

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Jeff Russo's Pro Fitness Program Celebrates 20 Years of Vastly Increasing Personal Training Revenues!



Jennifer Poljacik Receives Pro Fitness Program's Club of the Year Award from Jeff Russo



OCTOBER 2017

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A photograph of a Planet Fitness gym storefront. The main sign is yellow with purple borders and features the Planet Fitness logo (a hand giving a thumbs up inside a gear) and the text "planet fitness" in purple. A purple flag with the logo is flying on a pole to the right. The building is a multi-story brick structure with large windows. The bottom of the image has a purple background with a white gear-shaped cutout containing the Planet Fitness logo.

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Jeff Russo's Pro Fitness Program Celebrates 20 Years of Vastly Increasing Personal Training Revenues!

By: Norm Cates

First, I want to congratulate Jeff Russo on the **20th Anniversary of his Pro Fitness Program Company!** They have a lot to celebrate at their special business! So, congratulations to Jeff and his wife, Stacy, on the 20th Anniversary of the Pro Fitness Program!

In the **June 2012 Edition of CLUB INSIDER**, our Cover Story was about **The River Valley Club (RVC)** in *Lebanon New Hampshire*. **RVC Owner, Joe Asch**, shared information about Jeff Russo and his Pro Fitness Program, an operation that truly ignited Personal Training Sales at the RVC with the leadership of **Jennifer Poljacik, RVC Chief Operating Officer and Director of Personal Training**, leading the way. The club went from \$69,000 a year in 1-to-1 Personal Training Sales in 1999 to their current \$2.2 million a year as a result

of ongoing consulting support and training.

Within that story, I wrote the following comment about the very significant impact Jeff Russo's company had on PT at the RVC: "In addition to Joe Asch and Jennifer Poljacik (COO), Jeff Russo is a professional club consultant who specializes in personal training sales and service delivery with his Pro Fitness Program. He has made a huge and positive impact on the RVC operation."

We're pleased to provide the following **CLUB INSIDER Cover Story** with Jeff Russo, and it will include the history and evolution of the Pro Fitness Program.

An In-Depth Interview With Jeff Russo, Pro Fitness Program Founder and Owner

CLUB INSIDER (C.I.) - Jeff, where were you born, and where did you grow up? Where

did you go to school, and what did you study? Did you play sports?

Jeff Russo (JR) - I was born in Toronto, Ontario, Canada, and that's where I grew up... on the West end of the city. I went to Michael Power St. Joseph High School in Toronto. From there, I went to the University of Toronto, and I did a 4-year Honors degree in Political Science. Soon after I graduated from that program, I got accepted into law school in our nation's capitol at the University of Ottawa. But, in between the University of Toronto and law school at the University of Ottawa, I did a couple of entrepreneurial ventures and really got hooked on operating my own business after getting my first exposure being an entrepreneur. I started at the University of Ottawa for my law school program, but part way through my initial year, I decided to make a move and leave the program. From that point forward, I



Jeff Russo Presenting a PFP Workshop

got involved in the industry I was most passionate about from the time I was a youth, the health and fitness industry.

(See *Pro Fitness Program Page 10*)

Lyle Schuler Passes Away at Home In Hurley, New York

HURLEY, N.Y. - Lyle Schuler passed away at home on Saturday, September 23rd in the presence of his wife, Holly Snow Schuler. The cause of death was not disclosed. Lyle Schuler was born in Bayshore, New York and resided in Hurley, New York.

Lyle Schuler was a Cortland State Exercise Science Graduate who always had a passion for health and fitness and helping others realize their goals.

With humble beginnings as an aerobics instructor, then personal trainer, he moved onto membership sales and General Management. He eventually achieved Partnership status in the Gold's Gym Hudson Valley group.

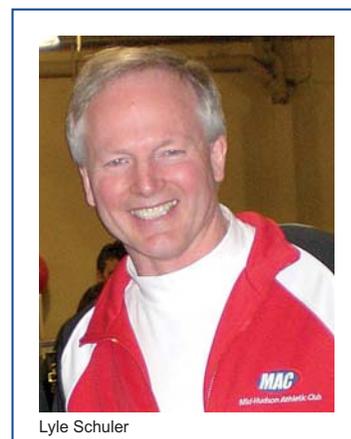
Lyle had over 35 years of health

club management, ownership and club consulting experience in a wide range of club sizes, from as small as 10,000 square feet to 120,000 square feet. As a Managing Partner for 14 years in five multi-sport clubs, Lyle's clubs were recognized for five consecutive years in Club Industry's "Top 100" for annual gross revenues.

After selling four of his clubs in 1998, Lyle joined the SalesMakers team with Eddie Tock and Ray Gordon, one of the leading sales and marketing consulting companies in the club industry for over 25 years. SalesMakers was recognized by the International Health, Racquet and Sports Association (IHRSA) in 2001 as the Associate Member of the Year for its outstanding contribution to

the health club industry. Consulting in 38 states nationwide, he specialized in club membership, management, personal training programs, club systems and cost-effective marketing. In addition, Lyle has presented at national and regional conferences with Club Industry, IHRSA, Gold's Gym, CCD, NERSA, Fitlife and NYSPPA.

In November of 2002, Lyle purchased a struggling Tiger Gold's Gym, a 40,000 square-foot health club in Kingston, New York. By the completion of his first year of operation, the club experienced a 70% increase in gross revenue and was on its way to a turn-around success. In September of 2005, (See *Lyle Schuler Page 6*)



Lyle Schuler

Inside The Insider

- Simplify Your Marketing and Achieve Better Response in 2018 - **By:** Jon Butts
- The Fitness Industry's Game Changer - **By:** Daron Allen
- Eight Steps to Designing Your Niche Program - Part I - **By:** Casey Conrad
- What's in Your Product? - **By:** Derek Barton
- How to Maximize the Enforceability of Your Membership Agreement - **By:** Paul R. Bedard, Esquire
- How to Create Dynamic "Studio Clubs" Within Your Club - **By:** Bruce Carter
- Convert Your Weaknesses to Strengths! - **By:** Thomas Plummer
- Pro Fitness Program Announces Major Upgrades to its Fitness Assessment Software
- IHRSA Releases 2017 Health Club Consumer Report
- And, of Course, *Norm's Notes*

Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 Checking In with our 286th monthly edition and the last edition of our 24th Year!!! Yahoo YOU ALL!!!

•Is America a GREAT Country, or what!? I'm going to write a quick Note here about my acceptance speech for the Club Industry Lifetime Achievement Award on October 5, 2017 in Chicago in which I expressed, in no uncertain terms, my LOVE for America, and the importance of the role YOU ALL are playing in making America BETTER by making Americans BETTER. In that speech, I thanked ALL of you for the choice you have made in your life to be in our great industry. I wrote, and then said those words, because I believe in my heart that your CHOICE truly helps Americans get better every day, and by doing that, our industry helps America get better every day. If you can't get excited about that thought, then you may be in the wrong business. I had given my acceptance speech successfully until the part where I began to talk about this very subject... i.e. the subject of YOU ALL making America better by helping Americans make themselves better. I am SO proud of all of you for what you do that I just flat broke down and cried while I was making that point. So, today, I'm writing this to explain that. And, I'm writing this to say THANKS and express my sincere Appreciation

to many of you who were there and took the time afterward to tell me you thought my speech was terrific and that you totally forgave me for breaking down and crying. THANK ALL of you to whom I spoke about this for your very kind words. I sincerely appreciate you understanding *how intensely I love America* and how very, very thankful I am that you all do what you do for America and make America better by making Americans better. *God bless ALL of YOU for your choice of occupations and God Bless America!*

•I'm sorry to be the bearer of this sad and bad news, but we lost another great person from the ranks of the club business world when LYLE SCHULER, veteran club consultant, operator and owner, died on September 23rd after suffering from an undisclosed illness. Sadly, Lyle leaves behind his lovely wife, HOLLY, and his 5-year old son, COLTON. Be sure to see Lyle's Obituary on Page #3. May Lyle Schuler Rest In Peace. EDDIE TOCK of REX Roundtables and formerly with SalesMakers told me at Club Industry that they were putting together a fund for Lyle's son, Colt. So, for information on that, please contact Eddie Tock directly at eddie@rexroundtables.com.

•WOW! As I sit at this keyboard writing these Norm's Notes for our October Edition of Club Insider, our 286th monthly edition, I do so in a completely

humbled and overwhelmed state of mind. I write *humbled* and *overwhelmed* because, as a wordsmith, I can't find any better words to describe the feeling I have after having been honored by our great friends at Club Industry with their Lifetime Achievement Award on October 5th. Picture this scene. The Club Industry people arranged to have a complimentary breakfast in the same huge ballroom in the elegant Chicago Hilton that was built in 1928 and was totally remodeled with the rest of the beautiful hotel in 1984 to the tune of \$185 million! This was the same room in which Club Industry's Keynote Speaker, NICK SARILLO, was to give his great keynote speech, and in that, Nick shared the *value* and *importance* of Building TRUST in your clubs and in your communities. Picture this room... it was huge... nearly the size of a football field with very high, probably 30-foot ceilings. And, it was completely full with standing room only in the back of the room. Sarillo's excellent keynote speech was sponsored by our friends at ABC Financial Services, JIM BOTTIN and PAUL SCHALLER, who in conjunction with the Club Industry Show, sponsored a terrific breakfast starting at 8AM until 8:45AM when the lovely PAMELA KURFAHL, Club Industry's Director of Content and Engagement introduced me and presented me with their Lifetime Achievement Award.

Before Pam handed me the beautiful and heavy glass Club Industry



Norm Cates Receiving Club Industry's Lifetime Achievement Award From Pamela Kurfahl

Lifetime Achievement Award Trophy, my heart was warmed and I was very humbled to see videos congratulating me from: PAMELA KURFAHL, MARTY McCALLEN, JOE MOORE, JOE CIRULLI, JOHN McCARTHY, JUSTIN CATES, RICK CARO, RAY IRWIN and RICH BOGGS. I want to thank this wonderful group for their very kind comments delivered on their videos. And, I want to thank Pamela for her amazing introductory comments about me prior to handing me the Trophy. In particular, I want to note and Thank Pamela for referring to me at one point in her kind introduction as the "Conscience" of our industry. I certainly am hugely flattered by everybody's kind

(See Norm's Notes Page 6)

About Club Insider

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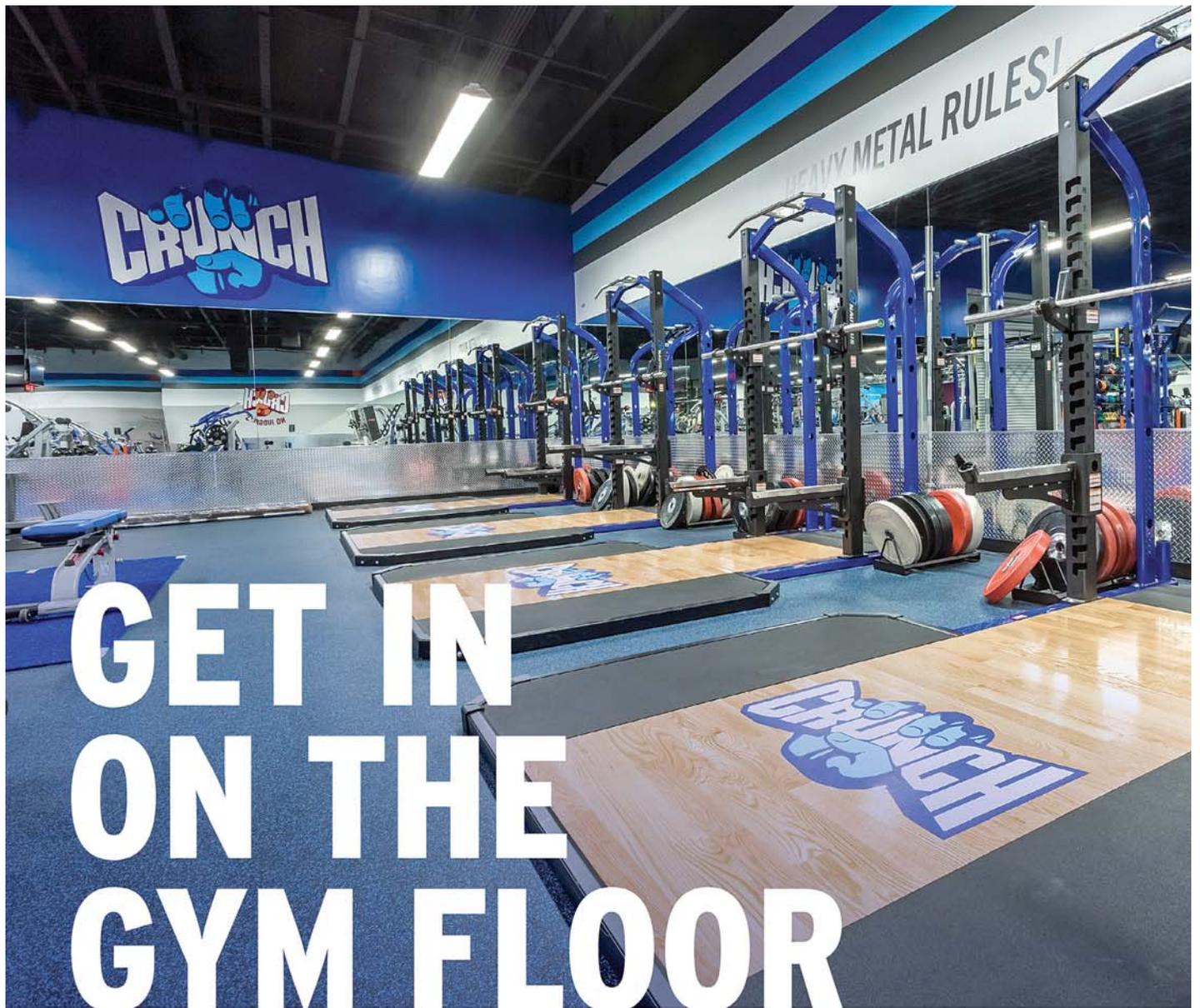
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...Norm's Notes

continued from page 4

comments, so again, THANKS to all.

I have two things to say about all of their kind comments: 1. Those of you who've seen the movie JAWS, arguably one of the greatest movies in history, remember when the star of the movie, the local Chief of Police, MARTIN BRODY, masterfully played by ROY SCHEIDER, said to the boat captain after seeing the gigantic Great White man-eating Shark: "We're gonna need a bigger boat!" Well, after hearing Pamela's awesome comments, and

seeing the video presentations by that amazing group of nine speakers on video listed above, I told the crowd: "I'm gonna need a bigger HAT!!!" Yeah... I know... I had better not quit my day job to become a comedian! HAHA!

•JUSTIN and I want to express our sincere Thanks and Appreciation to all of the folks at Club Industry... PAMELA KUF AHL, MARTY McCALLEN, CRYSTAL ROMBERGER, ANTHONY DOMINIC and their entire Team, for producing a terrific 31st Annual Convention and Trade Show in Chicago, October 4 - 6, and especially for honoring

me with their Lifetime Achievement Award! Be sure to check out our Club Industry Photo Slideshow by going www.clubinsideronline.com/clubindustry2017.

•Speaking of a "Bigger Hat," check out my new photo on **This Page**. A couple of months ago, I got an email from our friend, AUGIE NIETO, the amazing man who has survived LOU GEHRIG's DISEASE for 12 years, asking me to help him promote the 13th Annual BASH for Augie's Quest, which will be held on Friday Night, March 23, 2018 to wrap up the 2017 IHRSA Convention social schedule. Augie wrote, and I quote this portion of his email. "Our theme this year is 'Hacienda BASH,' and my team had a great idea since you have always been so supportive. Instead of doing an ad for the BASH (or in addition to), would you be willing to replace your signature black cowboy hat with a Sombrero in an upcoming issue to promote the Bash? Please say yes! We can send one to your home or office if you'd like. Thanks for your friendship and support, Augie." Of course, I wrote back to Augie that YES, I'd be happy to try to help in this manner. So, I want to point out my new "Hacienda BASH" photo on this Norm's Notes page, and I want to urge you all to make plans to be with us at the entire 37th Annual IHRSA Convention and Trade Show, and for sure, at the 13th Annual AUGIE'S QUEST Bash! Stay tuned, folks!

•If you're a vendor or manufacturer of products for our industry, this time of the year is an important time because IHRSA's Vice President of Exhibit Sales, TOM HUNT, is booking IHRSA's San Diego Trade Show space very rapidly! If you've never exhibited at the always fabulous IHRSA San Diego Convention and Trade Show, you've missed the premier event of



Señor Norm Cates

the year for our industry, and I would urge you to make plans to Exhibit your products there. Contact Tom ASAP at (800) 228-4772, Extension #152.

•Our Cover Story subject this month is JEFF RUSSO and his special company, Pro Fitness Programs. Jeff Russo and his Team have a wonderful thing going! I want to give you a heads up that, in this Cover Story, you may find the path to your future because Jeff and his terrific Team are producing super-human results in the Personal Training realm. To understand the magnitude of what Jeff's company is doing for club owners across the land, you need to see the chart tracking the results of Jeff's clients on Page #14. Before we proceed, I want to share the following comment from AL TASSEL, one of Jeff's top teammates in his company along with JEN POLJACIK and their Team. Here's what Al had to say about Jeff Russo:

"When I heard about the financial numbers clubs were producing from the Pro Fitness Program, I decided to do some investigating. I had been around the block and was somewhat skeptical about (See Norm's Notes Page 7)

...Lyle Schuler

continued from page 3

an additional 20,000 square feet of rental space was acquired, followed by the January 2006 purchase of the first Parisi Speed School license from Bill Parisi in the State of New York. By June of 2006, the building and real estate was also purchased while the Kingston Speed School led the new Parisi Speed School Licensees in monthly gross revenues nationwide several times throughout the year and had become a preferred reference for all new potential licensees. In 2008, the second MAC Fitness was opened in the Kingston Plaza and both clubs were recognized as Best Clubs in the Hudson Valley.

Lyle was known by all to be an amazing, caring and inspiring leader, who always put everyone else first. Lyle was also the best man at Eddie Tock's wedding, who remarked that Lyle was always the best man for everyone everyday in all parts

of their life! Lyle had the uncanny ability of making everyone around him feel like they were the most important person in the world. His passion and energy were contagious! He will always be remembered for his wonderful kindness, persistence, perseverance and wonderful energy that he brought to everything he was involved with. He put his heart and soul into all he did. He was loved by all and he will be greatly missed.

Son of the late Herb and Ann Schuler of Hurley, Lyle is survived by his wife Holly and son Colton, as well as his mother Audrey Wheatley of New Hampshire and brother Wayne, niece Heather, nephew Travis Schuler and grand-niece June Rose of Long Island, cousins Linda McGuire of Kingston and Nancy and Jake Hatten of New Jersey and many close high school and college friends who kept their friendship very close throughout the years in the most unique way.



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...Norm's Notes

continued from page 6

everything and everyone. When I called Jeff Russo, the owner of the company, I was immediately consumed with how passionate he was about truly helping club owners financially improve their businesses. Most business owners' primary focus is on making money, whereas I really got the impression that Jeff's main fulfillment came from helping others. After being a client of his for over five years, and now honored to be part of his team, I can undeniably attest to you that my initial impression of him was absolutely correct. He is honorable, genuine and affable, and he will go to great lengths to help his clients improve their operations. In an industry as competitive as ours, it's a pleasure to know there are individuals like Jeff Russo still out there."

Thanks Al. Folks, I want to urge each and every one of you who own and operate clubs that provide Personal Training to read and study Jeff Russo's amazing Cover Story, because by doing so, you may well be positioning yourself for a lifetime of increased income and profits in all of your clubs. Don't miss this amazing Cover Story about Jeff Russo, starting on Page #3. And, for sure... **DON'T MISS the CHART on Page #14.**

•What are FRIENDS for? This quick Note is to draw your attention to the Photo on This Page of **RANDY IVEY and his brand-new BRIDE, JOYCE**, back on **October 4, 1968** on their Wedding Day 49 years ago. I'm publishing this for Randy and Joyce, because in Chicago, Randy told me he was attending the *Club Industry Show* because he wanted to be there to support me and watch me receive the Lifetime Achievement Award. And, **he did so even though it was his 49th Wedding Anniversary!** WOW! Randy then showed me this photo of him and Joyce 49 years

ago, and I want to congratulate them on: **1. Their 49th Wedding Anniversary, and 2. Their great son, Brandon!** God bless y'all, Randy, Joyce and Brandon!

Randy was also at *Club Industry* working with **MATT ZAGRODZKY** at his **iGO Figure** trade show exhibit where they again conducted interviews with club owners, asking them only one question: "What makes your club great?" and for each of the people they interviewed, they donated \$20 to **Augie's Quest**. I can only say, "Good on y'all, Matt and Randy!" Keep up the great work for **Augie's Quest!** Randy wrote to me that they had over 50 interviews in Chicago, and he said this about Matt, his side kick for the show: "I was really impressed with Matt Zagrodzky. I know he must have taken acting lessons because he's really good and brought out the best in the participants... even the shyest ones. NBC should check him out!"

•Speaking of friends, my long-time friend industry friend, **RAYBOB GORDON**, who works at **STEVE VUCOVICH'S Apple Athletic Club** in **Idaho Falls, Idaho** is a member of the club's **Seniors Tennis Team** called the "Old Racketeers," which recently made it to the **National**



Randy and Joyce Ivey



The Old Racketeers - Top: Ray Gordon, Robert Boozer, Brad Vande Kamp and Charles Hunter Bottom: John Russell, John Stosich and Reuben Wilson (Captain)

Championship at the tournament in Denver (See the Photo on This Page)! Now, RayBob and his Team are heading to **Orlando, Florida** as their team has made it to the **Final Four of the National Finals**, scheduled for **October 27, 28th and 29th**. So... **GOOD LUCK RayBob and Teammates!** We're pulling for y'all to go **ALL THE WAY!** Stay Tuned folks! Oh... I want to add that this is what **RayBob** wrote to me about my **Club Industry** honor:

"Congratulations on your award in Chicago. It was very well deserved and earned. You really are the pulse of the

industry and have thrown your entire heart and soul into helping the industry." **Thanks, Ray.**

•Be sure to check out **Visual Fitness Planner's** new **T-3 System** by reading **DARON ALLEN's** Article about it on **Page #22** and seeing their **New Ad** on **Page #15.**

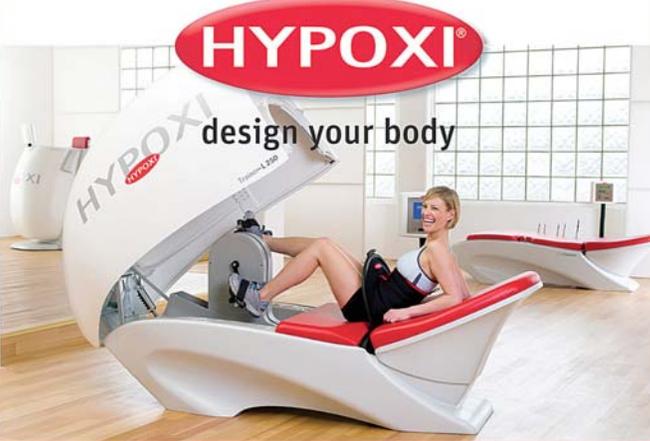
•Thanks and Appreciation to **JENNIFER URMSTON**, one of our long-time **CLUB INSIDER Advertisers** for hosting her **2nd Annual Trade Show Happy Hour** that was set up at her booth from **3PM to 5PM** (See *Norm's Notes* Page 8)

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...Norm's Notes

continued from page 7

on the first day of the Trade Show. This led to another event later in the evening, **Club Industry's Networking Nightcap**. It was at Jennifer's Happy Hour that the Club Industry folks really began to gain momentum on achieving their goal for this show... that goal was to create a *community kind of feel to the event* that, in turn, would cause attendees to relax, learn more about those they meet there and establish long-standing relationships.

• **Thanks and Appreciation to my**

former Partners in CourtSouth here in Atlanta... **RICH BOGGS** and **RAY IRWIN**. Though they could not attend *Club Industry* due to previous commitments (for Rich, it was helping with grandchildren), they both made fabulous videos (mentioned previously), and **most importantly, I want to Thank them BOTH for being the reason I had the opportunity to be in the club business/industry in the first place!**

• **BILL HUBNER** and his lovely wife, **VERONICA**, have welcomed a new member to their family! His name is **JUAN PABLO HUBNER**, and he's now five months old. But, that's not the *story*

here! **The story here is Bill Hubner is now 83 years old! Way to go Bill and Veronica!** Bill wrote to me when he sent Yuan Pablo's photos that, after 60 years in our industry, he's sold all of his clubs and his **Paramount Fitness Equipment Company**, and he's focusing on real estate now. **Bill's one of my idols for more than ONE reason! CONGRATULATIONS Bill and Veronica on Juan Pablo!**

• While a lot has been going on, I want to take another moment to again thank fellow-author, **ANTHONY DOMINIC**, for the terrific *Club Industry* article he wrote about me. **Thanks Anthony!** In that article Anthony quoted me as saying, **"I don't make friends; I make life relationships."** So, I want to take this opportunity to clarify my comment just a little bit. What I really *meant* to say, but *did not*, was: **"I don't just make friends. I try my best to make friends with the idea of making life-long relationships with all my friends."** I have always done this, and I feel blessed to have done so. And, I feel **EVEN MORE** blessed because my fine son, partner and best friend, **JUSTIN CATES**, has also acquired this lifetime trait, and his life is much richer for it.

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

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Baby Juan Pablo Hubner

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• **God bless our troops, airmen and sailors worldwide and keep them safe. Thank you, Congratulations and Welcome Home to all of our troops who've served in Iraq, Afghanistan and around the world. God bless America's Policemen and Women and keep them safe. God bless you, your family and your club(s). God Bless America!**

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, finishing its 24th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. On October 5, 2017 Cates was honored with Club Industry's Lifetime Achievement Award. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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Norm's Personal Notes

• **October is Breast Cancer Awareness Month**, and I want to point that out today because a good friend of mine, and the Quarterback on our 1967 N.C. State Football Team, **JIM DONNAN's** wife, **MARY**, is fighting Breast Cancer. Jimbo and Mary, I want you both to know that I've been praying for you every night since I got this bad news. **God bless you Mary as you fight on!** I'm working with our '67 Teammates, **STEVE WARREN;** his wife, **JANE;** and other Teammates, **GREG WILLIAMS, ART McMAHON** and **FREDDIE COMBS**, to produce our 1967 N.C. State Football Team's 50th Reunion on Friday night, November 3rd and 4th, with the game against Clemson, the next day. So, I'm pulling for Mary to be well enough for Jim, the former University of Georgia Head Coach, to attend our 50th Reunion. **God bless you, MARY!** For more information on Breast Cancer, please go to wallethub.com/blog/breast-cancer-facts/39700.

• **Congratulations to NANCY ALFORD**, the wife of my N.C. State Teammate, **MIKE "BIG DADDY" ALFORD**, because she's recovering well from stomach illness, which followed her heart surgery last year. It's our hope that Mike can also make it to our 1967 Team's 50th Reunion Party on November 3rd!



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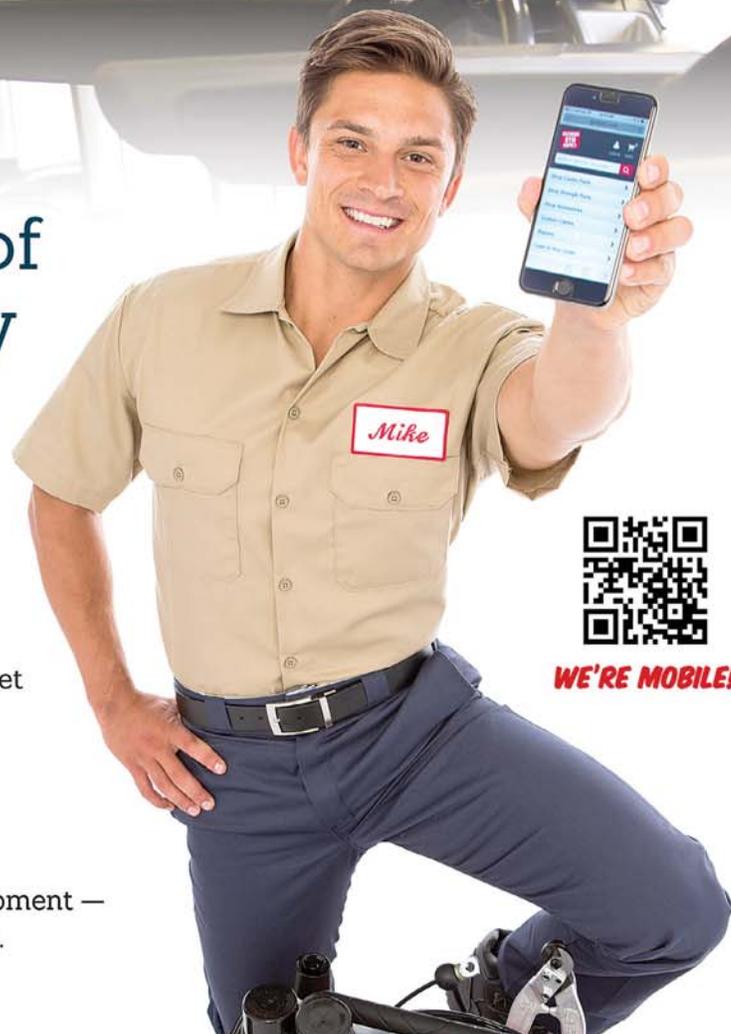
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...Pro Fitness Program

continued from page 3

To answer the last part of this first question, yes, I did play sports. I played ice hockey in high school. But, my number one sport, and the one that I really focused on, was amateur wrestling. When I started in that, I was wrestling in the 182-pound weight class. Then, as I put on size and trained more, I started wrestling in the 195-pound weight class. And, then, I got really involved in weight training and body building. So, by my senior year in high school, I was benching 325 and had a squat of 450. I developed a lot of size and a lot of power, and obviously, I got hooked on weight training and body building and had a real passion for that. That really helped me decide to get a career going in the fitness industry, as well.

C.I. - Jeff, when and how did you become involved in the health and fitness club industry?

JR - Back in 1986, my last year in high school, I started in the fitness industry at a local fitness club called *Sherway Racquetball and Fitness* as a Personal Trainer. The full-time work started soon after I left the law school program at the University of Ottawa. I decided to follow my passion and get back involved in the fitness industry. I had continued to train all of those years, but the only job I found in the fitness industry was a membership sales rep position for a club up in Toronto. It was called *Premier Fitness*, and I took that sales role in 1995. I really enjoyed the business side of it, and I started to learn the sales side of the business. Before I knew it, I became a club manager. By 1997, I became a part owner by investment in a club called *Extreme Fitness* in Toronto. So, that's how I got involved. I probably worked every single position in the fitness industry. From doing fitness consultations to being a Fitness Director and Fitness Manager to Membership Sales and Club Manager. And, then, eventually to club ownership with *Extreme Fitness*.

C.I. - When and how did the Pro Fitness Program come to be?

JR - By 1998, I'd met my wife, Stacy, through the fitness industry. Working in the fitness industry with the long hours, lots of stress, dealing with members and all these different issues, we decided: **1.** We wanted a little bit of a different lifestyle. **2.** Always having that entrepreneurial spirit, as a part owner in the club, we wanted to do something on our own. So, in 1998, we decided to sell our shares in *Extreme Fitness*, and we asked ourselves, "What do we like to do?" We like to teach. We like to inspire. We like to motivate. WHAT do we like to teach? Well, we always loved this fitness business, so why don't we create a fitness business consulting company?

We started to look at our experience in the industry: Such poor retention rates, and members not getting

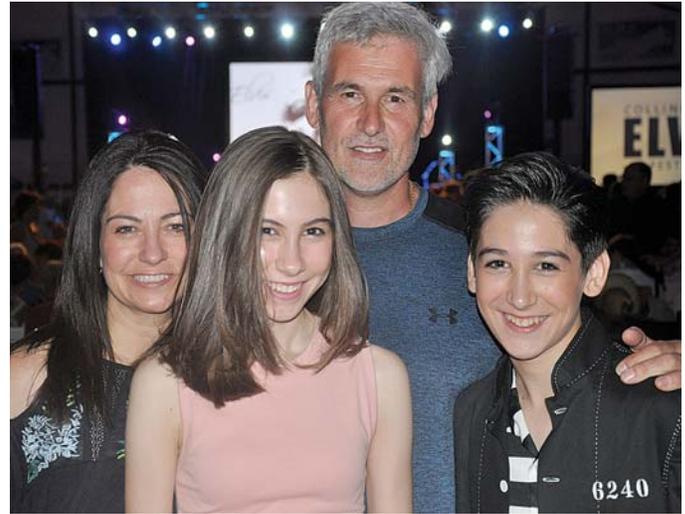
results in the areas of fitness. We saw what was going on, and we wanted to help the small, independent Ma and Pa club business owner who *CARES about their community, CARES about their members and WANTS to make a difference.* Our inspiration was to come alongside those individuals, teach them predictable business operating systems and help them be successful and be competitive. That's how the company started, and we built it from the ground up.

C.I. - What are the key facets of the Pro Fitness Program that differentiates it from other sales systems?

JR - First of all, we are one of the only consulting companies that focuses on 1-to-1 Personal Training Sales. Our program works in conjunction with any small group training program, but the majority of the revenue comes from personal training. Secondly, I think we have a very unique 90-minute fitness consultation and assessment that is extremely thorough where we do a lot of assessments... strength, cardiovascular, functional movement screens and so forth. We also assess people on the workout floor and how they move, exercise and use equipment. We also have a fitness-based approach where we take a look at obstacles and problems that challenge these individuals in terms of getting results. And, we prescribe the best possible solution in order to get them results. That's at the core, and that assessment was developed by Dr. James Manson, formerly of the Cleveland Clinic, and now, a Professor in Toronto. With all the normative data, where we compare it to average age, sex and so forth, the data that it prints out is very unique. The assessment was built for our company, so it's health-related normative data and health-related screening with the latest data out there to see if somebody is in a high-risk category for health related to all these assessments.

So, that's the starting point. We then sell based on solutions. We're solution providers. We sell based on knowledge. I think that really helps us to stand out, as opposed to many years ago, when I started in the industry, where we just taught them how to overcome objections and how to close hard. We definitely don't approach it in that manner. So, it's usually the client themselves who, through this long education and process, comes to the realization that this is the best possible solution for them and that they should be working with professionals in getting this help. So, it's an excellent prescriptive-based approach to selling. So, that's Part I, I would say.

Then, one of the things that differentiates us from anybody else is that we believe that this is the only way we



The Russo Family (L to R) - Stacy, Sydney, Jeff and Connor

can help people... **through education, results and knowledge, not just selling memberships.** So, everyone is required to do a membership when they join the club, and there's no options around that. But, there's also a paid assessment because we believe there is value in the assessment. We believe there is value in the education. And, we know when there is a paid assessment: **(1)** People take it a lot more seriously. **(2)** Show ratios are a lot higher. Additionally, we want to pay our Fitness Consultants/ Professionals for the service that they render. That differentiates us as well. Then, I would say that the way we approach our system and the way we implement our sales system, where there is a lot of hands-on, in-club training, is a differentiator.

Just to get this program off the ground, not only do we have a lengthy pre-launch period and pre-launch checklist that can last 4 to 6 weeks and is done online and by phone. Once they are ready to implement, our consultants go into the club for a full seven days of in-club consulting work with all of the departments in the club. Through that process, I think what is also very unique is that we've developed our own unique web-based software that speaks our business consulting language. I looked out there at a lot of software to see if we could find something to do what we needed it to do, but we need data around our fitness assessments and consultations. The other thing that's very unique is some clubs will only do one assessment. We don't. We believe that's only a starting point. There is no pass or fail; it's just a benchmark. What

good is doing one assessment unless you have something to compare it to? So, our system sends out automatic appointment email reminders. Our members come in four to six times a year to do re-assessments to see how they're progressing! I believe that's a great education tool, but it's also a great motivation tool. So, regardless of if they work with a trainer or not, our follow-up is very, very extensive.

Lastly, I would say that, in terms of our sales system, we have very unique pay systems, so we had to develop our own software because we have very unique pay structures that really help to motivate and encourage staff to follow the system. When I studied business consulting years ago, I read an article called **Catalytic Mechanisms of Catalytic Pay Structures.** Those are pay structures that are designed to get staff to perform and follow a system. If you create those kinds of systems, you almost don't have to manage them at that point because the pay structures manage themselves. So, for instance, Fitness Consultants will get residual income on all of the financed personal training. So, as those payments come in, they're commissioned on those. They get fees for assessments, and they are also commissioned on those. And, they can build up tremendous residual income. We have fitness consultants that, before the month starts, because they have sold so much personal training over the years, they have \$3,000 to \$4,000 in residual income before they sold their first new contract for that month. I think that's very unique. Also, our personal trainers get paid more the longer they retain a client. We call that a **graduated pay structure for trainers.**

There are many, many unique features, but *those are some of the key ones.*

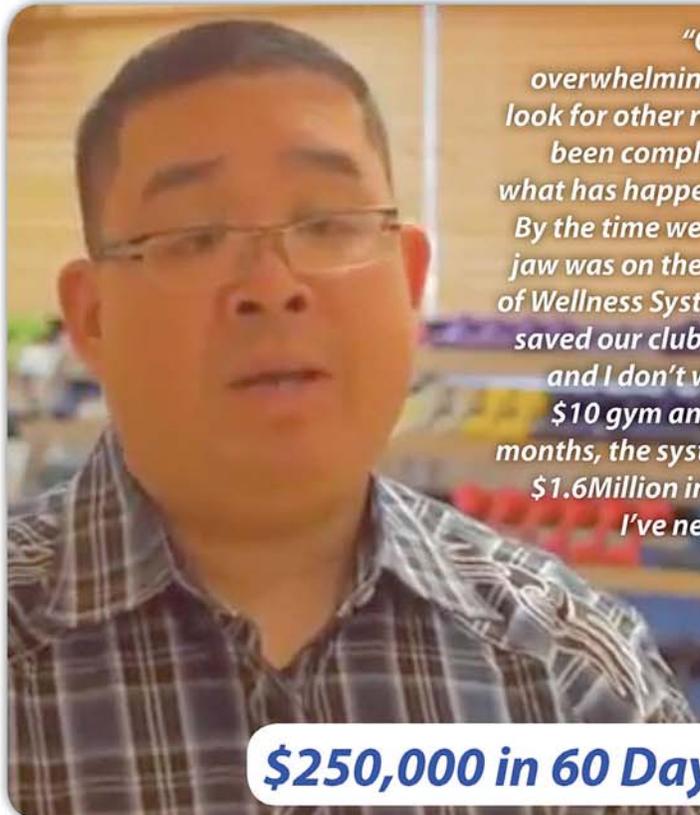
C.I. - Please take us through the evolution of the Pro Fitness Program into the product it has become today.

JR - Early on, I was reading business consulting books and studying how to put
(See Pro Fitness Program Page 12)



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...Pro Fitness Program

continued from page 10

a consulting company together. Talking about business plans and feasibility studies and getting all of that information. We were doing a lot of research, and of course, we had to develop systems and training manuals. On some of the earliest consulting projects, it was just my wife and me. I remember sitting in hotels for weeks at a time... training in the clubs, but at the same time, writing sales training manuals. It started to evolve from there. Shortly after that, I said one of the things that could really benefit us is some kind of management software solution so that, when I'm not in the clubs, I can see how the clubs are performing from a distance.

I help them co-manage the program, so we developed an early *Version I* of our management software that basically did some scheduling, but more importantly, had reports around sales and performance. We started working on some sales training DVDs and materials around assessing, consulting and sales. As these manuals developed, we started to produce posters for clubs and fitness consultation journals that members could complete and fill out for assessments. Then, it started to evolve even beyond that, so we developed an even more robust *Version II* of the software about five years ago, which we're currently using now. Since then, we started putting videos online within our own software. We started doing things like sending the consultation journal, and we started to automate that so it now goes out by automatic email responder where people can fill out all their health history questionnaires online. That comes in prior to the assessment so consultants can review it. Obviously, we've grown in terms of technology, but I think of it in terms of it not just being dependent on my wife and me. We've developed a great business consulting team of six business consultants working for our company, so we're not just dependant on one person. So, that's been the evolution of the program.

C.I. - Jeff, please take a moment and list those six team members you mentioned in your answer to the previous questions, and share your thoughts on them with us.

JR - They are: **Jennifer Poljacik, Al Tassel, Mary Beth Bradley, Anthony Janicas, Dr. James Manson,** and of course, my wife, **Stacy Russo** and myself. It's a Team that, if combined, has over 100 years of experience within the industry. Anybody who works for the company has to have been involved in some type of club management or club ownership. High level management... so they can understand all the different facets of operating a fitness club business. Just to give you an understanding of the diversity and experience of our team, starting with someone I've been working with who was actually interviewed for your **June 2012 Cover Story, Jennifer Poljacik.** Jenn, in

the last few years, has been named the *COO* of the **River Valley Club** and is one of our greatest success stories. When I originally met Jenn, she was in the trenches working a lot of different positions. She wasn't in management. To see her grow into a great manager and a great leader as our program grew and is now doing over \$2.5 million a year in Personal Training Sales is just great! Going on 4 1/2 years ago, she joined our team as a business consultant, and because of her years of experience in the trenches, working with the program and moving into that leadership position, she's been able to do a wonderful job with the Pro Fitness Program clients she's had, as well as growing the clientele... Clubs like **Cedardale Health and Fitness, Orchard Hills Athletic Club** and the **Longfellow Club.** She's kept her core base of clients and really poured into and invested in them, and they've been doing really well with that. She's been doing really, really well, and she's been able to balance that out between her career as COO of the River Valley Club and working for these other organizations. So, Jenn's the first person I want to mention.

C.I. - Please tell us about Al Tassel.

JR - Al's experience in our industry goes back into the 1980s as a club owner and an owner of Gold's Gyms. He has so much experience. He hired us to represent his *women's-only club* in *Wakefield, Massachusetts.* They had one location at the time. He'd been thinking about getting out of the business. Then, he heard about our Pro Fitness Program in a testimonial. Here's a guy who took this program and ran with it. He built his entire marketing program around it, and all of his programs were about it. Everything. The club was all about the Pro Fitness Program and the Fitness Consultation Assessment.

Well, to make a long story short, he had so much success in the Wakefield Club that they got up to \$600,000 - \$700,000 in PT revenues. Not only is he not thinking about selling his women's club location anymore, he says, 'I'm opening a second club in Woburn, Massachusetts because of the Pro Fitness Program.' He does that, and in a short period of time, he takes that club to a million dollars in Personal Training Sales! We're talking about a 12,000 square-foot club with not a lot of members! So, for him to sell that club and say, 'Jeff, I want to join your team full time and do this for the rest of my career...' That's the difference now in our program. We've got individuals like Al Tassel who's been in the trenches, who's used the program and has gotten tremendous success... there could be no better testimonial than somebody like that. And, when he goes into a facility with his



Sharon Tassel, Jeff Russo and Al Tassel at Pumps Fitness for Women in Wakefield, Massachusetts

wife, **Sharon**, who manages some of their clubs and also helps with the Pro Fitness Program, the buy-in is incredible, and the results that they are getting with their clients is incredible as well. Al's diversity and experience really helps our company! It totally rounds out our team!

C.I. - Please tell us about some of your other key people.

JR - For sure, I want to mention **Anthony Janicas**, who has a tremendous background in education with a Master's Degree. He was a Professor in the Kinesiology Department up in Hamilton, Ontario, and he has worked in so many positions in the club, including Club Management. He was the *Strength and Conditioning Coach* for the **OHL Erie Otters** and worked with **Edmonton Oiler's Connor McDavid.** He was one of our leading fitness consultants over the years in the Toronto market, so he's been in the trenches. When it comes to fitness assessing and teaching sales in that area, there is nobody better than him. We work as a team.

And, there's **Mary Beth Bradley**, who's based in Denver, Colorado. She has 31 years in the industry in terms of small and large club management. She has a Master's Degree in Recreational Facilities Management. Since 2006, she's been working with **Susan K. Bailey Marketing and Design** (See Ad on Page #25), but she's also a Personal Trainer and is doing phenomenally well in terms of bringing in new clients and working with them.



Anthony Janicas

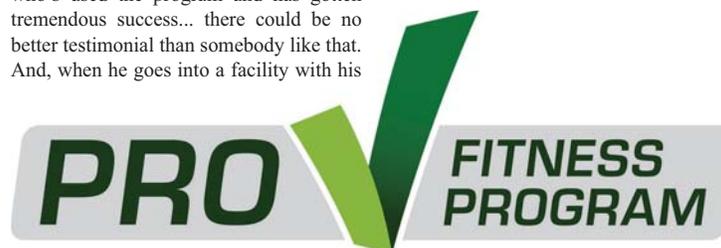


Mary Beth Bradley

C.I. - Can you explain the due diligence process you go through with potential club owners, both from your perspective as well as that of the club owner?

JR - Excellent question. I like that a lot! First of all, we want to ensure that the club owner is 100% behind our philosophy and approach to doing business. I think that's the key. So, number one, it starts with: *Do our core values match up? Do you believe what we believe?* If so, what you end up selling is not as important for me as WHY you do it.

(See *Pro Fitness Program* Page 14)



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...Pro Fitness Program

continued from page 12

Obviously, the how is very important as well. For us, we need for the club owners to say we are going to run our club around our core values and systems. We believe that the best way to help these members coming in is to assure that they're ALL assessed within five business days of when they joined the club and that they've received some education before they're put out on the floor. That's the starting point. AND, they're not going to waive those assessments. It's going to be consistent. They're not going to waive it for any specific individual. So, are they willing to support our system and philosophy? Is that something that they believe in? We will also do 3-year sales projections. We have Excel documents where we take a look at their previous numbers and then will project out based on the number of memberships coming through the door and say, 'This is the projected number you can expect to get on board in personal training, to renew, to stay on board and we do those sales projections out for three years.' I think that's important for the owners to be able to see what the potential of the program can be because we are converting typically between 30% to 40% of new members who come on board to start on a Personal Training Package of 12 to 144 sessions.

C.I. - Please explain why it's so important for the system to be followed as a whole and not just having parts of it mixed and matched.

JR - What I do during the due diligence process is that I also want to know what kind of management team is in place. Or, do they have somebody who's capable of managing a predictable business operating system? Who's the point person for this? The system doesn't manage itself. As you heard my response to a previous question, there's a lot of components. First of all, I want them to understand the difference between being a technician, being a manager or being an entrepreneur. So, that's one of the key components. I basically tell them you guys are going to have to have somebody who manages this system, who's good at managing this, who's good at reading reports and projections and business plans. And, are you guys going to make decisions based on the numbers... based on the expectations and goals... based on the evidence? Are you going to make objective decisions as opposed to just subjective decisions? So, those are some of the key concerns that we have. That's the due diligence process for us.

Importantly, let me add that the key for our program is transitions. I like using that word because it is SO integrated. That's what club owners should realize. If we come into the club, it's not just about setting up a Fitness Consultant and Consultation Office that sells to Personal Trainers, and we do a little training with the consultant and the trainer.

It's the transition between from when the member comes in and how the Membership Coordinator presents our program. The membership tour now gets based more around the assessment than it does about the equipment or facilities. So, they have to do a really in-depth job of presenting the assessment, first and foremost. Then, booking that consultation and handing it off to the consultant. Similarly, the consultant has to do a great job in the assessment and handing that client off to the *right trainer*. So, if those transitions fall apart, the system breaks down. Again, the integration is SO, SO key. You cannot have individuals on the team in any of those departments who don't believe in the program. This is why we want membership people assessed and to go through regular assessments. *We want them to live the experience. Live the program!* Believe this is a benefit to them and see that it is a benefit. We do a lot of training with the membership department to get them up to speed on the value of the assessment.

C.I. - Is there a way to quantify the cost outlay necessary to implement the system?

Additionally, any outliers aside, what can a club owner expect on the revenue side?

JR - We've implemented the systems in very small markets and small clubs that have under 1,000 members, up to large facilities, and we've now made it affordable through monthly payments. And, if they sell an additional 3 - 4 personal training packages, the profit on those packages will cover our monthly fee. We're talking about



Jeff Russo and the Penfield Fitness Team in Rochester, New York

35 to 40% profit margins. They're going to experience increased sales right out of the gate! The analogy I look at is that for the price of maybe 3 - 4 high-end treadmills, that will pay for our entire system.

C.I. - Are any physical plant/capital changes or improvements necessary to implement the system?

JR - There is a little investment in some assessment equipment. Most clubs already have such assessment equipment. So, if they have some kind of bio impedance assessment software to test body composition, they may have to invest in a better body composition analyzer and

some of the other equipment, such as a jump test strip, a grip dynamometer and some of the basic things that we use for assessing are needed. There's obviously going to be a need for computers. Of course, we need three consultation offices, which might require additional physical plant investment. But, Norm, don't forget how incredible the increased revenues will be to handle these early on expenses.

C.I. - Jeff, speaking of incredibly increased revenue, you've sent your Revenue Chart (See **Graphic on This Page**). Please tell us about those amazing numbers.

(See **Pro Fitness Program Page 16**)

Pro Fitness Program Revenue Chart

Clubs	Square Feet	# of Members	Best Month Before	Best Month After	Best Year Before	Best Year After	% Increase	Date
Cedardale Fitness	180,000	5,530	\$19,819	\$57,114	\$188,000	\$525,460	180 %	2011
Manchester Athletic	120,000	3,000	\$34,716	\$88,661	\$308,000	\$617,152	200 %	2006
River Valley Club	86,000	2,600	\$10,800	\$198,000	\$69,000	\$2.1 Million	2500 %	2000
The Works Athletic	80,000	8,000	\$15,000	\$78,511	\$150,000	\$505,964	237 %	2013
Longfellow Natick	80,000	2,500	\$32,000	\$71,291	\$320,000	\$454,149	42%	2012
Twin Oaks / Edge	75,000	3,500	\$7,000	\$35,000	\$60,000	\$275,000	358 %	2010
Athletic Thunder Bay	72,000	5,000	\$38,000	\$108,636	\$365,000	\$898,288	146 %	2008
Orchard Hills	72,000	2,600	\$12,000	\$45,930	\$77,000	\$353,699	360 %	2011
Timberlane Athletic	60,000	1,600	\$11,000	\$36,015	\$84,000	\$165,685	100 %	2006
Athletic Club Guelph	56,000	7,000	\$37,938	\$271,772	\$474,000	\$2.02 Million	322 %	2007
Athletic Club Brantford	50,000	7,000	\$27,174	\$151,559	\$205,000	\$934,400	356 %	2007
Healthrax - Enfield	50,000	2,600	\$25,000	\$53,685	\$200,000	\$347,786	74 %	2013
Salem Athletic Club	48,000	2,500	\$10,000	\$62,256	\$105,000	\$264,204	151 %	2013
Athletic Club North	45,000	8,000	\$45,000	\$168,348	\$332,000	\$1.36 Million	310 %	2007
Penfield Fitness	40,000	3,000	\$23,081	\$63,885	\$130,371	\$503,349	286 %	2008
Adventure 212	36,600	3,600	\$49,276	\$115,478	\$333,764	\$778,197	132 %	2015
Extreme Fitness	35,000	6,500	N/A	\$475,000	N/A	\$4.7 Million	N/A	1998
Premier Fitness	30,000	5,000	N/A	\$200,000	N/A	\$1.6 Million	N/A	1995
Athletic Amherstburg	26,000	3,400	\$24,300	\$105,761	\$235,000	\$822,012	250 %	2008
Club Markham	25,000	2,500	\$22,900	\$101,690	\$157,729	\$417,400	166%	2007
Island Fitness	25,000	2,300	\$15,500	\$95,061	\$175,000	\$610,000	250 %	2004
Spartanburg Athletic	25,000	1,800	\$4,200	\$36,234	\$36,000	\$176,431	390 %	2014
Laconia Athletic Club	25,000	1,100	\$12,396	\$79,580	\$108,547	\$655,746	506 %	2011
Club Fit	20,000	4,500	\$3,000	\$92,280	\$35,000	\$582,705	1567 %	2003
Great West Abbotsford	16,000	3,000	\$11,000	\$52,130	\$95,000	\$170,354	258 %	2007
Access Fitness	12,000	2,000	\$5,000	\$47,310	\$73,000	\$269,000	250 %	2006
Pumps Fitness - Woburn	12,000	1,500	\$6,000	\$107,078	\$58,000	\$903,417	745 %	2014
The Fitness Firm	12,000	1,100	\$8,858	\$71,605	\$82,158	\$462,165	463 %	2007
Club Phoenix	11,000	1,930	\$6,700	\$30,520	\$60,800	\$198,980	230 %	2007
Phoenix Ancaster	10,300	1,700	\$4,500	\$218,000	\$65,000	\$525,000	708 %	2001
Atlantis Athletics	9,600	960	\$4,700	\$47,698	\$36,000	\$299,898	730 %	2005
Pumps Fitness - Wakefield	9,000	1,400	\$6,000	\$62,860	\$58,000	\$349,606	501 %	2012
Absolute Fitness	7,600	750	\$18,500	\$53,085	\$65,000	\$235,287	262 %	2008
Performance Health	6,000	600	\$8,000	\$54,033	\$72,000	\$360,368	401 %	2006



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...Pro Fitness Program

continued from page 14

JR - Our biggest problem is the increases illustrated on the chart... I've got to tell you that the biggest obstacle that we have is that people just don't believe our numbers until they've talked to our references and club owners. They just don't believe those large increases! We know there's 40% profit margins. We know that 30% to 40% of all new members are going to buy a personal training package within the first 5 - 10 business days of their registration. We know that's the case. Clubs are not only doubling their PT revenues! If you look at that chart, you will see clubs doing \$1 million or \$2 million in PT sales. And, when I say a 1,000% increase, or when I say a 2,500% increase... it's hard to put that in an interview like this. Those are the numbers I'm giving to people, and they can run the numbers. We're going to do 3-year spread sheets and projections. I would even do that in their due diligence period. If a club contacts me and asks me, 'What do you think we can do in PT revenue?' I'll say, 'Give me your sales numbers. The actual memberships you sold during the last two years. Let me plug that into our spreadsheets, and let me show you, based on the 30% to 40% closing formula for 12 to 144 sales sessions, with an 80% renewal rate, what your sales numbers are going to be. Then, *you make the decision at that point!*'

C.I. - Jeff, I have to ask you: What's it like to have somebody say to you, '**Congratulations, Jeff, on your 20th Anniversary of your great Pro Fitness Program!**'

JR - As you know from having done it, as a small business owner, to be around

this long feels pretty amazing. As one of our club owners from New Hampshire, Joe Asch, said, '*Do you know who the pioneers are? They're the ones still walking around with the arrows sticking out of their backs!*' I've taken a lot of arrows but have remained true to my beliefs and core values, and I have stayed the course with this program. As a fan of Jim Collins' business consulting works, I've done a lot of 20-mile marching and built this slow and steady over a nice span of time. And, I've seen a lot of people come and go over the years. To still be around, and to be growing at this stage, is truly exciting.

Of course, we've had progress on the technology as well, and the system has improved. There's no question about it. And, I think now, more than ever, clubs in this crazy competitive market, in which everybody's trying to get a piece of the pie, have the opportunity and the potential to really differentiate themselves. What's interesting is where our philosophies were. That hasn't changed. The core values and what you see in **CLUB INSIDER** that we shared in the **June 2012 Edition**, when I just reread that, I said, 'Wow!' The nice thing about it is that we've stayed true to our core values and to those principals. They have been unchanging for 20 years. We now have 20 years in the business since we started this company. That's an exciting thing for us; it really is. And, how many people can say their principals have not changed?

C.I. - Jeff, I've got to mention something about that. When I received your new full-page ad, I proof-read it like I always do with all new ads. Then, when I read the part of your ad about the RVC doing \$2.2 million in Personal Training Sales, I thought to myself that must have been

a mistake. Is that some kind of a record or what?

JR - You know, for square-footage and number of members, we believe that IS a record... at least for New England. I'm not going to say it is a world record by any stretch of the imagination, but it's obviously something we're really proud of because, as I mentioned in that 2012 article, when I went down to the River Valley Club in March of 2000, they only had five part-time trainers on board, and they were doing \$69,000 a year in personal training! I want to be sure to get this point across today... the Pro Fitness Program and this business operating system is not just another add-on feature to a list of many different features that clubs have. **It's actually a different way of doing business. It's a change of philosophy.**

Then, the whole club gets centered around the principles of selling education, results and knowledge. First and foremost, everyone's required to get exposed to a fitness consultation and assessment so that we can assess people, diagnose people and then prescribe the best possible programs or solutions. So, that's the starting point, and everything else revolves around that, as opposed to just selling a membership which gives you access to space, time and equipment. That's the difference. So, for club operators who read an article like this, or talk to us about the potential, they have to get their mindset around that this is how they want to do business. We want to ensure that everybody, first and foremost, within the first five days of purchasing a membership, gets started with a fitness consultation assessment. It's the best way we can help these individuals. If they believe what we believe, then the program is a fantastic fit.

C.I. - So, the key is getting their minds right; getting the value of that assessment consultation solidified in their minds?

JR - I believe that's true, but I never try to convince somebody against their will. You know... I think I read that in the book **How to Win Friends and Influence People...** 'He who is convinced against their will is of the same opinion still.'

C.I. - Dale Carnegie's most famous work!

JR - But, we're interviewing them as much as they're interviewing us, and I'm

basically saying to them, 'If you're ever going to be ready for this, let us know. I believe that we can help you.' And, that's what we're looking for more than anything else.

C.I. - Jeff, to close out this terrific interview, are there any other things you'd like to mention?

JR - I'd like to focus, again, on that differentiating principle in today's market. I think that's so important that extra emphasis on it is warranted here. As clubs are trying to be all things to all people, with my years as a business consultant, I find that's a recipe for disaster. So, you can say there's two ends to the spectrum... One end is the no-barrier to entry, easy access, low-rate place where people buy access to a facility and equipment, but there's not a lot of support from an educational standpoint. We're on the entire opposite end of the spectrum where we insist on people having a fitness assessment and consultation at the beginning, and we provide them with education. I believe it was **Paul Chek** who said, 'If you're not assessing, you're just guessing.' That's the key. That's something that we really believe in. We believe, and I said this back in your 2012 edition, we have a moral obligation as fitness business professionals to sell people something that actually works and gets them results. And, as far as I've seen over the years, and what I've experienced as a club owner and a club manager and worked for different organizations, **memberships ALONE** don't do that. They can't guarantee results.

We have to go above and beyond. It's no different than going into your doctor's office and saying, 'Hey, give me the prescription,' before they do the diagnosis. It's not going to happen. I think that we've done a disservice over the years. Why are the retention rates so low? It's that approach. Why not just be honest with people and tell people? We, as an organization, have told everybody who works with us, from membership to our fitness consultants, to 'Become a solutions provider!' That's really what great sales are all about in this day and age. It's not about high-pressure sales or the old school approach. It's about becoming a solutions provider. Solutions to what? Obstacles, problems and difficulties that
(See Pro Fitness Program Page 18)

Comments From Jennifer Poljacik, COO of River Valley Club

Our successful journey with Pro Fitness Program (PFP) started 17 years ago. When we started with Jeff Russo's PFP, we really had no idea how to improve people's lives through personal training. Back then, we would give away four free training sessions with the hope that a client would show up and the personal trainer would be able to educate, assess and prescribe what was the best plan for that member to succeed. We were expecting our trainers to 'sell' themselves to the client, not even knowing if it would be a good match.

Our partnership with PFP has helped us develop our fitness program from the 2,000 members and \$66,000 annual revenue we had, to today, where we now train over 30,000 hours a year, we have 2,500 loyal members and we sell over \$2.5 million in personal training each year! With the support of PFP, we are delivering the results our clients expect!

Jeff Russo is a pioneer in the fitness industry. His vision and passion of how to systematically introduce a new member into fitness programs and guide them to real results is exactly what this industry needs more of. PFP uniquely integrates and connects the membership team with the fitness team to work together to improve the member experience through personal training, which is something to truly appreciate.

We learned to strive for excellence, and most importantly, Jeff taught us that, to be truly successful, we must foster a passion to serve others. PFP creates a culture that delivers education, results and knowledge. PFP is lead with values and a passion to do what is best for the company, staff and members, which will bring out the very best in any company. After all, isn't it our moral obligation to provide the best experience by helping our members achieve the results they come in looking for?

Comments From Al Tassel

For the first 25 years of club ownership, I tried every way to make money in 1-to-1 training and failed miserably. Then, a little over five years ago, we implemented the Pro Fitness Program, and it turned our business from one that was struggling to one that was thriving. The revenue produced from this structured sales and service program accounted for nearly 60% of our overall sales, which after nearly three decades of ownership, afforded us the luxury to exit with very profitable terms.

My wife, Sharon, and I now enjoy working as in-club consultants implementing this amazing program in clubs of all sizes and price points. If a club has the desire to make money, can follow our proven formula and has reasonable management skills, then this program will make a huge impact on their bottom line.



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Pro Fitness Program Announces Major Upgrades to its Fitness Assessment Software

TORONTO, CANADA - Pro Fitness Program has always strived to offer the leading fitness assessment software in the industry. In order to accomplish this, leading experts in this area have been hired to develop custom programs for clients and members. In 1998, the first version for desktop computers was delivered, and it offered testing in the areas of body composition, predicted V02, and strength and endurance protocols. Clients were able to get a printout of their results and compare them to national norms based on performance based criteria.

In 2013, Dr. James Manson, the leading epidemiologist and kinesiologist in Canada, was hired to develop an updated assessment protocol. At the time, James

was working with the Cleveland Clinic and was focused on normative data as it related to health outcomes. As a result, he was able to design a custom platform for the iPad that added in elements such as functional movement screens, balance assessments and a unique protocol for the senior population.

In the next couple of weeks, a new update to the cutting-edge assessment platform will be released. Dr. Manson has been working with some of Pro Fitness' veteran Fitness Consultants and has been using their feedback from thousands of 90-minute fitness consultations, to revise the software and provide our fitness staff with the best possible tools to diagnose and prescribe individualized programs

for members. Dr. Manson is now a college professor in Toronto Canada and continues to study the data and outcomes of comprehensive fitness assessments on the general and senior populations. Information continues to increase and the evidence is getting stronger and stronger in terms of these results and how they relate to overall health and longevity.

In 2018, the company plans to transition the software from the iPad to its online personal training management software: PFP Track. Currently, when members register with a club that offers the Pro Fitness Program, they are automatically sent a digital health and history questionnaire. Once completed it gets securely stored in their client profile.

The Fitness Consultant is then able to review this information prior to his initial assessment and use it to formulate the basis for their exercise prescription and program. Currently screenshots of the assessment from the iPad are uploaded to the client profile and sent to the client. By having this feature directly in PFP Track, this step will be eliminated. With clients performing up to four assessments per year, comparative data can be tracked and graphed and clients can see how they are progressing and remain motivated. Trainers will also have access to this information and will be able to work together with the Fitness Consultant to ensure that the client is progressing and achieving his long-term goals.

...Pro Fitness Program

continued from page 16

must be revealed through the interview process and assessment that are standing in the way of getting people results! This is another thing that I've said for years, 'If you could be doing this on your own, doing it alone... you would already be doing it! So, **WHY AREN'T YOU?**' I think that's our responsibility as fitness professionals to basically come alongside somebody and have him identify the obstacles, problems and difficulties impairing him from getting great results, then giving him a prescription and working with him to do that. And, **I think that becomes the differentiating principle** from all the clubs that basically say, 'You know what? We're really concerned because we've got so much competition, so we're going to have absolutely no barriers to entry. If you just want to get started, no problem. Just start using the equipment.' So, that's something I really want to get across.

C.I. - Well, Jeff, when you look at the commercial health club market in the U.S. now, and then you add in the studio segment and CrossFit, then there actually is no telling how many facilities are competing for the same potential members. I certainly see how your *differentiating principle* in your client's operations is so important and crucial.

JR - I think it's the HUB of the entire fitness club. And, I want to get this across, too. The Fitness Consultant is NOT the Personal Trainer in our system. I refer to the 'Feeder System,' where you have many traditional clubs, and trainers come on board, they're required to generate their own business and their own revenue. So, what happens is that you create a competitive environment on the floor where the trainers are working against each other saying to members, 'Hey, you should train with me. I'm a better trainer than this individual.' We've worked with thousands of trainers over the years, and we know that these individuals are typically wired for service, not business

or sales. And, there's very little business or sales training done in certification courses, even to this day. So, you've got a situation where clubs struggle because trainers say, 'I don't want to sell! I don't know how to grow my business.' And, keep in mind that we work with your existing team of Trainers and get them to full-time hours in a very short period of time.

With the Pro Fitness Program, we have full-time Fitness Consultants where their role is to do proper assessments, prescribe and then sell for Trainers. Then, where we do really well, like a hotel concierge, they match the right trainer with the right individual. It's not just based on credentials but on personality, and they're able to give them the best possible solution and program to help them achieve their goal. To your point, Norm, where you talk about the initial experience, I will make the claim that we have the best educational program within the first six weeks of a member's experience in the club than anyone else in the industry. And, why I'm confident in that is because it's not just about our Initial Assessment. After the Initial Assessment, we have a demo with a Personal Trainer, we then have a follow-up with the trainer in a few weeks, which we call our Member Assistance Session. And, after that, we book in a re-assessment within six weeks, especially if the member is not working with a trainer. So, they are actually meeting different individuals within the club, developing relationships, and we're following up because we know what IHRSA reports is true... the first eight weeks are the most crucial time in terms of a member's success. Stay with the club. Continue with the club. And, go on.

Again, we have a moral obligation to come alongside these people. That's the DIFFERENCE. That's why they are joining a fitness club. It's not for the equipment. Many people have in-home exercise equipment. There is more than enough equipment in any club to get people results. It's **NOT** about the facility. It's about **MOTIVATION... INTENSITY... EDUCATION... PROGRESSION...**

PROGRAMMING... DESIGN... EFFICIENCY... It's about all of these areas that make a difference in which these people don't have time to get educated. That's why they need to hire educated people; they don't have time to acquire all this knowledge. Our responsibility is to give them the best support and education during the first eight weeks, and that sets them up for success. I believe we do that better than anyone.

I would add this to close. I can also say that, regardless of market or club size, the success and the numbers are very, very predictable. As I mentioned, we've worked with small market clubs and with larger market clubs. Traditionally, we've worked with the Mom and Pop independent health club owners who, again, want to make a difference in the community and want to help their members. That's who we've come alongside over the years.

Importantly, your readers need to understand that, if their core values align with our beliefs, we're not going to compromise. I really want to say that. There's no compromise for us. So, if somebody says, 'May we pick apart your system and maybe just use some of your sales training videos?' No, we can't do that. Also, as I mentioned, we have a web-based software that has all the training videos on there, it does scheduling and it does all of the sales, the tracking and commission reporting, so we've created a system that can track all of this and help these clubs with performance. But, if somebody says, 'Will you just allow us to assess the occasional member, and if people don't want to do an assessment, can we waive those?' Then, I would say that, if you're going to do this program half way, we don't want to do it with you. You're not going to be successful.

You've got to believe what we believe. If you think this is the BEST WAY to help members and get them results, and also give people full-time rewarding careers, our system is very predictable if you follow it. That's the key point that I want to get across. So, if your core values

align with ours, then you might want to consider this program. It's a lot of work, there's no doubt about it, but the benefits are there.

C.I. - Jeff, it is just great to talk to somebody like you. The best way to put it is this: I want you to know that I can **hear your energy** right through the phone. I can **feel your energy** right through the phone. I can **understand your energy** right through the phone. It's like you're transplanting in my mind **the feeling that you transplant to all your clients, so no wonder why you're such a great success! Happy 20th Anniversary, Jeff Russo!**

• • •

CLUB INSIDER is happy to be able to bring this Cover Story featuring **Pro Fitness Program's Founder and CEO, Jeff Russo** to you because we believe that all the answers you need to increase your club's revenue dramatically are right here on these pages. Jeff's company is **CLUB INSIDER's** newest advertiser, and we're honored and pleased to have them on our Advertising Team! We urge you to check out the Pro Fitness Program full-page Ad on the **Opposite Page** and contact Jeff Russo to set up discussions on how they can help your club(s). Jeff can be reached at **(416) 252-5700** or email at **jeffr@profitfitnessprogram.com**.

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 24th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. On October 5, 2017 Cates was honored with Club Industry's Lifetime Achievement Award. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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Performance Health (6,000 sq ft), Ontario | Spartanburg Athletic Club (25,000 sq ft), SC | Penfield Fitness (40,000 sq ft), NY
Cederdale Fitness (180,000 sq ft), MA | Fitness Firm (12,000 sq ft), Ontario | Franklin Athletic Club (230,000 sq ft), MI
Blush Fitness (12,000 sq ft), KS | Latitude Sports Clubs (80,000 sq ft) MA | RPM Total Fitness (12,000 sq ft), Ontario

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Michele Glaeser - General Manager,
Adventure 212 Fitness



"This program is the organizational tool that we were missing and it is now the foundation for everything we do. The program is easy to follow and our department is making more money than ever before. Because our members love the program it's been great for retention and it also provides our membership team with a great differentiator when prospects compare us to our competitors."

Jenna Breen - Fitness Director,
Penfield Sport & Fitness



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Simplify Your Marketing and Achieve Better Response in 2018

By: Jon Butts

2018 will be here before you know it, which means you need to start planning for it today. We have all heard the old adage by **Benjamin Franklin**, "Those who fail to plan, plan to fail." This is such a simple statement, yet it still rings so true.

It has always amazed me the number of club owners we work with who seem to "wing it" from one month

to the next when it comes to marketing, always rushing something together at the last second. It is crazy to think someone could invest such a significant amount of money (and incur a ton of risk) to start his own business and then take such a passive approach when it comes to the lifeblood of their business: marketing.

As an entrepreneur myself, I can understand and appreciate how many different tasks fall onto a business owner's

plate. It seems like there is a never-ending to-do list, which grows no matter how many hours one works. It is a natural phenomenon that marketing is the first thing to take a back seat to everything else on the to-do list.

Inevitably, the days continue to pass, and before you know it, it's the 17th of the month and there isn't a marketing plan in place yet for the following month. This approach short-changes business owners in more than one way. Not only does it not yield the best results possible, but it also creates a significant amount of unnecessary stress in their life.

In our industry, we are all too familiar with resolutions that quickly fizzle out. I challenge each of you to make an early resolution to not let your marketing plan play second fiddle in 2018 and hold yourself accountable on this the entire year. It is much easier than you realize, I promise!

Here are **8 Tips** to get the most out of your marketing for 2018:

1. Determine what your total marketing budget is. I usually recommend making this anywhere between 7 - 10% of sales. This is going to vary based on how long your club has been open, the competition in the market, your growth plans, etc.

2. Draft a plan for all 12 months of the year. Make sure to take seasonality into consideration and fluctuate your spend accordingly. However, it is important to not completely disappear during the summer months. You need to be marketing 12 months a year; just scale things back in the Summer. Your marketing company should be able to help you with this. **HOWEVER...**

3. Do not sign any long-term agreements with anyone. Remember, your marketing plan is a guideline, but you want to keep options open. Nobody knows what may be happening in your market next fall, so never sign a long-term agreement. Your approach should be to go month-to-month (never more than quarterly) with the service, and make the vendor aware that, if you are getting good service and results, you will continue.

4. Include a mix of online and offline. Consumers have never been inundated with more advertising than today, making it harder and harder for your business to be remembered. If you focus solely on digital or print, you are selling yourself short and not hitting your consumers from enough different angles. Print and digital play very well together, and our most successful clients are properly incorporating a blend



Jon Butts

of both in their marketing mix.

5. Keep the faith. Remember, the long-run always matters more than the short-run. If you have a slow month, do not abandon ship and cut back on marketing. If anything, you should increase it the following month. There is a direct correlation between marketing spend and long-term success of clubs. Always remember this and trust the system that has been proven time and time again. It is a marathon, not a sprint.

6. Use one designer to handle all of your marketing collateral. We have established it is important to hit your prospects from all angles to ensure your brand gets remembered. However, if you are not consistent with your branding and the look of your collateral from one channel to the next, the consumer will not link the marketing he is consuming as being from the same company. You should be able to cover your logo up and it still be very clear that all creative is for the same business.

7. Make Outlook reminders your best friend. Utilize monthly reminders to ensure you stay ahead of the game. I recommend setting reminders on the following days every month:

•**6th.** Review your marketing plan document to see what you had initially set for the following month. Meet with your team, if needed, to see if any tweaks are needed, and work on finalizing the promotion for next month.

•**10th.** Send details of your final marketing plan and promotion to your designer or marketing company, so they can begin on creative.

•**15th.** Give final approval on all creative. This allows five days for proofs/revisions on all collateral and will still leave plenty

(See **Jon Butts** Page 22)

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"I have been in the fitness business for over 25 years and I can honestly say I have NEVER worked with a better direct marketing team than Muscle Up Marketing! Not only have our campaigns hit on time every month for the past five years, but also the quality of their work and the customer service is unparalleled in our industry."

-Steve Block, Operating Partner, Crunch Fitness

The Fitness Industry's Game Changer

By: Daron Allen

I believe Team Training is the most game-changing concept to come along in the fitness industry in 20 years.

Why such a game changer? For the first time, clubs are now able to offer true fitness to the masses.

The industry has always managed with really just two product offerings: an entry level membership (hope

you understand exercise and nutrition well enough to get results) or expensive one-on-one personal training.

A classic case of the haves and have-nots: if you don't have the financial resources to afford one-on-one personal training, more likely than not, you'll never get the fitness results you are hoping for. But, if you're lucky enough to be well-off financially, then the privilege of fitness can be yours.

The numbers in the industry have always borne this out: less than 20% of members get involved in personal training, and this plays a significant role in the industry's poor retention rate. In fact, most clubs' overall PT penetration rate is less than 5% on an annualized basis.

With team training, our industry can now provide the privilege of fitness to a much greater population.

It's extremely exciting to see a club begin to offer multiple membership options where they combine team training/group training into an affordable membership.

We now have that opportunity, and as an industry, we should set our goal to 50% of members being involved with some level of training.

This not only benefits the member, as the likelihood of their reaching their goals significantly increases, but it will also be extremely beneficial to the clubs whose average price per member will increase at the same time driving a higher retention rate.

Talk about a win-win situation! Members are given a cost-effective way of getting involved in fitness with a greater likelihood of achieving results, and at the same time, clubs are making more money per member and members are staying longer.

So, what's the downside? The downside is how to market and sell team training.

How do you educate the consumer that your club has a new product offering? How do you truly differentiate your product offerings to your prospects? How do you powerfully communicate the benefits of team training to your prospects?

Overcoming, "How do I market it, price it and sell it?" is actually not as hard as it may sound. With the right resources, the solution is easy. There is



Daron Allen

always somebody in the health and fitness club industry who has plowed the ground and made a path. There is someone who has been there and done that, and you can benefit from their mistakes and experience.

Finding and connecting with this level of experience is as easy as contacting Visual Fitness Planner (VFP).

VFP has worked with some of the top operators to refine a sales system to sell third-tier memberships, which include team training. VFP has created a complete "T-3" membership sales system for selling team training at the point-of-sale. This "T-3" system takes all of the guess work out of the equation and is incredibly fast and easy to implement. This can impact your bottom line before the end of the year... and be set up for amazing success in 2018.

If your club's goal is to get more than 50% participation in fitness training, increase your average price per member, and significantly increase your retention rate, contact VFP for a mission-critical conversation TODAY!

(Daron Allen is the President and CEO of Visual Fitness Planner, and he can be reached at dallen@vfp.us)



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Happy 25th Anniversary Club Insider!

...Jon Butts

continued from page 20

of time for placement/fulfillment on any print or digital services.

8. Track, track, track. The only way for you to fine-tune your marketing mix, as time progresses, is to closely track each channel. Make sure you are getting reports from your marketing company with data that shows how each campaign performed, and don't just go based off your gut feeling or what your staff tells you. Numbers don't lie.

By incorporating these tips, you should be well on your way to a more successful and less stressful 2018. That is what I call a win-win!

(Jon Butts is the Founder & CEO of Muscle Up Marketing. He has over a decade of fitness marketing experience, helping nearly 1,500 clubs and studios across the United States and Canada increase their membership through innovative omnichannel campaigns. He holds a Bachelor's in Business Administration from Auburn University and a Master's in Business Administration from the University of Georgia. Jon founded Muscle Up Marketing six years ago and has earned several accolades since, including being named one of the Fastest Growing Companies in America the last three years, as well as a Best Place To Work in Atlanta. In addition, Jon was recently named by Auburn University as their Entrepreneur of the Year and was also named as a Top 40 Under 40 Marketing Professional in the United States.)

Eight Steps to Designing Your Niche Program

Part I

By: Casey Conrad

In the **August 2017 Edition** of **CLUB INSIDER**, I wrote an article regarding the power of *Niche Marketing*. It discussed how focusing on specific health conditions as a programming tool provides club operators with one of the most lucrative (and available) marketing opportunities to drive new prospects through their doors. In this article, **Part II** one of a 2-part series, I'll address the first four of the eight steps to creating your program, which I've extracted from my seminar: *Program Marketing Drives Sales*.

1. Decide on the niche market. Although a blinding flash of the obvious, choosing the first niche market can be a challenging decision because there are many factors to consider. The easiest are: *Is there a big enough market, and is that market within my geographic area?* You may decide you want to run a program to combat dementia but live in an up-and-coming urban area with a young population. You could create an awesome program but simply don't have the numbers to justify moving forward.

Once you know the market exists, there are the more difficult questions regarding your facility's ability to work with that specific population. Do you have someone on your training staff who has the appropriate degree or qualifications? If he has the necessary education or training what is his level of experience? Low or no experience isn't a deal killer, but it would warrant you getting some outside consultation or direction before finalizing your plans.

Finally, if you have the market and the staff, do you have the right facility and equipment necessary? For some markets, you may have to invest in additional materials or items, which now gets you into budgetary considerations. Again, that may not be a total roadblock, but it may mean you choose another niche in the short term until you generate enough revenue to offset any expenses.

2. Determine the appropriate length of the program. Once you have decided on a specific niche market, the next step is to choose an optimal length for the program. Experience shows that the sweet spot for programs is around eight weeks, long enough to ensure results and short enough to make it attractively doable for most. Of course, I have seen successful 2-week programs as well as 12-week programs; the key is matching the time with the health concern. You wouldn't run a 2-week weight loss program; likewise, it doesn't make sales sense to run a program

for a timeframe where improvements might level off and result in a reduction of enthusiasm on the part of the prospect. From a pure sales conversion standpoint, run the program for the shortest time needed to obtain a significant outcome, both in terms of results and full membership purchases by the participants.

3. Establish measurement guidelines. There are many, many ways to design a successful niche program that generates both short- and long-term sales. The one element that absolutely must be present in any program is a measurement component. There's an expression in business, "*What gets measured gets improved.*" That same concept applies to a participant's success; if a positive result is obtained, the individual will be more satisfied, hence more likely to want to continue at your facility.

At the very least, you should be evaluating the participants before and at the conclusion of the program. In some instances, it is either necessary (weight loss) or just better to have measurements/evaluations at specific intervals. When I owned my weight loss centers, we determined that, for maximum compliance with a strict eating plan, participants needed to weigh-in three times per week.

It is optimal if you can implement both objective and subjective measurements to create maximum validation for participants. For example, someone in a weight loss program may have a slower metabolism and lose a comparatively small amount of weight but documents significant improvements emotionally and energetically. If your measurements focused only on weight loss, they may not fully realize the positive impact the program is having in their life.

The bottom line is that results do three important things: First, they provide proof for a participant that your program was a success for them. Second, they create a referral response that you can't put a value on. Third, they help you to identify areas of the program that may need to be changed for a greater outcome.

4. Outline the exercise program. For many fitness professionals, the creation of the exercise component is the most important aspect of a program. In reality, however, when you are talking about health-specific, niche programs, it is often the least important. I know that sounds like blasphemy, but remember these people are coming into your facility because they have a health concern, NOT because they are motivated to get fit. In fact, they may not even believe they "can" become fit. Therefore, when designing the exercise

portion of the program, keep it simple if the health condition you are targeting is a group that is most likely unfit. Of course, you can create options for those individuals who want more intensity, but be mindful not to scare people off. It's better to be doable and have a positive experience than to be too difficult and create a negative association.

Perhaps the most important aspect of the exercise component is duplication from an operational standpoint. Any exercise component of a program should have a higher than average amount of personal interaction. This might be one-on-one sessions, small group or exclusive classes for that specific niche market. That said, because these health condition groups are more likely to drop out than the average fitness member, it's important that the exercise aspects be turn-key and allow for any staff member to step in and take over. In fact, it's even better if these individuals are exposed to two or more trainers from the start; if one trainer leaves, then the customer won't feel stranded.

Furthermore, since the exercise elements should be designed by a qualified trainer, there should be a standard protocol. In addition, alternative exercises outlined for movements that are commonly contraindicated for that particular population.

Finally, although you may only have one or two trainers on staff who are qualified to design niche programs, it's important to include as much of the training staff as possible in the decision making and creation. In particular, engage trainers who



Casey Conrad

have influence within the team. Doing this goes a long way to ensure staff buy-in once you are ready to launch.

• • •

With the niche market determined, the length chosen and the measurement and exercise guidelines established, you are ready to move onto the next steps. In the next article, we will address the final four components, which include educational components, marketing, conversion strategies and improvement strategies.

(Casey Conrad is the author of numerous industry publications on sales and marketing. She has been an international presenter for 27 years and can be reached at www.HealthClubSalesTraining.com.)

IHRSA Releases 2017 Health Club Consumer Report

BOSTON, MA - The International Health, Racquet & Sportsclub Association (IHRSA) has released the *2017 Health Club Consumer Report*. This annual publication, based on a nationwide sample of more than 24,000 interviews, provides demographics and health, sports and fitness participation data on America's health club consumers.

"Membership in U.S. health clubs reached an all-time high of 57.3 million in 2016, an increase of 3.6% from 2015," said Jay Ablondi, IHRSA's Executive Vice President of global products. "Another 9.3 million non-members exercised at clubs. In all, 22% of Americans use a health club to pursue fitness and wellness goals."

The report confirms that health and fitness clubs are playing an increasing role in helping consumers get active, lead healthier lives, and pursue fitness and sport goals. "Although inactivity rates are disappointing among older generations, the *IHRSA Health Club Consumer Report* shows that nearly one out of four health club members are 55 and

older and membership among Boomers and the Silent Generation (typically born between 1925-42) has increased by 5% since 2012," said Melissa Rodriguez, IHRSA's Senior Research Manager. "The report provides insights and applications on how clubs can engage older generations as well as other segments. For example, club operators who aim to target older generations should not only offer relevant exercise programs but also provide stellar in-person customer service and foster ongoing interactions with club staff."

Opportunities also prevail to attract the youth market, which in 2016, had higher participation rates in studios than in previous years. Managers of full-service clubs, like multipurpose and fitness-only facilities, may be uniquely positioned to provide offerings that complement youth activity and athletic goals.

Although one out of five Americans utilizes a health club, opportunities remain for club operators to help increase activity among sedentary Americans. According to Physical

(See IHRSA Page 25)

What's in *Your* Product?

By: Derek Barton

The Capital One credit card has a long-running campaign with celebrity actors like *Samuel L. Jackson*. Their mantra is "What's in *your* wallet?" You may or may not have given any thought to that question, but you may stop and think about this question directed at your own company, "What's in *your* product?"

No matter how long you have been in business, you always have to stop and ask yourself, "Is my product or service still relevant? Do people still like it or need it?" One of my health club clients a few years ago said to me, "I know that people really don't need to come to my gym to get in shape." That insight and honesty floored me, but he was right.

My wife and I recently spent ten

days in New York. We're both from there originally and have family and friends living in New York and in New Jersey. New York City seems to be on everyone's Top Five list for many reasons. It's vibrant, exciting and filled with a ton of things to do. Amidst the tall buildings in Manhattan, I saw more trees, flowers and honey bees than I do in Los Angeles. And, the one thing that really stood out for me was that the people in New York are in much better shape than in most cities I've visited.

I made that statement to my wife as we were having a couple of drinks in a popular restaurant/bar looking out over Park Avenue. She knew the answer right away and said, "We all walk here. We don't drive cars. We take the subway while walking up and down the stairs. We walk many blocks to work, to restaurants, to the theatre. Our minds and bodies are active here in New York." It's one of the reasons I married her. She's always right.

I really felt alive there. I walked more in those ten days in NYC than I did in the last ten months in Los Angeles. I couldn't help thinking about what my client had said about people not really needing his gym to get in shape. My mind was racing back to a time when we used to do more physical work as human beings. We weren't even thinking about working out in a gym in those days because we were always lifting and carrying things. We all seemed more active in our daily lives. I don't remember eating any better, but we never skipped a meal like people do today. We got our "three square meals" and some snacks here and there, but we were always active. Kids today exercise their fingers on cell phones, iPads and gaming consoles. And, so do many adults.

We've gotten a little lazy today. I heard a comedian say, "I hire someone to work out for me." Funny, and we can all relate. When people ask what I do to stay in good shape, I tell them, "I try to eat right, and I play a lot of golf." It sounds good, but I ride in a golf cart, so I'm not getting in all the walking that people envision.

My wife and I are doing a major remodel of our home, and I find myself among the crew helping out, moving things here and there, cleaning up the debris around the yard and taking care of our landscaping. I enjoy that kind of exercise, and it helps keep me in decent shape. So, what's in your gym that I need that I'm not getting in my everyday life? Interesting question, right? It's a question a marketer like me is always thinking about, especially when trying to help my clients in the health and fitness club industry.

While I was out on the East Coast, I played in the annual *Gold's Gym Golf Tournament* in Monroe, New York. Gold's Gym owners *Mike Epstein* and *Bill Austin* put on the great charity golf tournament, the proceeds of which go to the American Diabetes Association. About 90 golfers including myself have enjoyed this tournament for over 17 years. Mike MCs the



Derek Barton

event and is so entertaining. There's a golfer who I see every year at this tournament who used to weigh over 450 pounds. He's about 230 now and looks amazing. I asked what motivated him to lose all the weight. He replied, "A friend of mine said, 'Who's going to take care of your kids and play with them after you die from a heart attack.'"

I reminded him I was in marketing and that I always believed the right words can motivate someone to do something. He agreed, saying that his friend expressed the right words that motivated him to lose 220 pounds.

On the 10th Anniversary of the Apple iPhone, CEO *Tim Cook*, in a keynote from the Steve Jobs theatre at Apple Park, displayed a quote from our mutual marketing hero that read, "One of the ways that I believe people express their appreciation to the rest of humanity is to make something wonderful and put it out there."

I was in the audience at MacWorld in San Francisco when Steve Jobs introduced that first iPhone in 2007 and exclaimed, "This is the iPhone, and *this* will revolutionize the smart phone industry!" He was right. We wanted and needed that iPhone back then because it truly was a wonderful product. Ten years later, it keeps getting better, and we still want and need it.

So, I ask you again: What's in *your* product? Is it truly wonderful? Do people really need and want it? How can you revolutionize *your* industry? What new and exciting things can you bring to the world? What new words and pictures can you use in your ads to emotionally connect with people and thus acquire loyal customers?

I've said it many times before and will say it again, there's nothing more important than our wellness. If your product or service can help make someone more fit and healthy, that is something truly wonderful indeed!

(*Derek Barton is Founder and President of Barton Productions, LLC., and he can be reached at derek@bartonproductions.com. And, check out bartonproductions.com*)



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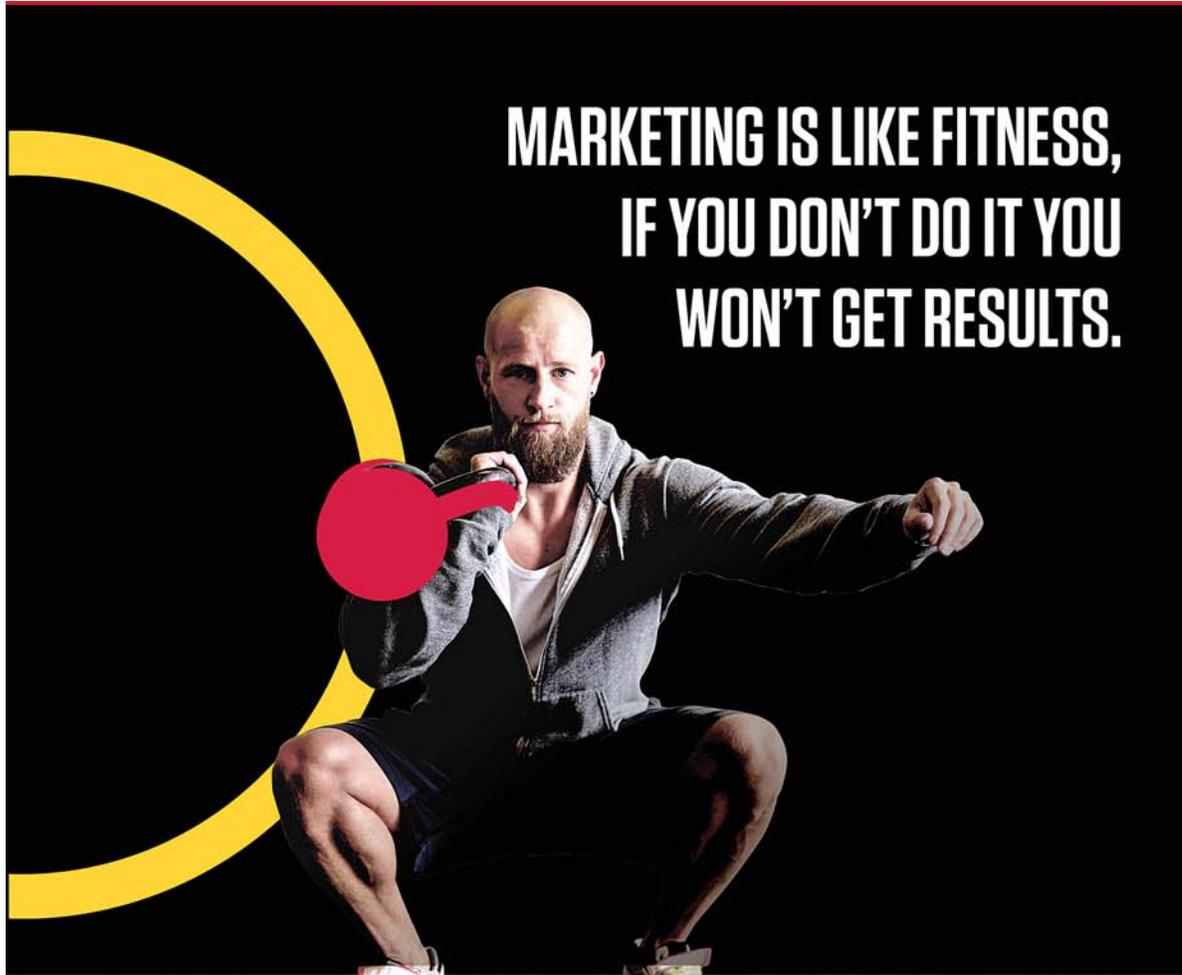
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...IHRSA
continued from page 23

Activity Council research, more than one out of five Americans (27%) do not engage in any sport or physical activity.

The report guides club operators in how to target underrepresented groups as well as leverage demographic trends in efforts to stand out from the competition.

The 2017 IHRSA Health Club Consumer Report is organized into the following chapters:

Chapter 1. Overview of Health Club Participation: analysis of total membership and consumer growth trends;

Chapter 2. Health Club Member Demographics: an exploration of gender, household income, age, educational, and ethnicity, as well as how demographics are influencing the health club industry;

Chapter 3. Health Club Member Attendance & Tenure: insights on membership tenure and attendance;

Chapter 4. Health Club Member Activity Participation: an examination of consumer utilization of equipment and participation in group-based training formats;

Chapter 5. Health Club Member Fees: an analysis of fees paid overall and per club segment;

Chapter 6. Personal & Small Group Training Users: an overview of private and small group training clients;

(NEW) Chapter 7. Special Report: Core Consumers: an examination of members who use clubs at least 100 days per year and multi-club members;

Chapter 8: How to Apply Consumer Research: Ten in-depth applications for club operators and suppliers;

(NEW) Appendix - 10 Key Findings & Infographic Insights: one-page summary of key data points and infographic highlights of report.

The 2017 IHRSA Health Club Consumer Report is based on analysis of 24,134 online interviews that were carried out with a nationwide sample of individuals and households in early 2017. This publication is available in PDF format for \$99.95 (IHRSA member price) and \$199.95 (non-members) at ihrstore.com.

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How to Maximize the Enforceability of Your Membership Agreement

By: Paul R. Bedard, Esquire

The repeated and ongoing execution of membership agreements is obviously pivotal to the success of any health club. However, a signed membership agreement is not necessarily synonymous with an enforceable agreement. Moreover, a membership agreement that is in violation of your applicable laws will not only render the agreement unenforceable, it may also prove to be a financial liability. However, by understanding the laws as they apply to your business and by practicing sound sales and trade practices, you can maximize the enforceability of your membership agreement.

Membership agreements, like any other contracts, are typically found to be unenforceable for one of two general reasons: violations of statutory law or issues that give rise to a legal defense to the agreement. This article is intended to highlight the primary aspects of membership agreements that are most commonly addressed by state statutes and to summarize the most relevant legal defenses to health club agreements. **However, this article is not intended as legal advice. Widely varying laws specific to each jurisdiction prohibit one-size-fits-all recommendations. Please consider these comments as merely an educational guide to assist you when you consult your own attorney for specific direction.**

Commonly Addressed Statutory Requirements

First and foremost, you must audit your membership contract to ensure that it conforms to all applicable laws within your jurisdiction. The most relevant laws in this regard are most often found within your state's legal statutes. It is critical that you understand these applicable state statutes. And, health club owners and operators who operate in multiple states need to tailor their agreements to each state's specific legal requirements. Although requirements vary from one state to another, there are several key aspects of membership agreements that are commonly addressed by statute.

From an applicability standpoint, the **definition** of a "health club" varies across states. Where I practice law in Connecticut, a "health club" is "any corporation, partnership, unincorporated association or other business enterprise offering facilities for the preservation, maintenance, encouragement or development of physical fitness or well-being in return for the payment of a fee entitling the buyer to the use of such facilities. Such term includes, but is not limited to, 'health spas', 'sports and health clubs', 'tennis

clubs', 'racquet ball courts', 'golf clubs', 'platform tennis clubs', 'gymnasiums, 'figure salons', 'health studios', 'weight control studios', and any organization primarily operated for the purpose of teaching a particular form of self-defense or martial art, such as judo, karate or kung fu, but shall not include any establishment from which a buyer may only purchase or become obligated to purchase services to be rendered for a period of not more than one month and which does not collect more than one month's payment in advance of the rendering of such services, nonprofit organizations, any massage establishment, any private club owned and operated by its members or any facility operated by the state or any of its political subdivisions.' Some states have a very broad definition of what constitutes a "health club," whereas others define a health club more narrowly. It is important to understand your state's definition to determine what laws apply to your business.

Your state's statutes will address the buyer's **right of cancellation**. For example, in Connecticut, a buyer has a blanket right to cancel the agreement within three business days after receiving a copy of the agreement. A buyer in Connecticut also has the subsequent right to cancel the agreement at any time if he moves further than 25 miles from the seller's facility or a "substantially similar health club facility which would accept the seller's obligation under the contract." Under Connecticut law, the death or disability of the buyer will naturally relieve the buyer or their estate of any contractual obligation. If the health club ceases operation at the location where the buyer entered into the agreement, this will also relieve the buyer of his legal responsibilities. Like other states, Connecticut requires that the buyer's right of cancellation be detailed conspicuously and in bold type within the membership agreement. Although many states share similar legal requirements, the length of time for rescission of the agreement and the distance required to cancel within term due to a move varies widely. These specific requirements as they relate to a buyer's rescission or move tend to be of greatest relevance to most health clubs, so check your state's specifics carefully.

The **term of contract and renewal** of contract are also typically regulated by statute. For example, Connecticut prohibits membership agreements longer than 24 months. Health clubs in Connecticut that offer contracts longer than 12 months must also offer a 12-month term. Automatic renewal clauses cannot exceed a period of one month under Connecticut law. And, the change in price for any such renewal is ineffective without disclosure within the agreement or without providing notice

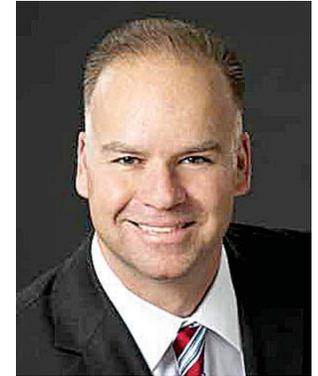
of the change in price at least one month prior to it being applied. Violations of the law as they relate to term or renewal often lead to tremendous financial liability when repeated and not caught early on.

Buyers have legal **remedies** that are also declared by statute. In Connecticut, "any buyer of a health club contract which is in material violation of this chapter has a right to cancel the contract and a right of action against the health club for recovery of triple the amount actually paid to the health club under the contract." Punitive damages are at play here. Moreover, statutory violations of this nature in Connecticut are deemed unfair or deceptive trade practices which may give rise to criminal implications. Failing to spot systemic or repetitive material violations of statute within a membership agreement can be fatal from a financial standpoint, as fines can climb into the stratosphere in states where laws are enforced on a per occurrence basis.

Most states share many **additional statutory requirements** including but not limited to the providing to the buyer a description of equipment and services, detailing hours of operation and providing the buyer with a written copy of the membership agreement. Many statutes contain language that voids a membership agreement entered into through misleading information or representations. Such statutory language is designed with the primary purpose of protecting consumers against deceptive trade practices. Connecticut's Department of Consumer Protection, like those in other states, aggressively investigates consumer complaints in this regard. When a health club is in material violation of statute, any such violation must be promptly and thoroughly addressed to mitigate the legal, financial and reputational consequences.

Common Legal Defenses to Membership Agreements

In simple terms, contract formation requires an offer, an acceptance and consideration. Legally speaking, consideration is money in exchange for products or services. In the absence of statutory language, unscrupulous sales techniques or trade practices will give rise to various legal defenses to a membership agreement. For example, a court will invalidate an agreement when it can be shown that the health club engaged in **misrepresentation** or **fraud**. Misrepresentations tend to be innocent or unintended misstatements of fact whereas fraud tends to involve deliberate misstatements of fact. Whether innocent or deliberate, many an agreement has been invalidated due to a membership



Paul R. Bedard, Esquire

salesperson's verbal representations being in stark contrast to the fine print within the corresponding written agreement.

A **mistake** can also cause a membership agreement to be unenforceable. Legally speaking, mutual assent means that the parties entering into a contract agreed to the same terms. There must be a true meeting of the minds for a contract to be binding. Therefore, if it can be shown that a mistake significantly altered the agreed-to terms of the contract, unbeknownst to one or more parties, a court will generally deem the contract unenforceable.

A buyer's **incapacity** may cause a contract to be voidable. The law affords protections to those, such as legal minors and the mentally ill, who do not have the capacity to enter into legal contracts. The definition of what constitutes a minor is obvious. However, defining mental capacity is a bit more complicated. The standard for mental capacity in most states is one of a cognitive nature, that is whether the party understood the meaning of the contract. Other states assess capacity from an affective standpoint, meaning that a contract can be voided when one party is incapable of acting in a reasonable manner and when the other party knew or had reason to know of this incapability. Finally, some states evaluate capacity with a motivational test, measuring capacity of a buyer's fundamental ability to judge whether or not to enter into an agreement. Evaluating one's mental capacity can be particularly difficult when the subject has a mental illness, such as bipolar disorder or schizophrenia, that manifests itself in a variable fashion. While it's likely not possible to correctly evaluate a buyer's capacity 100% of the time, best practices dictate that any doubt or question in this regard be evaluated thoroughly to avoid unfairly burdening a buyer who lacks capacity from entering into a contract that will ultimately be voidable anyway. It's

(See Paul R. Bedard, Esquire Page 28)

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How to Create Dynamic “Studio Clubs” Within Your Club

By: Bruce Carter

One of the more significant trends in the club industry has been the growth of studio clubs and major chains such as *Soul Cycle* and *Orangetheory*. Studios can often be just 2,000 - 4,000 square feet, yet generate monthly dues of \$100 - \$200 per month. This can obviously be frustrating to a large, full-service club in the same marketplace offering similar types of programs, yet only charging \$20 - \$50 per month or more for their entire club.

What makes the studio club so “in demand” and at higher prices? What can larger facilities do to better compete with the studios?

First, successful studio clubs have exceptional programming and staffing. Second, they have a profound image and brand, which includes graphics and signage. Third, they have a unique and exciting environment. Your individual studios should have all three traits. We will focus on branding and unique environments that will result in spaces that are every bit as dynamic and “exclusive” as the studio clubs.

Before moving forward, it should be noted that not all studio clubs can charge high prices and generate substantial revenue. Many are nothing more than small basic spaces with equipment or programs and are generic in many ways. Even with exceptional staffing and programming a studio club can still be a boring and uninspiring environment appealing to only the very dedicated exercisers.

A successful studio club has an image that the exercise experience provided is better than any other option in the marketplace, especially larger clubs that offer the same programming. People in general perceive that a club that specializes on just one thing, such as yoga, would do it better.

Here are the key design steps you can do to make your studio be worth more in the eyes of the market.

Steps You Can Take to Make Your Studio More Valuable in the Eyes of the Market

Begin with unique branding, signs and graphics. Think of a name that best describes the memorable experience for the program. Yoga should not be “yoga,” spin should not be “spin,” core training should not be “core training.” There is nothing unique in any of these generic names, so why would anyone perceive them to be exceptional or a more valuable exercise experience. Look at these names as an example: *Pure Yoga, Spirit Yoga, Love Yoga, Pure Spin, Inspire Spin, Team Spin, Core Success, Core Energy, Organic Core, Group Energy, Group Focus* and

Rejuvenate are just a few ideas of the concept of branding a name and image of the studio and programs you are offering. However, if you are going to promote such names, check for the right to do so first. But, there are plenty of names you can come up with.

Work with a branding/graphic arts company to come up with a logo and brand look. It can be unique to your club while possibly working with your existing logo, but it needs to be quickly recognizable and easy to remember and duplicated in a variety of marketing options. Then, follow up with attractive signs and graphics. Even if your signs and graphics cost more, they are to be looked at as a marketing cost; they are bringing attention to, adding perceived value to and selling more revenue producing programs.

Next are design points to consider in creating a unique and exciting environment:

First, consider the location of your space in relation to how easily it will be seen by the most people. Even if it is spinning with no windows (to create a dark environment), the outside of the room should have attention-getting signage/branding, lighting and architectural accents. Remember, don't think of this as another room in your club but as a “club of its own” within your club.

A common question is: Should space for team or group training be separate rooms or part of the general workout area? This is often a function of the business plan in which members will be charged extra for use of the room. If this is so, then it is best to have a separate room with windows because it adds perceived value to the space. However, when a separate room is used, then it is important to follow the points mentioned to make the room “special” and unique from other areas of the club.

Second, add dynamic lighting. The best choices are LED “entertainment” type lighting, giving you a variety of different colored lighting. Rooms can become blue, ultraviolet, red or rotate to different colors. Options exist to hook up the lighting to music variations. If you look at the major studio brands, almost none have only basic “white” box lighting. All lighting in studios should be on dimmers to add to the lighting environment. Different types of lighting in the same room should be on separate switches.

Third, are finishes and colors. If you plan to use multiple color options and entertainment lighting, often, lighter colored walls such as off-white work best because the colored lighting works

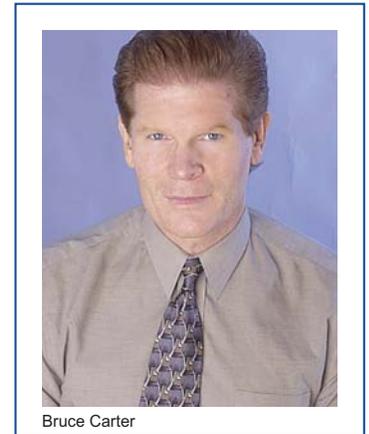
best reflecting off such walls. Particular colored walls coordinated with particular colored lights (such as blue walls with blue lighting) can also be profound.

Turf in small group training spaces is increasingly being used supporting the average person's desire to exercise on “grass.” Wood-looking vinyl flooring with a cushioned backing is also gaining in popularity along with the standard rubber flooring. Flooring with added striping and accent marks for different conditioning routines add to the “state of the art” studio image.

Protect your walls in areas where the walls will get scuffed up. Dirty walls greatly reduce the image of a space, especially if you are charging a premium for programs in the room. Consider FRP wall coverings, which are inexpensive, more durable than laminate and now come in a wide range of color and style options.

One of the design themes for cross training spaces is a term now being used: “gritty.” This is more of an industrial look with very little decor accents or specialized lighting. The “shades of grey” environment appeals to intense hard-core training, and this might be the market you want to appeal with a “club within a club” of your club.

The growth of studio clubs is profound and clearly adds to the competition a club will face. However, clubs can create their own dynamic studios and then become a better option offering specialized studio programs while also offering other varied programs and equipment. Taking a



Bruce Carter

“token gesture” approach to these spaces will not do. You then are only adding to the special strength and uniqueness of the single location studio in your marketplace.

Do you wish to give people a greater choice within your club or let outside studios do a better job of getting people to think they offer better programs, staffing and stimulating environments? It is motivating to know there are a number of things a club can do with their own “studio” spaces that can be just as exciting and dynamic and even more so. The choice is yours.

(Bruce Carter is the Founder and President of Optimal Design International, a Florida-based architecture and design firm. Bruce can be reached at bruce@optimaldsi.com.)

...Paul R. Bedard, Esquire

continued from page 26

simply the right thing to do.

Wrapping It All Up

Most states have statutory requirements that commonly address numerous key aspects of health club membership agreements. However, the specific requirements as they relate to each key aspect of the agreement vary from one state to the next. Therefore, it is critical that you understand your state's specific requirements, and if you operate in multiple states, that you adjust your agreement for each state that you operate within. Additionally, once you establish statutory compliance, you must ensure that your sales practices are carried out consistently, with clear communication to prospects and buyers, and executed with unwavering integrity. Regularly audit your inquiries and sales presentations to

confirm that compliance is consistently being achieved. You will provide the value and service that your prospects, customers and community already expect while also maximizing the enforceability of your membership agreement.

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

Convert Your Weaknesses to Strengths!

By: Thomas Plummer

We all have our strengths, and in the old days of the health and fitness club industry, those strengths could carry you against any market condition or competition. Today, the health and fitness world is different, and what we don't know and understand are the very things that can bring us down.

Back in the day, if you could sell or build a sales team, you could literally sell your way out of trouble. If you learned to do hardcore marketing, such as lead boxes or cold calling, you could fill your gym and just think of how many thousands of young sales people were fired through the years because they couldn't keep up the 100-cold-calls-a-day nonsense trying to set appointments for people who never showed anyway.

By the way, for you under-40-year-old-people, lead boxes were card board boxes where you entered your name on a slip of paper to win a free trip to the Caribbean. Second place was two weeks at the gym. No one ever won the trip. Everyone always won the two weeks.

In that era, you could exploit your strengths enough to mask your weaknesses in the business. Great sales dogs stayed in business for years longer than they should have simply because the sheer number of sales covered their inability to staff, operate or manage a business.

Today, those strengths simply no longer work and aren't nearly enough to keep a business alive. Great sales guys are dinosaurs. Sitting across a desk doing your hard school closing thing gets you laughed at and written up negatively on social media. Most mainstream gyms now sell on price alone with the lowest winning the day, but even that fails as we creep lower and lower. Old school marketing, especially things such as direct mail, completely failed during the last few years and will not arise again. What we celebrated as our strengths are now skills from a past generation no longer needed in a competitive health and fitness environment.

In the health and fitness world, what you need most is what you usually hate the most. This is why you see so many guys with big arms and skinny little chicken boy legs in the gym. The man just plain hates to do leg day.

This is also one of the many reasons we see so many mainstream gym chains getting their collective butts handed to them by the universe. What these operators need the most is what they hate the most, which is change and evolution.

Here are the five biggest weaknesses in a modern day mainstream health and fitness club business and what to do about each one.

Number One

You don't even know what business you are in. The industry was built upon the idea that the client simply wanted to rent equipment for a monthly fee. We used many systems to create the illusion that we actually cared if you would get results, such as Nautilus back in the prehistoric era, but overall you paid for the month, used the equipment, went home and quit about 7 - 9 months later because nothing ever worked.

If you are going to survive, you have to understand that the only path forward is to be able to get results for the client. Your new business plan going forward is simple: Get the most results, for the most clients, in the shortest period of time.

If this really was your business plan, you would run a mainstream gym a lot differently. Training revenue would rise to about 40% of total revenue, because you created a system of pricing and programming that attracted more than the industry pathetic number of about 5% training revenue, and you finally realized that the trainer is more important than the old school closer who can write upside down across a desk. We are in the results business if we want to survive, not the equipment rental business.

Number Two

Old school marketing will never work again. Radio, cable TV, direct mail, cold calling, traditional newspaper ads along with flyers, pizza boxes, park benches, little league uniforms all are worthless over time to fill a gym with viable leads, especially when your advertising in these forms of self-abuse is based upon a "deal or discount."

You can also not compete on price. The early \$10 gym chains always believe they owned price in the market. We are the bottom, we were first and no one can touch us... and now we have a chain in Oregon offering \$19.95 memberships, but you get to bring four friends for that price. Yes, we are talking about the first \$4 membership per person. Price is not defensible over time, and the bottom will get lower, not rise with a bounce as is being talked about these days.

Social media marketing is everything. Every gym owner believes he is on fire with social media because he does a lame post a few times per week. Social media marketing is difficult, time consuming and the only ones getting it right these days are the next generation training gyms who have learned to personalize their businesses against the cold, sales-driven mainstream players.

As of today, if you want to

survive, master social media in the form of a solid website that is either a WordPress format or Square Space, Facebook and Instagram, hire someone to do nothing else but drive qualified trials through your door, which will take about 20 hours per week, budget at least \$3,000 per month for social media marketing per business you own, and most importantly, learn to personalize your business through social proof and get away from the sale of the week from 1995 because it always worked back in the day, price special or offer.

Number Three

You have no idea as to how to hire, manage and build a functioning training department in your business. We still think of training as a profit center instead of the main product we should be selling. The trainer should not be considered a young, dumb asset the club can turn and burn as needed. We elevate the sales people, but we ignore the training department, which is where all the real revenue will come from in the future.

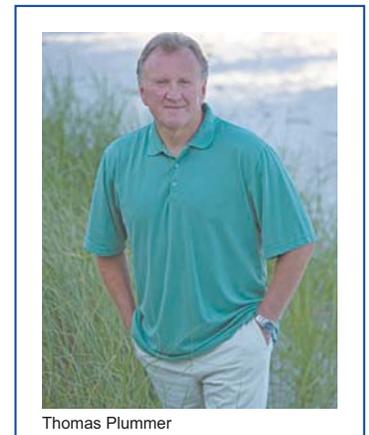
We also still sell packages and sessions, let bad trainers build their own clientele, kill our own training departments by letting the client believe we have master trainers on staff and lesser trainers you can hire for less money, and let the trainers sell directly to the clients.

You cannot own any size gym in today's market if you can't train a client. You simply will never understand the highest revenue potential of your gym because you have never shifted towards results-driven and away from just selling more and more memberships. Volume is not the future; the future will be a higher return per client served, and you cannot achieve this without the mastery of your training department.

Get a solid lead trainer, control the product by controlling the workouts, create the job of an assessor who loves training and isn't afraid of asking for money, and let him sell for all the trainers. Most importantly, target 12 months from now where 40% of all your revenue is coming from clients on 12-month training memberships of some type.

Number Four

You believe those little training gyms down the street are just one little guy with a few dozen clients, and boy are you ever wrong about that observation. These next generation training gym owners usually end up with about 300 clients often averaging around \$300 per month per client and can average between \$1.2 - 2.1 million in 6,000-10,000 square feet. And, all 300 of those clients used to be in your gym.



Thomas Plummer

These little gyms are not a fad; they represent the future of the health and fitness industry. They have a higher pre-tax net, are cheaper to open by a factor of 10, can be opened successfully across the street from any mainstream player and are based upon a client who does not care about price, just about getting the results he paid for in that gym.

The big mistake you make is thinking these guys are just something you can do in the back room of your facility. The big lesson to learn here is that making money in training isn't about the training; it is about the training experience. It is not the workouts that make these guys successful, it is how the coaching is delivered that is different. Many mainstream players, for example, attempt to buy preset workouts thinking it is all about programming, when in reality, the clients care much more about how the coaching experience works.

The good news is that any mainstream gym, no matter what the size, could become a training-centric business, but to do this, you need to change the culture of the entire facility, offer a 7-to-9-layer pricing model chasing team training, small group training and a limited amount of 1/1. If you can get 40% of your entire membership into some type of membership above simple access and using the equipment or old school group exercise, then you are now a gym based upon average return per member instead of chasing the volume train down the track. Then, your chance of surviving the gyms was just got a lot better.

Number Five

Even the dumbest client in your gym is still smarter than what we used to have back in the day.

The clients have evolved. Going around in a circle on 12 machines using a giant card found in a box on the floor is for funny old guys at the non-profits who still wear short running shorts, complain about

(See Thomas Plummer Page 30)

...Thomas Plummer

continued from page 29

the free coffee and pretty much die in your gym.

The rest of us need to learn that the average gym client today has better access to good training information than real trainers had just a decade ago through the web and magazines and now has a different expectation of what fitness is and should be. Yes, there are still guys who want cheap and will pay \$10 for a circuit club and a treadmill walk, but the rest of them just watched sports shows on TV and want to shake the ropes, swing the kettles and push the sleds.

We change our phones every couple of years, we buy bigger and better TVs every few years, we trade cars every three years on an average and some of us even trade spouses in every now and then, but the mainstream fitness guys are still using equipment designed in 1967, and it hasn't changed much since then. The industry has changed, the training knowledge bank has drastically improved, yet we still believe equipment older than our parents is going to get it done for

the client.

Embrace the future, not the past. Ignore the equipment rep trying to sell you 1992 and figure out what is bringing in clients and keeping them over time. Strength, for example, is hot, but not old school bodybuilding equipment with 13 different angles of attack on bench presses and giant dumbbells the staff can't even get back on the racks. Half racks, turf fields, barbells and platforms have all replaced the need for fixed joint, single plane equipment.

Everything has changed except the mainstream owners, who still find a way to put too much bad equipment in a gym, who still believe aerobics is coming back and who still hate any single square foot of empty space.

Summary

You no longer can mask the weaknesses in your business. Extreme competition has forced all of us to take a deep look at what we don't know and how badly that lack of knowledge is going to kill us tomorrow.

If you want to compete, **change...**

it is **that simple**. If you want to survive the price wars, simply don't play and go another direction. No one can win a price war except for the guys who understand there is a client out there that will pay real money for results and has no interest in paying money to rent a treadmill for an hour a day.

We are all waiting for the next guy to go first to see if it works, and in bungee jumping that is a good plan, but in the world of a health and fitness

business, going last means going out of business first.

(Thomas Plummer is one of the top gurus in the health and fitness club business world, and he often delivers messages to his clients, and to others he converses with, that they don't want to hear. But, his track record for results for his clients is excellent, and it has given him multiple decades of staying power. Thomas can be reached at thomasplummer@icloud.com)

Norm Cates'
CLUB INSIDER
 The Pulse of the Health and Fitness Club Industry

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Thanks and Appreciation

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

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Fast Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of Atlanta's **Hudspeth Report** for the tremendous assistance they provided us during *our first eight years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our **286** monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **CLUB INSIDER Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, **National Gym Supply**, with over 23 years advertising with us! We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *hundreds and hundreds* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for **CLUB INSIDER** when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 24 years now, has truly been a fantastic partner for his Dad in **CLUB INSIDER**. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

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