) and other groups in Washington to promote the Physical Education for Progress (PEP) Act. This legislation provides funds to the Department of Education for incentive grants to school systems throughout the United States to improve and expand physical education programs. Last year, Congress appropriated \$5 million for this program. Scanlon and other PEP advocates met with Senator Thomas Harkin (D-IA) on Monday and urged him to expand the program tenfold: up to \$50 million in The coming fiscal year. Harkin is the powerful Chairman of the appropriations sub-committee responsible for education program funding. "Senator Harkin is a very fit individual who would like to see the schools do more to counter obesity and other illnesses related to lack of exercise," Scanlon said. "He gave us a careful hearing and our hopes are high for A substantial increase in PEP funding next year."

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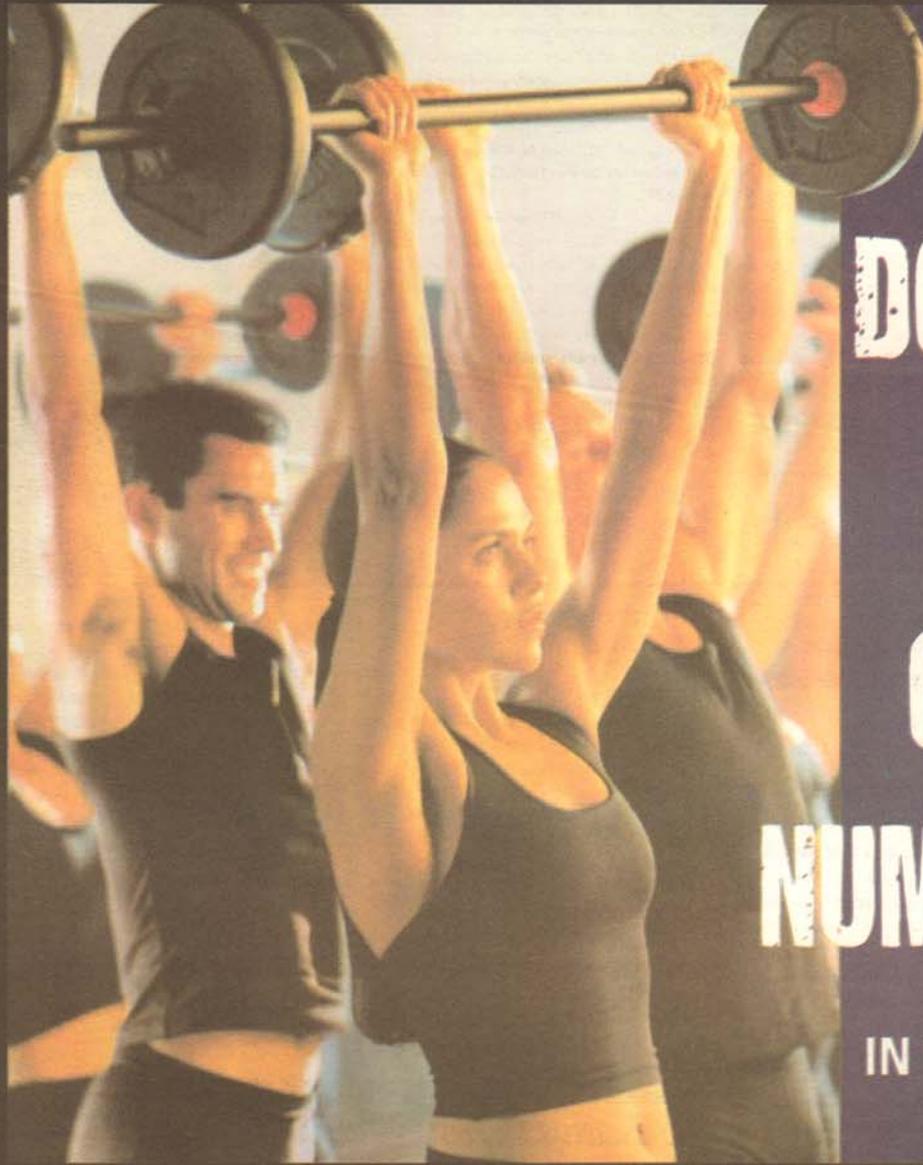
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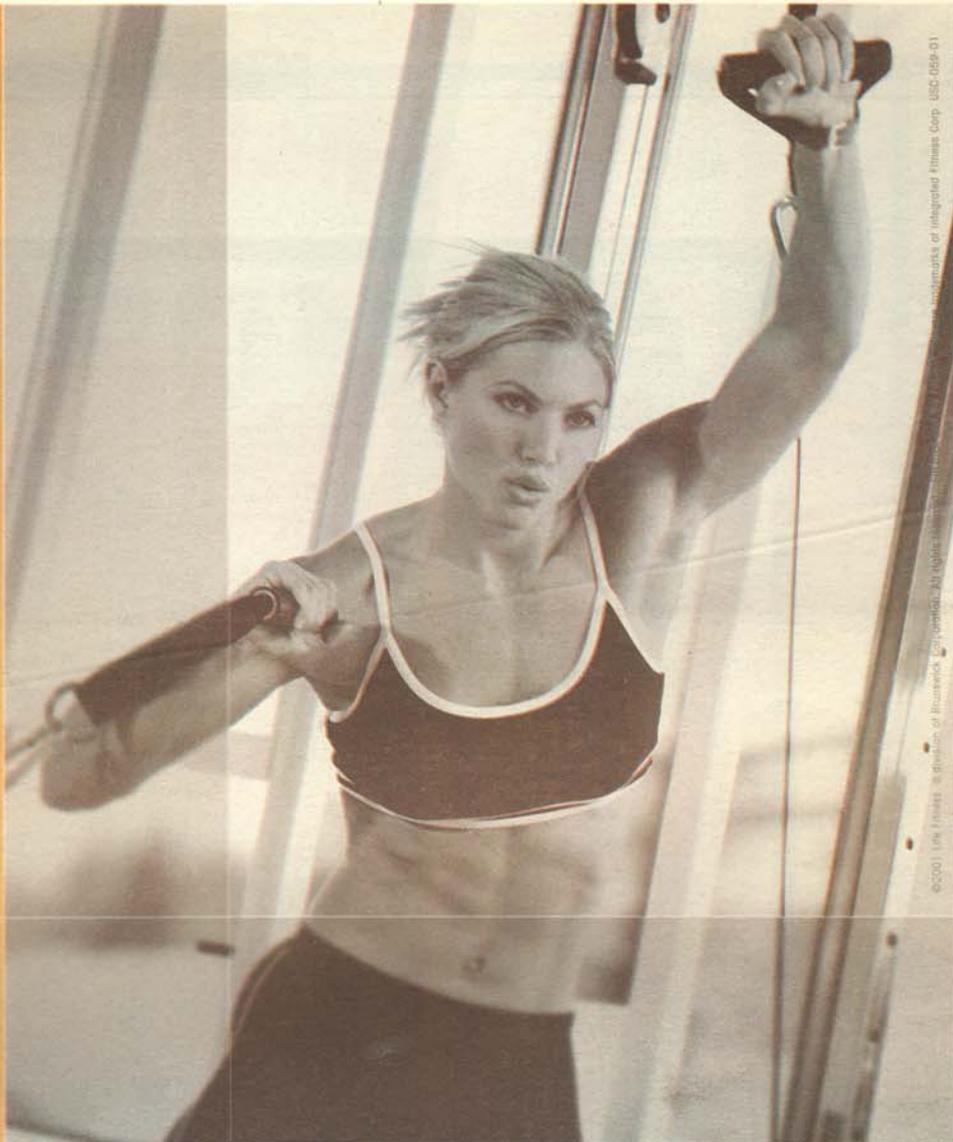
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