

Norm Cates'

CLUB INSIDER

CELEBRATING 26 YEARS OF TRUST

Black Box VR

The Virtual Reality Gym Experience



OCTOBER 2019

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CLUB INSIDER

CELEBRATING 26 YEARS OF TRUST

Black Box VR The Virtual Reality Gym Experience

By: Justin Cates

I was born in 1985, the year that the most successful video game franchise in history began: **MARIO**. I didn't jump on the bandwagon until *Super Mario 3*, which is still my favorite video game of all time. But, as I played the Mario trilogy, and future iterations of it, I was pretty active. I built my calves by jumping up and down as I completed another level. I worked my triceps as I threw my controller to the ground when I lost. I was completely invested! I'm joking, of course.

Ironically, the future of the health and fitness club industry must become

completely invested in participants like me, but its participants aren't going to be invested in the experiences of old. Yes, keep those experiences for the members who expect them, and adjust accordingly as their demand decreases. BUT, know that you must create experiences for the members like me... **Millennials and Gen-Z** who truly want a reason to leave work, not to mention the house/condo/apartment in which we reside to improve ourselves.

Full disclosure, we Millennials and Gen-Z are completely spoiled. Compared to the generations that came before us, things seem pretty amazing. We do have some concerns, but we are happy. However,

spoiled also means we are bored, and it takes a lot to get our attention. This is the smartphone generation where there is an exact five-second attention span; however, if you can break through in that short span of acknowledgement, you might have a customer forever...

So, how do you do that? Outside of my own preconceptions, I don't know those answers, but it is my job to know the people who do. This month, you will hear from someone high on that list: **Ryan DeLuca, Co-Founder and CEO of Black Box VR**. I urge you to read on because his experiences at the advent of the Internet (See *Black Box VR Page 12*)



BLACK BOX
IMMERSE & EMERGE

Keynote Speakers and Agenda Announced for IHRSA 2020

BOSTON, MA - The International Health, Racquet & Sportsclub Association has announced that four keynote speakers will be headlining the *39th Annual IHRSA International Convention & Trade Show* in San Diego, California.

IHRSA 2020 promises to be the most exciting event of the year for industry leaders, filled with phenomenal keynote and education sessions, numerous opportunities to network and brand new and exclusive educational offerings. The convention and trade show will take place **March 18 - 21** in San Diego, CA. Visit the event website at hub.ihrsa.org/ihrsa-2020 to see the full four-day agenda.

Each keynote speaker will share their unique expertise with an international



crowd of thousands of fitness professionals. Attendees can expect to hear insights from:

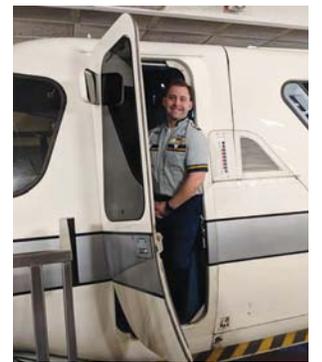
Josh Sundquist,
Best-selling Author, Paralympian

One More Thing, One More Time
Wednesday, March 18, Sponsored by MyZone
(See *IHRSA 2020 Page 6*)

Justin Cates Named to Disney World's 2020 Traditions Team

By: Norm Cates

JUSTIN CATES, my fine son and multi-talented partner in *Club Insider*, has something very, very special going on in his life. *Let me explain.* When Justin was seven years old, we took him to **Walt Disney World in Orlando, Florida**, and we had a fun and amazing visit. He fell in love with the place, especially the *Monorail System*. **Fast forward 27 years to October, 2019...** Almost two years ago, Justin moved to a suburb of Orlando and got a great "Hobby Job" at **Disney World**. **Don't be alarmed. He has been and is sticking with his Club Insider work.** He (See *Justin Cates Page 6*)



Justin Cates

Inside the Insider: Edition #310

- Exercise IS Medicine! - By: Mike Alpert
- Influence With IMPACT - Building, Bonding and Beyond... - By: Nancy Trent
- How to Design A Club to Be Less Intimidating - By: Bruce Carter
- In-Shape Health Clubs to Raise \$185,000 For Cancer Research
- Here's What You Can Do Right Now to Improve Your Business - By: Jim Thomas
- And, of Course, *Norm's Notes*
- The Ultimate Paid Group Training Roadmap - By: Ron Alterio

Norm's Notes

■Hello Everybody! This is your Club Insider Publisher and Tribal Leader Since 1993 Checking In with our 310th monthly edition. YAHOO! I don't know about you, but I'm good and ready for some cool weather! Here I sit today in Marietta, a suburb of Atlanta, Georgia on October 1st, and it's 97 degrees outside! Of course, if you're in Montana today, where it snowed about three feet yesterday, you're wishing it was 90! Now... on to the rest of Norm's Notes for October 2019.

■Is America a GREAT COUNTRY, or what? Hmm... hmm... hmm!!! Every day, I thank God for the blessing of being an American. Moreover, I thank God for America being a country that's helped so many other countries around the world with everything from improved medical procedures and medicines, to strong military help when they've needed it, to revolutionary developments in housing and the list goes on and on. But, I repeat: GOD BLESS AMERICA!

■IF you want to truly DIFFERENTIATE your club(s) and significantly INCREASE your annual revenues, DO NOT MISS our Cover Story this month about Black Box VR. Check out the story by Justin Cates, featuring an interview with Co-Founder and CEO, Ryan DeLuca, on Page #3.

■Justin and I want to welcome ZEAMO

as our newest Club Insider Advertiser. Zeamo is a gym access platform for the industry, from the industry. Staying true to what gym owners actually want in a partner, Zeamo delivers unparalleled exposure to a large network of global employers and their active and eager fitness enthusiasts. It's free, easy to set up and provides a new, high-value revenue stream that doesn't compromise the retail membership growth strategies of our club partners. Learn more and get started today at www.zeamo.com. And, be sure to check out the Zeamo Ad on Page #23.

■I want to CONGRATULATE PAMELA KUFAHL, MARTY MCCALLEN, TINA BEBE, CRYSTAL WHEELER, JILL RAMAR and the rest of the terrific Club Industry and INFORMA Markets Teams on what may have been their best Club Industry Show ever! And, I want to express my sincere Thanks and Appreciation to all of the Club Industry folks for another terrific event. The attendance appeared to be up; the education component has grown to become more and more helpful to club owners and operators; there was a new and powerful thrust toward *Medical Fitness Education*; while at the same time, the Trade Show had exceptionally good traffic on day one and pretty good traffic on day two. I enjoyed the entire event, and even though I was walking around the enormous Chicago Hilton Hotel on a gimpy right hip, I made it to several

events, including the Opening Reception; the morning breakfast with Keynote Speaker, SCOTT DIKKERS, Co-Founder of The Onion Magazine; and of course, the Trade Show. So, what more could I have asked for? I also took quite a few photos with my new camera, and we have produced a photo slideshow with all those photos for you to view online. Simply go to www.clubinsideronline.com/clubindustry2019. YOU may be in one of them!

■Now, let me get into some comments about some of the great folks I met while working at our Club Industry Booth #416 in Chicago, as well as the experiences I had. First, it was a real pleasure working across the aisle from two of IHRSA's fine staff members: NICOLE JOHNSON, IHRSA Director of U.S. Club Membership; and ZACHARY APREA, IHRSA Associate Service Manager. I also want to say Thanks to Zach for helping me hang the Club Insider banner and American Flag in our booth! And, I also enjoyed meeting and sharing time with my next-door neighbors, DAVID and JOSE REYNOSA of The Amor Architectural Corporation of Rancho Cucamonga, California. Thanks to David for helping me take down and pack up our banners and American Flag.

■I want to express my sincere Thanks and Appreciation to CHRIS CLAWSON, CEO of Life Fitness, for sponsoring



Norm Cates

the Opening Reception. It's great to see you back in the saddle again, Chris. And, Thanks and Appreciation to ASF for sponsoring the terrific Thursday morning breakfast. Also, Thanks and Appreciation to PAUL SCHALLER and ABC Financial for sponsoring the Healthcare Summit's Day #1 and Day #2 and to ClassPass for sponsoring the kickoff Keynote Speaker, SCOTT DIKKERS, Co-Founder of The Onion Magazine. Scott was quite entertaining and thought-provoking. The dude is a talented piece of work, as he spoke for close to an hour standing in front of the large crowd without ANY notes! One message I came (See Norm's Notes Page 7)

About Club Insider

CELEBRATING 26 YEARS OF TRUST

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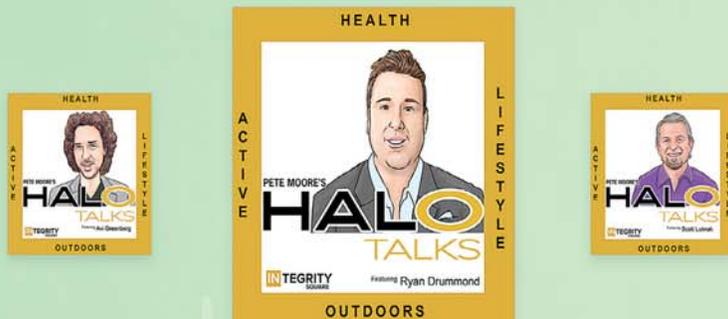
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Exercise IS Medicine!

By: **Mike Alpert**

For the past few years, I have been writing this monthly column for **Club Insider**, doing my best to promote and move forward a global initiative called **Exercise IS Medicine**. The intent has been three-fold:

1. To help bridge the gap that exists between health care and fitness by bringing the experts in each to begin working together instead of independently;

2. To assist in bringing programs to other clubs throughout the country and world that are helping people with chronic injuries and chronic illnesses, providing *Hope*,

Acceptance, Possibilities and a Continuum of Care that simply does not exist in our current health care system.

3. To encourage all clubs to be accessible and welcoming to people from all populations, especially those with disabilities.

The challenge for most seems to be how to bring people into their clubs, who in most cases, are lacking the financial means to join and sustain the costs of monthly dues, as well as how to integrate them safely into the clubs. I always encourage club owners and operators to begin with a small group of people. Pick a cause that you and your staff and members are passionate about. This could be adult or

pediatric cancer, paralysis, ALS, diabetes or any host of other chronic illnesses or injuries. Make the decision to donate a defined amount of capital from net income to cover the costs to run the program for one year. In most cases this will include instructor fees to hold classes and your registered dietician or nutrition counselor (And, of course, club membership for their family).

If you run two classes each week: two times a day for three days, the monthly cost will not exceed \$800 - \$900 per month. Run the classes for twelve weeks and do this twice a year. The total cost for the year will be around \$5,400. Let's look at what it takes for a club with single dues of \$60/month, as well as a club with single dues of \$135/month.

If you sell or retain an additional 7.5 members each year due to the culture and giving of the club, you are even, and at the higher dues rates, the number drops to 2.25. I am not suggesting any club offer these programs to make a profit, but this always comes up. I simply want to show everyone that it does not require a huge leap of faith, but rather, doing the right thing for the right reasons can work financially.

Today, more and more health clubs are offering programs and services to these populations, and they are seeing the rewards in lower attrition and brand loyalty. Your members want to see you doing great things to help others. They want good news and good deeds.

I want to give a really huge shout out to **Club Industry** and **Kevin Steele** for their support of this and putting on the first of its kind *Healthcare & Fitness Integration Summit* during *Club Industry 2019*. This event brought attendees into the room with physicians to hear educational content around the growing opportunity in partnerships with the healthcare community. Attendees saw an alternative business model that can set their club



Mike Alpert

far apart from their competitors, and they heard actual case studies that are proving, without a doubt, **Exercise IS Medicine**.

Also, a shout out to **IHRSA** for their efforts with **UFIT** and **Kilian Fisher** to promote inclusiveness in all **IHRSA Member Clubs** and with **PHIT**, another effort to promote *Exercise IS Medicine initiative*. And, of course, the **American College of Sports Medicine (ACSM)** and **Dr. Bob Sallis** at *Kaiser Permanente* for initiating *Exercise IS Medicine* and its medicinal benefits.

It is only a matter of time until our broken healthcare system recognizes the importance of using exercise, social interaction and proper nutrition in treating and curing chronic diseases. When that happens, healthcare providers will begin reimbursement of the services that our clubs offer. Don't be left out. Learn all you can about **Exercise IS Medicine**.

(Mike Alpert is President and CEO of Claremont Club in Claremont, California. Mike can be reached by email at malpert@claremontclub.com or phone at 909-625-6791, Ext. 234.)

...IHRSA 2020

continued from page 3

Josh's presentation blends clean stand-up comedy with soulful storytelling. Josh's life story is a reminder of how all our stories are interconnected. Gain a fresh perspective on everything you have to be grateful for, with resolve to overcome personal and professional challenges.

Scott Stratten,
Best-selling Author and
President of UnMarketing

UnSelling: The New Customer Experience
Thursday, March 19, Sponsored by Technogym

Change the way you sell by rethinking about business. Drawing from his experience as a marketing industry innovator and the author of four best-selling business books, Scott Stratten convinces audiences to look at the big picture. With humor, passion and candor, Scott will teach you to become the go-to business before your clients and members even need you!

James Clear,
Best-selling Author, Entrepreneur

Atomic Habits: How to Get 1% Better Every Day
Friday, March 20, Sponsored by Matrix Fitness

James Clear's sessions are one-part storytelling, one-part academic research and one-part personal experiment, forming a colorful blend of inspirational stories, academic science and hard-earned wisdom. During the session, you will learn about small habits, decision-making, and continuous improvement with the use of identity and motivation.

Crystal Washington,
Futurist, Technology Strategist, Author

Imagine the Future
Saturday, March 21

Through tangible examples of the impact of tech on the business world, Crystal will help you gain a better understanding of generational differences and technology preferences for increased team participation and client acquisition. Most importantly, uncover what you should do now that is right for your business to get ahead of the curve and thrive!

...Justin Cates

continued from page 3

calls Disney a "Hobby Job" because when he started at Disney, he did so simply to get out of the house regularly, since he works from home to produce **Club Insider**.

So, you might be asking, 'What job did he get at Walt Disney World?' Well, in 2018, Justin became a Pilot on the iconic **Walt Disney World Monorail System!** This year, he has also taken on the additional roles of *Trainer* and *Coordinator*, and he is loving every minute of it. *But, there's more!* Even more exciting with respect to what's going on with Justin at Walt Disney World is the fact that, among **75,000 Disney World employees** locally in Orlando,

and out **872 of candidates**, he is one of just **81 individuals chosen to be part of Walt Disney World's 2020 Traditions Team**. This is the team responsible for onboarding new Disney World employees, or *Cast Members*, as they are called there. With the **50th Anniversary of Disney World coming up in 2021**, this is a great honor!

As I said, of course, **he will continue his work on Club Insider because that's very important to all of us**. So, *he's going to be working a lot of hours... But, Justin's a tough and very hardworking cookie, and I've total faith in him being able to do both jobs and do both of them very well. He definitely loves both, and that's a beautiful thing! **STAY TUNED, Folks!***

IHRSA
MARCH 18-21
SAN DIEGO, CA 2020

Keynote Speakers

...Norm's Notes

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away from Dikkers presentation was this: "Do things that ARE press worthy. Build your BRAND with what YOU DO, NOT what YOU SAY!" Think about that one for a minute.

Thanks and Appreciation to my long-time friend, the lovely JENNIFER, daughter of my long-time friend, the late JOHN URMSTON, for her company, Sports and Fitness Insurance, sponsoring the end of Thursday Happy Hour at the entrance of the Trade Show. Also, Thanks and Appreciation to the Leaders of the Education Track: Our friend, BILL McBRIDE; MELISSA HOFF; CHRIS STEVENSON; MATT WRIGHT and KEVIN STEELE. Finally, Thanks and Appreciation to The Club Industry Ambassadors: MICHELLE BLAKEY, LUKE CARLSON, GREG McCOY and Dr. DOUG RIBLEY.

■ Before I forget, I want to mention that next year's Club Industry Show will be October 14 - 16 in a new hotel and city: The Union Station Hotel in St. Louis, Missouri! So, it's now, "So long, Chicago" and "Hello St. Louis!" I will have FOND MEMORIES of Chicago because it was 27 years ago that I stood in the McCormick Place Convention Center and handed out about 3,000 copies of our first edition of Club Insider to people going to the buses back to their hotels. It was a nice little 12-page edition with our long-time friend, RED LERILLE, on the front page, along with an article announcing that we were going to publish a 3-Part Case Study on Red's amazing club in Lafayette, Louisiana. Let me say "Hello RED!" today, as I share this great memory.

The story of the Club Insider launch does have some humor to it. I was handing out free copies of Club Insider for three days, back when the convention and trade show was three days long. On the third day, as quittin' time was approaching, a group of young guys in fancy suits came walking up, and I handed the lead guy a copy. He looked at it, frowned at me and angrily said, "Hey, you can't be handing these out here!" I smiled and said, "Well, you should have told me that three days ago! By the way, WHO are you?" He snarled and snapped back at me with his name and some title identifying him as the boss of then Club Industry Magazine. I looked the dude in the eye and said, "Hey, it's nice to meet you; you guys have done a nice job on this show. I will leave now." So, I grabbed the few copies I had left of our inaugural edition of Club Insider and the rolling suitcase I was using to haul them, and I walked out the door and got on the shuttle bus. That, my friends, was the beginning of the Labor of Love we call Club Insider 27 years ago. IF that story is NOT clear proof there is a good God above, then I don't now what is! I say here and now: "Praise the Lord"

for his kind help for us with Club Insider all these 27 years!

■ Speaking of trade shows, DO NOT MISS IHRSA's fast approaching 39th Annual Convention and Trade Show coming March 18 - 21, again in beautiful San Diego! RICK CARO and I, as two of seven Founders of what was then known as IRSA, will be there with bells on for IHRSA39, and we sure HOPE to see you there!

■ Be sure to Save the Dates of March 18 - 21 for the 2020 IHRSA Convention and Trade Show in San Diego, which will be highlighted on Friday Night, October 20th with THE 15TH ANNIVERSARY AUGIE'S QUEST BASH. Check out the Augie's Quest Bash Ad on Page #23 of this edition. And, be sure to check out the Page #3 Press Release about IHRSA's 2020 Convention Keynote Speakers!

■ IHRSA wants to thank the generous sponsors that have signed on for IHRSA 2020 so far: ABC Financial, Aktiv Solution, American Council on Exercise, Augie's Quest, Balanced Body, ChinaFit, Club Automation + CSI Spectrum, Club OS, Fitness Brasil, Fitness Business Canada, Fitness Industry Council of Canada, Fitness Master, Freemotion Fitness, Genavix, Gympass, Helix, HydroMassage, Intenza Fitness, Iron Grip Barbell Company, Keiser Corporation, Les Mills International, Lumen, Management Around Sports, Matrix Fitness, Mercado Fitness, Merrithew, MINDBODY, Motionsoft, MYE Fitness Technologies, Myzone, NormaTec, PFP Media, Polar, Precor Incorporated, SportsArt, Technogym, The Fitness Business Podcast, TheraGun, Trainerize, Transaction Services Group, TRUE Fitness, Twin Oaks Software, VersaClimber, WaterRower, Wexer and Zumba Fitness.

■ While I was in Chicago, I got to thinking of the fact that we're coming up on our 39th Anniversary of what we started as IRSA. For some reason, I came to recall one of Club Insider's early challenges. Back when Club Insider had only been in publication for a few months, the IRSA Board of Directors got a wild hair up their you know what and decided to drop the name International Racquet Sports Association and acronym IRSA. The PROBLEM was that the nine IRSA Board members (we only had nine IRSA Board Members back then) decided to hire an expensive consultant to figure out a new name for our Association. His name was BRIAN MCBAIN. He was a very nice and smart man. Well, this kind gentleman came up with the new name: "Exercere," which is the Latin word for: "To Exercise."

Rather than presenting "Exercere" to the IRSA Members, whom the Board was actually working for, they voted 9 to 0 to

make the change without any of them being informed of it. UH OH! BAD MISTAKE! When I got word that this name change had been proposed by the Board, I wrote a comment in that month's Norm's Notes that said "With respect to the suggested name change from 'IRSA' to 'Exercere,' it will only work IF the members want it to work and approve it!" Haha! Little did I know that the proposed change had already pretty much been fast-tracked by this Board without anybody among the membership being consulted at all. So, when the Association announced it as a "Done deal," Club Insider had NO

CHOICE except to write about how this was done being totally unfair to the dues-paying IRSA Members who, AT THE VERY LEAST, should have been notified about it and given a chance to oppose it if they did not like it.

Well, in the next edition of Club Insider, I proposed a meeting at the upcoming IRSA Convention in New Orleans, Louisiana, and we promoted that meeting in Club Insider. About 500 people showed up to the meeting on that infamous day, and 13 people stood up and spoke about the name change. The first (See Norm's Notes Page 8)

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"His approach was thorough and the implementation plan resulted in a dramatic increase in performance including, membership, personal training, member experience (NPS of 58.4%), retention, operations and net income. The team responded well to Bill's collaborative leadership approach and delivered. The result was a ten-fold increase in net income. Under his leadership, we surpassed our budget and were extremely pleased with the results he and our club teams accomplished. I highly recommend Bill as a consultant and operator."

- Private Health Club Owner Client of Two Sites in the Midwest, U.S.

"I highly recommend Bill McBride/BMC3 on all challenges club operators face with their business. He relates well with the on-site team, ownership and is collaborative in delivering best practices. His expertise, authenticity, integrity and follow-through are beyond reproach. I trust him greatly."

- Private Health Club Owner Large Commercial Club in the Pacific Northwest, U.S.

...Norm's Notes

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12 OPPOSED IT! Only one person, the last speaker, stood up and spoke in favor of changing IRSA to Exercere. THEN, it became a "DONE DEAL" that would "NOT BE DONE" because the members DID NOT WANT IT TO BE DONE! PERIOD. So, the Board went back to work at the next Board Meeting a couple of months later and figured out a much better idea. Somebody came up with the idea of inserting the word "Health," changing the name to the "International Health,

Racquet and Sportsclub Association," now also known for many years by all of you as: IHRSA. So, NOW, you know the REST of the STORY!

BUT, wait! There's more! One byproduct of this smart move of putting the word "Health" into our name was that IHRSA Membership sales jumped because many health club owners across America and around the world joined because they began to realize that this so-called Racquet Sports Association was ALSO for them as HEALTH CLUB OWNERS! Brilliant, EH? I think so. IHRSA's income jumped significantly, providing the GREAT JOHN

McCARTHY much more to work with, and work he did... **making IHRSA much, much stronger and the World Leader it is coming up on 39 very successful years!** YAHOO! Big John, as I have referred to him for years now, served IRSA/IHRSA for 25 years, retiring in 2006. But, he left a legacy that gave our good friend, JOE MOORE, an excellent owner of ten clubs in Dayton, Ohio, something to truly RUN WITH. Boy has Joe run with the ball, and he's STILL running until this day! Keep up the GREAT WORK, JOE! And, THANKS BIG JOHN!

■ **The First Lady of Fitness, ELAINE LALANNE, and GREG JUSTICE** are thrilled to announce their upcoming book, **Pride and Discipline - The Legacy of Jack LaLanne, In His Own Words.** It will be released in July 2020 at IDEA World 2020 in Anaheim, CA. Elaine and Greg are currently asking fitness industry veterans to share their stories about Jack LaLanne and the impact he had on your life and/or career. If you would like to contribute, please let Greg know. And, he thanks you in advance for your support and participation. You can contact Greg at aycfit@gmail.com.

■ **KAY YUSPEH, the Founder and Owner of five Elite Sports Clubs in the Milwaukee, Wisconsin area, has been honored for her service to her community!** Here are the remarks presented by TIMON CORWIN, General Manager of The Western Racquet Club, and the Milwaukee Tennis Classic's, Vice President of the Board of Directors, as he presented Kay with the Classic's Inaugural Lifetime Achievement Award. Corwin commented:

"It is my honor to present Kay Yuspeh with the 2019 Lifetime Achievement Award, presented for a lifetime of enriching the lives of thousands of people through her philanthropy and generosity in helping others and her commitment to growing the game of tennis in the greater Milwaukee Community. Kay; her husband Richard, whom she met at Tulane University; and their three children, daughter Barrie, and sons Alex and Sam, have all been intricately involved in the family business over the past five decades.

Kay's journey, and rise in the Milwaukee tennis scene, started at the South Shore Racquet Club in 1975, where she worked, and then later bought and managed the club. For those old enough to remember, the club was near the airport next to the Red Carpet Inn. During her 11 years at South Shore, she did everything. Her goal was all about getting more people playing tennis. She was looking out for the average player, not the elite athletes, although she and her clubs and pros have trained many top athlete players.

In 1986, Kay left South Shore and bought Highlander, which later became known as Brookfield Elite. Over the course of the next 20 years, she bought Northshore in 1992, The Brook Club (now

West Brookfield Elite in 2002, Mequon Elite in 2005 and Le Club (now River Glen Elite) in 2012. These five clubs today comprise the Elite Tennis and Fitness Clubs of greater Milwaukee. Not only did Kay buy them, but she transformed them into multi-purpose, full-service athletic clubs. In many respects, Kay has done more to drive tennis and fitness in Milwaukee over the last 45 years than anyone. Testament to this is the number of outstanding tennis pros who have worked for Kay for decades.

She treats her people well; they don't leave. Tom Komassa started working for Kay at Southshore when he was 16. Now, 40 years later, he is the rock of Adult Leagues and plays at Elite Sports Clubs Brookfield. All of this is fairly well-known in the local, insular tennis community. Nothing gets done in tennis without Kay. But, what many people don't know is how big Kay's heart is. Free courts for underprivileged kids from the inner city, especially generations of MTEF children and Badger Tennis children; annual contributions to the MTEF Tennis Ball, purchasing tables, offering Elite pro packages and more; partnering with the Milwaukee Tennis Classic to provide indoor courts at a discount rate for rain backup... And, the list goes on and on." **CONGRATULATIONS KAY!!!**

■ **Thanks and Appreciation to Dr. RAJ GUPTA** for giving me a copy of his interesting new book entitled: **From HEALTH CLUB TO HEALTH CARE - HOW GYM OWNERS CAN 10X THEIR INCOME.** For the book ordering information, contact Dr. Gupta Directly at Drraj@soulfocus.com.

■ I want to make a special shout out to **MRS. CATHY BROWN-MILLER, my good friend of over 40 years now, as she deals with being a quadriplegic** due to a horrible accident she had about two years ago. Sadly, Cathy, a beautiful lady in every way, and the one who helped me launch Club Insider 27+ years ago as a computer layout specialist, may never walk again or even use her arms and hands ever again! Somehow, with the help from our friends, **RON HUDSEPTH** in Costa Rica, **STORMIN' NORMAN KING** and **DON 'HOT BODY' DOROUGH** here in Atlanta (three of our Great CHARACTERS of Atlanta), we were able to help Cathy get admitted to the **world class Shepherds Spinal Center here in Atlanta!** Now, somehow Cathy is able to write on a computer, because while I was writing this on **Sunday morning, October 13th**, I got a reply from Cathy to the email I sent her announcing Justin's new role at Disney. **GOD BLESS YOU, CATHY. WE LOVE YOU, and WE WISH you every possible chance of someday regaining the use of your arms and legs. Our prayers are with you every day!** Cathy said in her email that, currently, she can't have visitors at the Shepherd Spinal Center, but she will stay in touch with us through her computer.

(See Norm's Notes Page 10)



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...Norm's Notes

continued from page 8

I hope YOU ALL will pray with us for the wonderful Ms. CATHY BROWN-MILLER! And, Stay Tuned for updates!

Now, let me close with this extremely important message. Club Insider needs more Moola to help us achieve our Mission. So, we've extended the Deadline on our Club Industry Show Special until the end of the month of October. Until November 1, 2019, if you

subscribe to Club Insider for just \$79, you will receive the next 12 printed editions, November, 2019 thru October, 2020! But, WAIT! There's much more! For that same \$79, you will receive online access to all 310 monthly editions of Club Insider! Yes, you will then have the most significant health and fitness club business Archive Library in the world: Club Insider. This \$79 investment is THE SINGLE GREATEST EDUCATIONAL VALUE AVAILABLE ANYWHERE IN THE INDUSTRY TODAY! Check out www.clubinsideronline/subscribe to sub-

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JUSTIN and I want to say Thanks for reading Club Insider!

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 Firemen and women and keep them safe. God bless you, your family and your club(s). God

Bless America! Laus Deo!

(Norm Cates, Jr. is a 43-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of Club Insider, now finishing its 26th 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. In 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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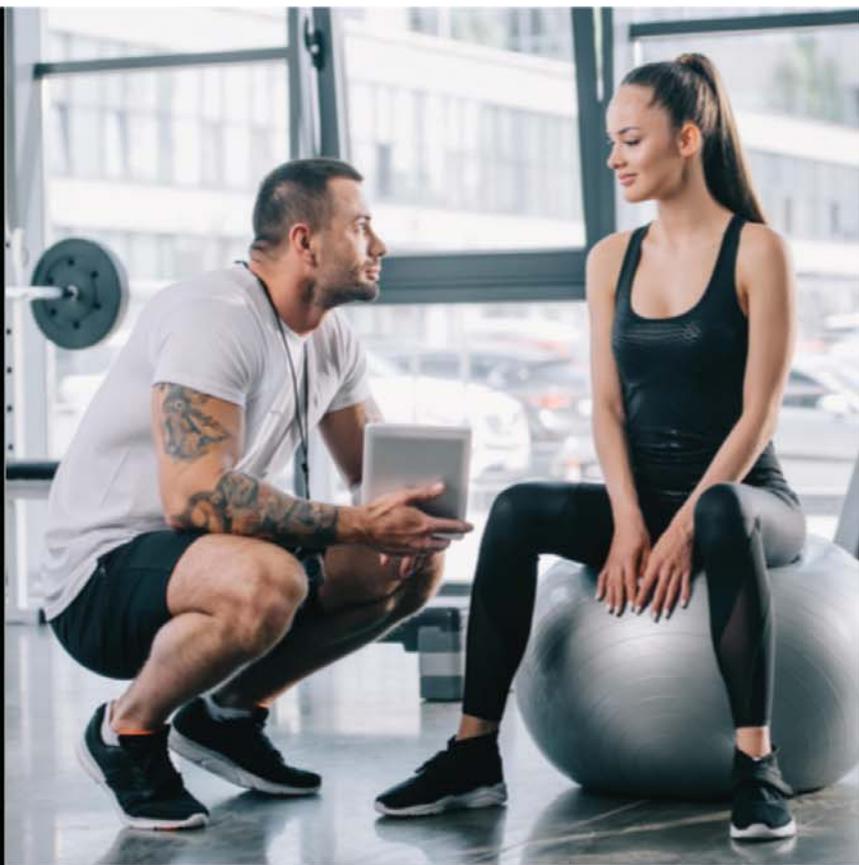
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...Black Box VR

continued from page 3

with **Bodybuilding.com**; and now, with the invention of a *true virtual reality fitness experience*, **Black Box VR** is a model for the future that cannot be ignored. I invite you to read on.

An Interview With Ryan DeLuca, Co-Founder and CEO of Black Box VR

Club Insider (C.I.) - Where were you born, and where did you grow up?

Ryan DeLuca (RD) - I was actually born in Seoul, South Korea. My parents were in the military for a few years while I was a little kid. I was born there, but I pretty much grew up in Boise, Idaho. We moved to California for a little while, and then, by the time I was five years old, I was in Boise, Idaho and have been here ever since.

C.I. - Where did you go to school, and what did you study?

RD - I went to *Capital High School* here and then went to *Boise State University*. But, I dropped out after one semester once I started my company. I said, 'I have to give this a try.' It seemed like a big opportunity with **Bodybuilding.com**. Later, I went to the University of Barnes and Noble (laughing).

C.I. - We'll talk about **Bodybuilding.com** in just a moment. But, throughout your youth or college, did you play any sports, and if so, how did those influence or affect you later on in life and business?

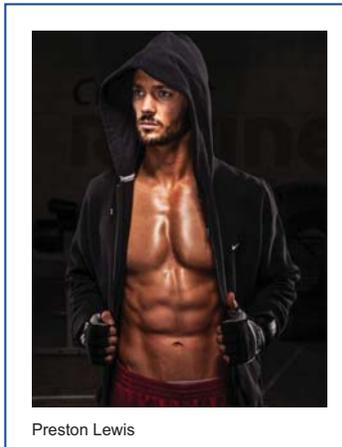
RD - I did. Ever since I was a little kid, I played football and baseball. I stayed with football and played that throughout my high school career. I played wide receiver, so that kind of got me started in fitness. Like a lot of kids, I wanted to get better for football. What I really found out, though, is that I actually enjoyed the weightlifting part of it even more. I started reading all the fitness magazines and buying as many different books as I could, as well as any kind of informational report they would sell back then. I learned as much as I could about fitness. I had a goal of being a personal trainer someday and owning a personal training studio, so I just really fell in love with the whole fitness industry.

C.I. - I was the same way with football. I played several sports when I was a kid, but I played football throughout high school. Football and the weightlifting that went with it just affected my discipline over time. My dad was a military man before I was born, so we have very similar upbringings when it comes to that.

RD - Yes, it was definitely like that. They pushed me on football. They kind of pushed me to first start lifting weights for football, and at first, of course, it was super intimidating. You go in the weight room and try to understand all this stuff, all while there are these big guys and girls who know what they're doing. That's part of what really



Ryan DeLuca



Preston Lewis

made me want to start **Bodybuilding.com**, because I remember that feeling of being intimidated and not knowing what to do. I wanted to solve that problem. But, it's true, working out is one of the best things for a kid to fall in love with because it does teach you discipline, hard work and that the effort you put into what you're doing is going to equal the result that you get out of it.

Bodybuilding.com

C.I. - You mentioned that you wanted to own a personal training studio. Instead, you really knocked it out of the park with **Bodybuilding.com** as its *Co-founder and CEO*. So, how was it created? And, what were its successes?

RD - It was right after high school. I graduated in 1996, and that was right around the time we started hearing about the Internet. You would hear about the different message boards and bulletin board systems. In high school, I started to teach myself how to create websites, mostly just as a hobby. Again, it was so interesting to me to be at home on an AOL telephone modem connection (laughing). I created some little websites, and then, I would go to my school because they had an internet connection there. I could pull up that same webpage over there, and it was like magic. So, right after high school, I started studying as much as I could about the Internet and how it works. Then, I heard about this company called Amazon and how people were selling books and things online. I thought, 'Man, if I could sell a product on the Internet just sitting here at home...' I was still living at home with my parents, so how exciting would it be to start doing that and actually sell online?

Around the same time, creatine supplementation, created by **Bill Phillips** came to market. It was very expensive, though. You would go to GNC, and it was like \$120 for a month's supply. Again, I thought, 'Man, if I could buy this same

product for wholesale, sell it online for half the price or less using the website creation and internet marketing knowledge I had, then that could be a big business.' So, I started doing that for a while, and it started to take off. I got quite a few orders and was shipping out of my garage. I then saw the name **Bodybuilding.com** was owned by someone who wasn't using it. So, I contacted them and said, 'Hey, you know, if you're not using it, I'd love to buy it from you.' At first, it was a 'No,' they were going to use it. But, then, about a year later, they said, 'Alright, we're busy with other projects.' I went back and forth with them, and I finally bought it for \$20,000. I remember getting so excited thinking about what this website could be. Of course, my dad got mad at me... 'What are you doing? You're shelling out \$20,000 on some name!' He thought I was an idiot, but then, I hired him a few years later (laughing).

In April 1998, the first version of the website went up. We started adding more products, forums, message boards, etc. For the next 17 years as CEO, it was just like a ride on a roller coaster. We grew from \$0 to a little under \$500 million in annual revenue and from 0 to 800 employees. We had five distribution centers around the U.S. and outside the U.S. and a few different offices: one in Boise, one in Portland and then another in San Jose, Costa Rica. And, we were a two-time INC 500 company.

To me, I think the big success was being able to grow the business without outside capital and to be able to grow with such an amazing team here in Boise, Idaho, creating a company that really made a difference for people. We became the largest online nutrition retailer, as well as the most visited fitness site in the world.

C.I. - Wow. What blows my mind with stories like yours and that of the serial entrepreneur is that you could have just stuck with that, but you didn't. You decided to transition away from it --and we are going

to talk about *Black Box VR* here in a little bit-- but tell me about that transition away from **Bodybuilding.com**. When, why, and how did it come about?

RD - It's 2015, and I started to get a little bit burnt out after 17 years of e-commerce and being an entrepreneur. As everyone knows, it's a 24/7 thing, right? You may be on vacation for a week, yet you're always thinking about it. You're working out, and you're still connected. So, I thought, 'Man, I could use a little bit of a break,' and of course, it was kind of hard to do that. We were partially owned by *Liberty Media* at that time because we had sold part of the business to them a few years earlier. So, I sold the rest of my equity to Liberty Media in October of 2015. My goal was to take at least a one- or two-year break, relaxing more, doing some longer-term traveling and focusing on some hobbies. But, that only lasted about six months before I got bored out of my mind. I had to get back in it.

Black Box VR

C.I. - Of course! That's the story of an entrepreneur. *We have to get back in it*. So, today, with **Preston Lewis** whom you worked with on **Bodybuilding.com**, you co-founded and are now *CEO of Black Box VR*. Please tell us when and how that came about. What were the drivers? How long did it take to develop? Who was your target user at the time?

RD - At **Bodybuilding.com**, the most important thing I learned about the fitness industry was that our biggest competitor was not GNC, Amazon or somebody else selling products. *Our biggest competitor was the couch*. We were competing against the couch, and we were trying to figure out how to get people to continue to come to the website and buy products. It was interesting. We would call up a customer who had been ordering every single month for a year, and then suddenly, they stopped ordering. Of course, I'm thinking, 'They must have switched to a competitor.' So, we would contact them to ask why they left and what we can do, and they would say, 'Oh, actually, I still have a lot of the protein powder left, and I just haven't really been going to the gym lately. But, I'm trying to get back into it.' It's kind of an interesting thing with the fitness industry that people just stop going. They stop working out, and that's obviously not good for anybody when you try to retain customers or you're competing against the very, very difficult problem of basic psychology and biology.

Part of our accomplishment is that we spent a lot of time researching how to get people to stick to their program. That's because the longer they stick to the program, the better the results they're going to get and the more likely they're going to tell their friends. And, of course, they're going to continue buying from us. So, we put a lot of focus on the content, helping people
(See *Black Box VR* Page 16)



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We'd built our boot camp to over 400 people, and then the oil field crisis happened. It just crashed, plummeted, and fitness was not something that people were willing to pay for.

Plus, we knew we weren't reaching all the people we wanted to reach. We were only reaching just a sliver of the people, and so we were looking for more ways to help more people in East Texas as far as weight loss, fitness and health overall.

"...in the first month, we made over \$250,000 just with the 20/30 program!"

We had just gotten back from IHRSA. The week before that, Aaron was sitting in bankruptcy lawyer offices. It was very scary at the time. We didn't know what our future was going to be.

I was terrified. We didn't have the money to do this license, and then the home office wanted me to come and ask these people that didn't have any money, to drop this amount of money on a 30-day program, because

at the time I didn't know it was a long-term program. They wanted me to do this and I thought, "Who's going to work this stuff and we're going to run a boot camp and I have a son, and we have a marriage. I don't even understand. Where is your mind in all of this?"



Jennifer Stafford - 20/30 Fast Track Licensee

"...now we have people that would have never stepped foot into a gym."

I had NO IDEA how simple it all really was going to be.

"Within the first year, we put over 1,500 people through the program..."

You actually get to DO the program before you introduce it to your club. So, I said, "If I lose 15 pounds, it would be a win. The first week I was down 13 pounds and super excited, pumped! and They said to me, "Oh, you've only got two pounds to go and you'll be at your goal." Of course, I'm competitive, so I thought, "Oh no, we'll see how far we can take this!" By the time I got to training, I was already down 20 pounds in two weeks!

"We produced 1.6 million the first year! It's just been phenomenal."

From that point, we got introduced the 20/30 program and in the first month, we made over \$250,000 just with the 20/30 program!

Our clientele now is completely different than the clientele we had before. We had people that were

interested in fitness, and now we have people that would have never stepped foot into a gym. They would not have even considered it. It was the last thing on their mind. They wanted to lose weight before they got into the gym.

Within the first year, we put over 1,500 people through the program, and it's just continued to progress. We produced 1.6 million the first year! It's just been phenomenal.

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...Black Box VR

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understand what to do, helping create systems of belief or testimonials that help people believe, 'Hey, this person is like me, and they were able to achieve their goals. I can do it, too.' There was a lot of focus on social accountability, teamwork, support, and of course, gamification. Do whatever you can do to tap into the psychology of gamification, getting people more addicted to the program and seeing results.

Of course, another big thing about fitness is that people don't get immediate results. Most habits are created because you do something, and then, something positive happens or something negative gets taken away. That's like taking some type of drug; you get an immediate effect. It feels good. So, then, you want to keep doing it, and now, we're doing or spending time doing something fun or social; it makes you want to continue to do it. When you realize how difficult the problem is, we realize that the behavioral psychology of gaming is the opposite. Right? So, people who create video games figured out a way to get people addicted to an experience, which is just life, pixels and sound, yet it gives people such a big itch to come back and continue to play that they sacrifice other parts of their life to do it. They might sacrifice sleep. They might sacrifice time from work. They might even sacrifice time with their family just to continue playing a game.

So, we started researching that quite a bit, as well as virtual reality, which was really just coming out at that time. *Oculus* was the hot new thing. It was released, and then, shortly after, it was purchased by Facebook for \$2 billion. Everyone kind of realized, 'Oh, it looks like the virtual reality revolution is finally coming.' It felt like the beginning of the Internet. Along the way, we realized that, with virtual reality, you could actually go inside the game using

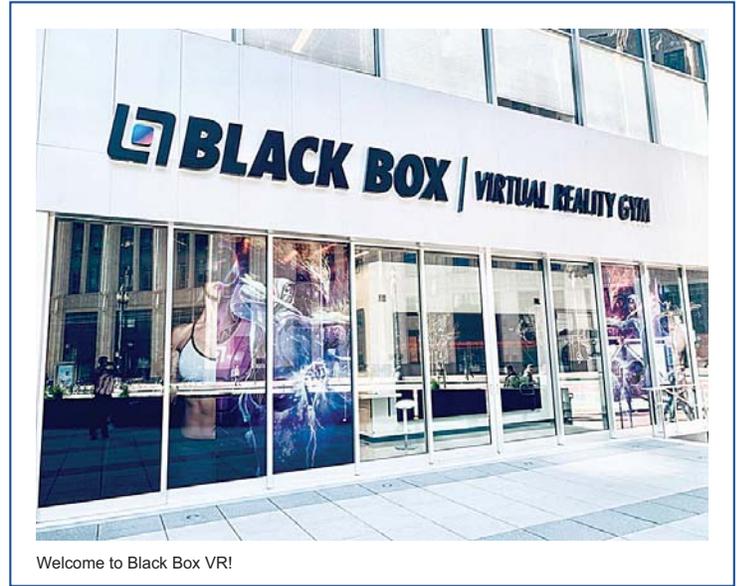
your body as the controller. And, you can use those same addictive qualities of video games to get people to work out and to see those immediate rewards from the game. Then, from the game, we sort of ended up creating massive changes in one's physical fitness.

C.I. - Well said! The readers of *Club Insider* know what a typical health and fitness club visit entails. To contrast this, in the eyes of a user, can you walk us through a visit to Black Box VR (from sign-in to exit)?

RD - Sure. The first thing you will do is open up the *Black Box VR Companion App* on your iPhone or Android device. That's where you can schedule your workout, choosing from available times throughout the day. You can then manage your battle team and the different power-ups you want to use for the work out. You can see all of your staff, your friends and things like that.

Once you've chosen your time, you should get there a few minutes early. You don't have to sign in anywhere because you've already checked in on the app. There are 14 private booths, each about ten feet by ten feet in size, so you would find your booth number and go inside. You put on an arm garment, which has trackers on it so we can track where your arms are and what movements you're doing. Then, you put on the virtual reality headset. Right now, we use the HTC Vive Pro, and it's a high-quality headset that is a lot different than the little mobile headsets people might have tried before. On the display, it shows your username, 'Hey, Ryan, is this you?' You just hit the 'Yes' button in front of you, and then, it takes you through a quick calibration. Once that's complete, you're transported to the *Black Box VR Battle Arena*.

Inside the battle arena, you'll see the characters (A.I. and human) you'll be competing against. There is matchmaking, so the arena you're in and the characters you compete against are based on your performance history and where you're at



Welcome to Black Box VR!

with your fitness level. The arena itself is a soccer-field size playing surface with a big stadium. The opposing team is on one side; your team is on the other side. The objective of the game is like any battle arena sport played on computers and mobile (*Dota 2*, *League of Legends*, *Mobile Clash Royale*, etc.) where you're trying to destroy the other side's tower and collect crystals. And, you're trying to destroy it before they destroy yours. There's two different ways to attack and defend. One is to do direct damage exercises. So, for example, you will want to do a fire attack that happens to translate into a chest press through our cable machine.

Our cable machine provides electronic resistance via servomotors, and each handle can go up to a 110 pounds. And, we have a new version coming out, which goes a little bit higher. In the game, we start you off at the lowest weight. That way, you can learn the game, and you're not pushing really hard while trying to learn how to interact with the machine and how to play the game. Then, it automatically starts to get heavier based on your performance. So, if you can do 25 reps with the weight that we gave you, it will have you do another set at a heavier weight. We don't want you to sit there doing a hundred reps. That's cardio. Starting out, it does take a

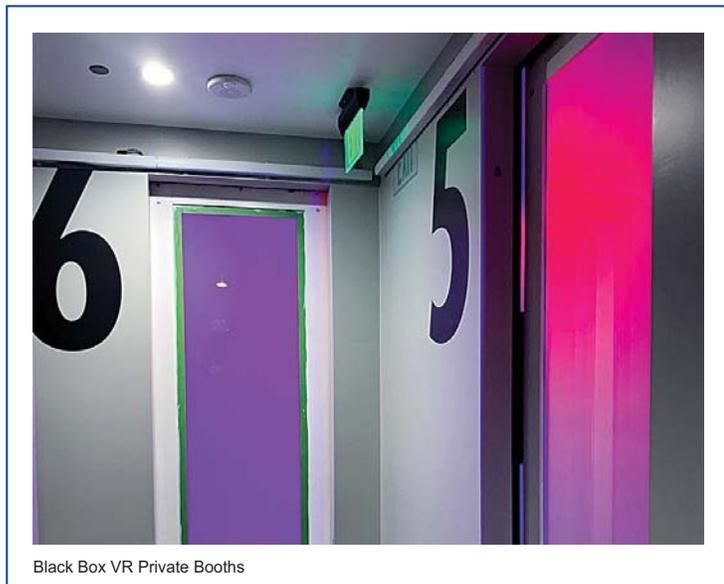
few sessions for it to learn what the user can do, so we urge them to come back.

Of course, it can get very heavy based on what you can do. We try to get you to feel about 15 reps every time and have you do as many reps as you can do. That's as many different shots of the fire you do out on the field against their tower. And, then, you do them the other way, too. If you have a bunch of different attacks from different elements, there will be many different exercises, and you will get a full body workout.

Another element of the game is that we create little champions, and you can choose which one you want to use. So, you'd spend your Elixir (points) in the game, and you would do active rest punch pattern movements, like shadow boxing, to build the character. We want you to continue moving throughout the workout, even in between sets. Then, you'll choose where on the field you want to deploy your warrior, and they'll go out there and fight for you. This allows you to develop different strategies. For example, you might put your tank guy somewhere and then put an archer behind him. Then, in another lane, you might put up a defensive champion to defend against the attack coming on one of the sides. So, you have to go back and do more exercises to help get that covered. You do this for 30 minutes, and the number of tower crystals you can destroy is how many points you get. Whoever has the most points at the end of the 30 minutes gets the trophy and win, and then, you get a bunch of rewards like loot boxes and coins. When you're done, you can then go back to the app, look at your stats, open up your rewards and upgrade your team so you're even more powerful next time.

C.I. - That is too cool!

RD - It's a whole new thing, that's for sure.



Black Box VR Private Booths



(See *Black Box VR* Page 18)



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AMERICAN TO THE CORE.

...Black Box VR

continued from page 16

C.I. - So unique and new, in fact, that Black Box VR won a 2018 CES Innovation Award. Please tell us about that.

RD - Sure. We built a prototype of the product and decided, 'Okay, it's time to finally show the world what we've been working on. Let's go big and go to CES, announcing it at the largest technology expo of its kind in the world.' We applied for an Innovation Award. We were very excited to get one of those innovation awards because they're very difficult to get; there's so many different people competing... a thousand companies at CES every year. So, that kind of pre-announced us for the show, and it was great to go into the show with that. We got such great press after the show, including being on the *Today Show*. Finally, the big highlight for us was that we actually won the *Best Start-up* at CES, among 900 start-ups.

Before the show, we read a bunch of articles about how to be successful at the CES, and everyone said something like, 'There's so many people competing for attention, so don't expect to just show up and have everyone come to your booth and write about you.' So, we kind of had low expectations. We were optimistic, but we just did not get too excited. But, then, we came away with the best part of CES. I think it really shows the power of the team, shows the power of the potential of virtual reality together with fitness and how much it's needed.

C.I. - You mentioned the psychology of it earlier, and one of the things you're definitely tackling is something we've talked about in this industry many times, *that of the deconditioned individual who comes into a club that has too many mirrors or too many people who are really fit and jacked. They feel embarrassed and are scared to work out.* Having Black Box VR be very

anonymous in real life, utilizing a private booth, and anonymous in VR on the field is a huge thing.

RD - That's a really good point. It's something we didn't set out to create, but we've found it to be a very powerful component. You're right. If people feel intimidated, they won't get results. It's kind of funny when you hear people say, 'Well, I can't get a gym membership until I'm in shape.'

C.I. - Yes, that's the irony!

Market Demographics, Membership and Pricing

C.I. - Is Black Box VR a Membership-based model? A la carte? A combination? For each category applicable, what are your price points?

RD - We're kind of a combination, very similar to a lot of boutique gyms like Orangetheory where you can do either an unlimited membership or pay-as-you-go. We recommend three to four times per week. At our San Francisco location, you can go every day for **\$199** per month, so it's about the same as other boutique gyms. You can also do session plans for a lower amount or one-up workouts for **\$27 per session**. In Boise, where we just opened up a location, it's a different market than San Francisco, so the unlimited membership is **\$139**.

C.I. - Excellent. What about corporate and other special events? I'm sure there could be quite a market for that, as well.

RD - We don't have it quite set up yet. We do have people come in as teams, because there is that competitive component. So, we have a bunch of events and quests set up that are releasing over the next couple months, as well. But, we do think that setting it up as a corporate event could be very exciting.



Ryan DeLuca "In Box"

C.I. - Now, with the product on the market, what is the target audience you are finding?

RD - It was really interesting trying to guess what the target market would be. Some people said it's going to be hardcore gamers or people who want to compete. Interestingly, we do hear from a lot of people who say, 'Hey, I used to be a high school or college athlete, so I love the feeling of being able to compete again.' A lot of women are gamers as well. It's funny. When you hear about a gamer, you think, 'Oh, okay, it's a kid that's in his basement and never works out. They're all males.' But, when you do the research, it's actually pretty close to 50/50 male-female. And, gaming is the largest media industry in the world by far in terms of revenue, way bigger than movies, radio etc.

For people who are familiar with gaming, the age group is usually the Millennials, right? So, the people who grew up with gaming are 22 - 37 years old. They're not little kids. They grew up with gaming, so they understand gaming principles, and they understand the ideas of levels, characters and stats. They know role-playing games and all these different things, so they have an affinity for it and are into it already.

C.I. - What do you do in terms of marketing

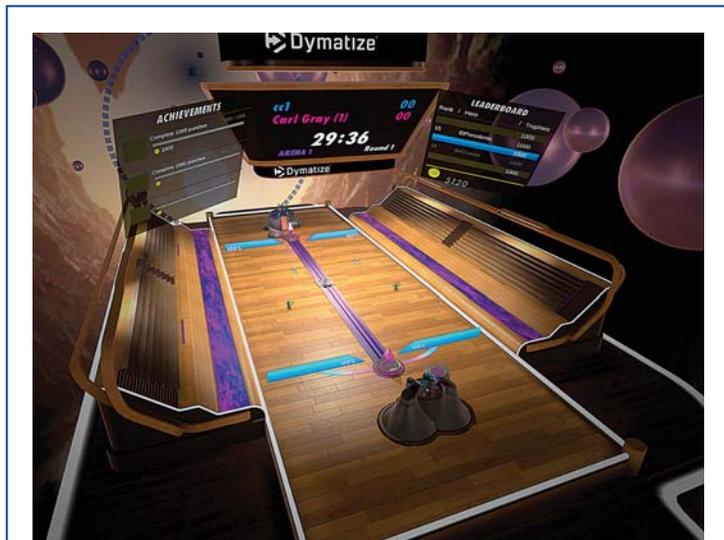
to and attracting those groups?

RD - For paid marketing, we have relied on Facebook, Instagram and Google advertising because we can target specific geographic areas. Our longer-term goal is to build referrals through game rewards. We give out VIP invite codes in loot boxes that members can share with friends and family, which gives them a free demo workout.

C.I. - During my research, out of everything I found and read, this is my favorite line. *You describe your team as, 'fitness fanatics, user experience junkies, design ninjas game development aficionados and virtual reality evangelists.'* To me, this signals that Black Box VR is a true mashup of disciplines that has created something completely new. What are your thoughts on that?

RD - I have to pinch myself every day because I will be in the middle of a big planning meeting, and we are talking about all these different quests and characters. We use video game terminology, and I have to take a pause, and say, 'Wait a minute, you guys realize we're talking about the workout, right? This is crazy.' It's been so exciting to learn a lot more about the gaming industry and bring it all together with the fitness industry. It's actually one of our strengths because not a lot of fitness industry people really understand this type of technology, and a lot of the technology people don't really understand fitness.

Going to the different expos is interesting. In the fitness industry, they might be talking more about heart rate monitors and Instagram pages. Go to the tech industry, and obviously, they're talking about artificial intelligence, drones and virtual reality. When you talk to the fitness people, they don't know as much about the technology, and when you talk to the tech people, they might not know



The Black Box VR Battle Arena



(See *Black Box VR* Page 20)

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...Black Box VR

continued from page 18

the difference between a rep and a set. So, we feel like our benefit is that we can understand the technology and true gaming, not just arcade-style gaming, as well as the fitness component. Mix that with true compulsion loops and the psychology of gaming, and it's exciting. It's just so new, and there's nothing out there like it. Being a pioneer is super exciting. One of the most difficult things, though, is that there are no roadblocks, because nobody's done it before. Really, that's the hardest thing and the most rewarding thing altogether.

C.I. - In that regard, I'd say you're just kind of tearing down that wall between those two realms, and you're creating the rulebook. It's fantastic!

RD - That's right. Thanks.

C.I. - Please tell us about some of your key staff members.

RD - As Co-Founders, Preston and I are fitness industry veterans with a deep understanding of the fitness consumer, the latest technology trends and brand building. But, we filled in our founding team with video game design experts, hardware engineers, VR developers and more to help us learn the details of those areas. **Duane Mathes, Charles Westerber, Shane Hoalst, Kayla Abeyta, Colby Morgan, Rich Reavis and Jim Bradbury** are a few of our early-stage team members who have made it possible for us to get to where we are today.

Lessons From the Sandbox

C.I. - You currently have two locations (Boise, ID and San Francisco, CA) serving as your sandbox. What lessons are you learning from those locations?

RD - As you mentioned, these first couple of locations are really tests for us. We wanted to make a pretty big splash, so that's why we did San Francisco. Obviously, San Francisco is very expensive, and we're right there on Market Street across from Twitter headquarters and close to Uber. In some ways, you can get sidetracked with trying to get media attention instead of just focusing on the team and the customers. But, for us, creating something brand new, we really wanted to build awareness. We wanted to be in the center of a lot of exciting things happening, so for us, that was San Francisco.

First of all, we learned about putting a lot of different technologies together. We created our own resistance hardware and electronic devices, such as robotic articulating hand carriers and tracking inside the VR, as well as integrating all the VR technology in a unique way. We couldn't just use a lot of the VR technology that's built inside other gaming engines or built for the headset. So, over a period of six months, we learned how difficult all those

things coming together can be. I always say that it's kind of like using *Windows 3.1*, one of the very first versions, and getting the blue screen of death and dealing with all the technology issues.

Even at the beginning of the Internet, there was no payment system. There was no shopping card software, and you had to write all the code for the website from scratch and all the other things that you figured out as you went. We just really focused a lot on building stability, because if there's people coming into the gym, and they're not just there for a one-off experience, they're there for their work-out three times a week, if it doesn't work, one out of three times or delays them, then it's a very negative experience. So, we really spent a lot of time on streamlining with technology and finding any weird little bug causing an issue.

Second, it has been difficult to explain the concept to people. When we first started going out there without people trying it, there were preconceptions such as, 'Oh! It's kind of like *Wii-Fit*. It's just kind of a cute little video game.' Or, people would say, 'Oh, a virtual gym with virtual weights, and you're a virtual body.' Or, 'Oh! That's so cool, my nine-year-old would love to come by and try it.' And, I would say, 'No!' This is serious business, you know? So, through imagery and other content, we try to let people know that this isn't just a typical video game. Even with that, some people don't understand the full game aspect of it, so we created an onboarding experience that teaches people about it. It was kind of a last minute thing that we threw in the first version of the product, so some people would come out of it still not quite sure how the game would work, and it didn't really give you a full body exercise.

With what we have learned, we've done a lot of iterating, changed some of the messaging, changed the onboarding experience and other things that can help people understand it and use it. In creating something so new, it's very difficult to build awareness and help people understand what it's all about without having them try it. We've focused on trials and education via our website and other areas like that.

C.I. - Related to expansion, because of the equipment ramifications, I can obviously see that putting Black Box in other facilities,

other clubs, would be more prevalent than home use. Please tell us about those potential applications.

RD - Yes, definitely. First of all, once we've nailed the experience, our goal is to open up more studios. **But, our main goal is to open up studios inside other clubs.** That's what we're going to do in Washington D.C. early next year in a club called **BYND+FIT**. We're going to be inside the club, and they will upgrade the membership fee. We've talked to club owners and realized there's a lot of the clubs where people want the low price. But, it's very expensive to run a bigger club, so having ways to add revenue possibilities as well as having differentiation for the club is crucial. So, we have a big focus on launching inside other clubs and partnering with chains in order to roll out to a bigger audience. Then, our longer-term goal over a number of years is to create a home version of the machine, so we can get the machine to be smaller, more stable and able to work without someone to be there every day. From there, hotel chains and things like that would be a really interesting way for us to roll it out.

C.I. - That's awesome. *Ready Player One* is coming, everybody, here we go!

The Future

C.I. - As technology has become ubiquitous throughout society, used by ages from the cradle to the grave, where do you see the future of health and fitness club offerings and technology utilization?

RD - Well, it seems obvious that the health and fitness club industry in general has not quite cracked the problem of how to get people to consistently start a program and continue over a long period of time, right? Year after year, people make New Year resolutions, then quit after a couple of weeks. So, how do we really change that? We strongly believe that the gaming technology industry has really found a lot of ways to get people addicted to experiences. So, let's put fitness together with that and the technologies of VR, AR, big data, etc.

And, it creates a much bigger social experience than a lot of people might expect. Obviously, group action is made for the social side of things, but the video game industry is a very social experience, as well. Sometimes people hear video

games, and think, 'Oh! Just sitting by yourself at home,' but people are very social *playing Fortnite, World of Warcraft, League of Legends*, etc. They meet people and create life-long friendships, meeting up with their clan or team every single night, and some people meet someone online and get married to them a few years later. It's a very social experience, and as Millennials and Gen-Z continue to grow with games, really understanding them, the potential is huge. We think technology like this is going to be great for bringing in new members that may not be coming to the typical gym workout, and it's going to be great for retaining members over long periods of time in a differentiated way that competes against a lot of their competitors at home or down the street.

C.I. - Is Black Box VR a member of IHSRA? If so, what benefits do you receive from Membership, both personally and professionally? And, what other industry organizations do you utilize to increase your knowledge of the industry and where to take Black Box VR?

RD - Yes. We are a proud member of IHSRA, and we also put up a booth in San Diego the same year that we went to CES. So, it was CES in January, and then just a couple of months later, going to the big IHSRA show. We learned so much from the different club owners and other equipment manufacturers. We really gained an understanding of what's out there and how that all works. Last year, we also went to the *Club Industry Show*, and we were able to speak at their CEO summit. Now, we try to get to as many of the different conventions as we can. We try to read every major publication, and I can't lie, **Club Insider**, as soon as every edition comes out, we eat it up.

■ ■ ■

Ryan DeLuca, thank you for your time interviewing for this amazing cover story, as well as your assistance with photos and graphics to bring your words to life. *See you in the Arena!*

(Justin Cates is a Partner and the Assistant Publisher of **Club Insider** and grew up in the health and fitness club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home that doubled as **Club Insider** Headquarters. He has lived and breathed this industry for 34 years, since his own day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the "Story" of Norm Cates and **Club Insider**. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com.)



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How to Design A Club to Be Less Intimidating

By: Bruce Carter

Anyone associated with the health and fitness club industry is quite comfortable in a club environment. Familiar surroundings and like-minded people make up this tremendous industry. Yet, many do not feel this comfort level, and therefore, try to avoid clubs. Yes, the need is there, and maybe even the desire, but the club experience does not "speak" to the majority of individuals.

In the August 2019 issue of *CBI Magazine*, an article entitled, *Fitness Fears Are Quantified by a New Study*, showed a survey recently conducted with 2,000 respondents. 50% showed a fear of working out in front of others, and a third had anxiety about getting in shape. Clearly, clubs have a problem that can turn into an opportunity, make a club a more user-friendly and less intimidating experience and communicate this to the marketplace.

The important first step in designing a club to be less intimidating is to acknowledge the above fact as a serious variable when designing or renovating a club. Most club people probably can't "feel" the actual discomfort, and yes, the fear that someone out of shape feels when in a club. Then, add people finding themselves in a variety of awkward positions, sweating and not looking good in exercise clothing, and this is one of the major stumbling blocks the club industry has in attracting and keeping more members. So, taking this key design factor seriously can better direct a

successful "club of the future" design. Here are some key design variables to make a club less intimidating.

So much of such a design has to do with achieving a balance. This is a balance between the need for excitement, successful programming, operational control, effective physical conditioning and cost and the need to make sure that members (*especially, deconditioned members*) feel as comfortable as possible.

Layout is the positioning of spaces and how they relate to other spaces. When done properly, this creates the excitement and successful day-to-day functioning of a club. When entering a club, previous design techniques were to overwhelm people with the amount of equipment a club offered and having rows of cardio front and center make for an impressive image. Current design trends have people entering a club in a more controlled and divided off environment/lobby with possible views of equipment or exercise areas but much less so. Simply, a more inviting lobby projects a less intimidating club.

Another factor to consider is having too many people and too much equipment in too small of a space. In an effort to try and offer as many facilities and programs as possible, clubs should realize that, at some point, there will be diminishing returns because the quality of the exercise experience will be compromised.

A key part of most clubs nowadays is an open functional/core/stretching area (these areas may be closed in spaces

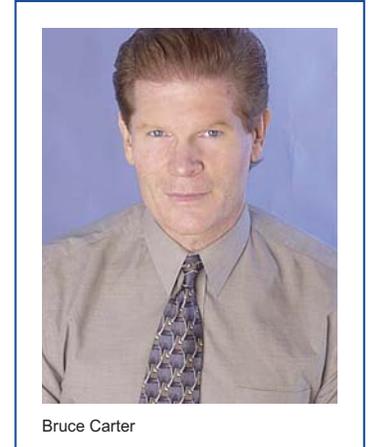
also). Once again, balance is needed for these areas to add more excitement to a workout area than the traditional cardio, machine and free weight areas. However, putting them in the middle of an area can make people uncomfortable, so adding something like plants or small partition sections (such as louvered walls, glass or Plexiglas) can make the area "feel" more private. Also, consider putting these areas off to the side but still very visible to the general workout areas, because often, these areas provide fee-based programs and classes. The more people see what the workouts are, the more likely they will "buy into" the classes.

Obviously, group exercise/training rooms should allow for people to "view in," catching the excitement and energy. Yet, too many windows and the wrong positioning of the room in relation to other spaces can prove to make people in the room uncomfortable. For example, a group exercise room with windows viewing out to a free weight area would be a poor decision. Consider the use of decorative window film (such as the "frosted" window look) to provide more privacy for people inside the room, yet still allow for good visibility into the space. Many window film options are available online.

Another key is equipment layout. It is understood that the layout needs to provide effective conditioning, yet certain machines can put people using them in compromising positions. Therefore, any layout should take this into strong consideration. As mentioned previously, the days of having equipment almost at the front door is changing because most people on equipment don't want to be what people see when they first enter the facility.

The above also applies to exterior windows and what people can see while walking or driving by. Here, again, balance is needed because it is "good marketing" for people on the outside to see in, helping to remind them of their need to be more active, especially if people look into a beautiful exciting area. However, those on the inside can easily feel like they are on "display," so proper equipment placement can achieve a beneficial balance.

Locker room design should always allow for as much privacy as possible. Changing rooms for women are now commonplace (a minimum of two with one having to be ADA accessible). Big open locker spaces where everyone



Bruce Carter

can see everyone else should be replaced with separate locker "sections." Obviously, changing or drying off spaces connected to showers are always preferred, or at least have a private area when people come out of showers. Showers (and ideally toilets) should not open directly out to a locker area. Even consider that, when people are looking into mirrors above sinks, they should not be seeing people changing behind them reflected in the mirrors.

Bright white lighting (such as industrial type lighting with color temperature of 5,000 K or more) can make people more self-conscious in spaces, so a little less lighting is better than overdoing it. Combine this with the use of mirrors. Trends now are for fewer mirrors, although they are still needed (especially in free weight areas). Think about it: Out of shape people in brightly lit, mirrored areas is exactly what they would want to avoid.

Conditioned people, the fit getting fitter, are comfortable in working out in a variety of environments. Deconditioned people (with a growing trend of more overweight and out of shape people) feel a lot different about themselves and working out in clubs. Yet, this group is the majority. If clubs make a focused effort in designing a club to be less intimidating, it is a win-win situation. Fit people would be fine with such design features, the less fit will greatly welcome such changes. This puts a club into a stronger competitive position with stronger profits.

(Bruce Carter is the Principal of Optimal Design Systems, LLC., and he can be reached at bruce@optimaldsi.com.)



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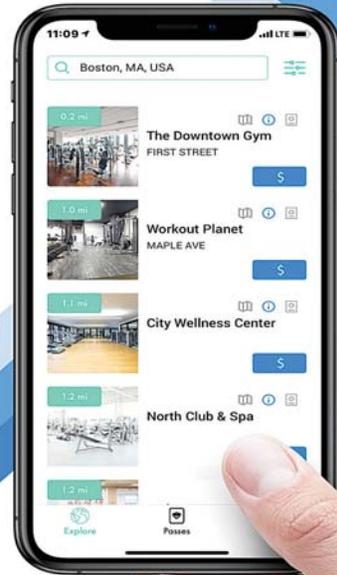
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Here's What You Can Do Right Now to Improve Your Business

By: **Jim Thomas**

I have worked with many gym owners who have had success with the simple formula I'm about to give you. Now, this formula will work no matter what stage of your business you're in: **(1)** if you're barely keeping your head above water; **(2)** if you're stuck in the middle and have become stagnant; or **(3)** if you're rolling right along and want to capture more market share.

The first thing you need to do is *set goals*. Yes, I know, many of you already have goals, but many do not. I talk to many gym owners who just know they need more sales, but they don't have any real goals. So, set very specific goals. No matter what goals you have set for yourself, bump them up... You will decide how much bigger you choose to make them. Double them if you like, but you decide. I suggest you do this because there are way too many gym owners who will sell themselves short, and the goals become too small... It costs absolutely nothing to think bigger.

Here's the second thing I want to suggest: Prepare a plan of action to match these new goals. For example, if your new goal is 100 membership sales, write out what would have to be done in order to hit it. In short, raise your action level to match

the new goal you have set for yourself.

Here are four things to consider:

1. What are you willing to give up to reach your goals? I was telling this to a gym salesperson recently, and he said he would be willing to give up going out to lunch, instead eating lunch at his desk. By doing this, it would add an additional five hours per week for lead follow up and an additional 20+ hours per month. Now, that's a difference maker. Of course, this won't be for everyone, but just imagine if one person did this. Naturally, there will be other things you may choose to give up.

2. What will you have to change to hit your goal? Really give this one some thought. I've done this exercise with gym owners and staff many times. Something that always comes up and seems to need to be changed is the people we choose to associate with. Be sure you are hanging around positive people and those who are aligned with your goals. If this is not happening, this is a change to make right away. I have one client who chose to join an entrepreneur network in their local area that meets once a week. This allows him to associate with high achievers and people who are getting things done.

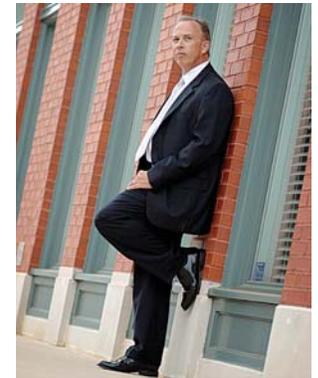
3. What will you need to learn in order to reach your goals? In so many cases, this one seems to be universal. Many need to learn the proper implementation of sales and marketing. Or, re-learn it if you have not stayed current with sales processes, tracking and marketing. Of course, you want to revisit this question on a regular basis.

4. Write your goals down twice a day... maybe three. You need to keep your goals top-of-mind. Here's what other gym owners have found to be effective: **(1)** write down goals at the start of each day; **(2)** write goals down at the end of each day; and **(3)** write down goals any time you experience disappointment.

Do this and watch your business and production improve. It will take discipline and perseverance. And, to you owners out there, be sure to *inspect* what you *expect*.

Now, watch your business grow!

(An Outsourced CEO, Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting, turnaround and brokerage firm specializing in the gym and sports industry. With more than 25 years of experience



Jim Thomas

owning, operating and managing clubs of all sizes, Thomas lectures and delivers seminars, webinars and workshops across the globe on the practical skills required to successfully overcome obscurity, improve sales, build teamwork and market fitness programs and products. In addition, his company will buy gym equipment from gyms liquidating or closing. Visit his websites at www.fmconsulting.net or www.jimthomasondemand.com.)

The Ultimate Paid Group Training Roadmap

By: **Ron Alterio**

I want to do something a little different for this month's article. After many months of writing about one of, if not *the*, hottest topics in the industry, **Paid Group Training (PGT)**, I thought it would be kind of fun to create a compilation of sorts. The January rush is not that far away, and you've got a little over 70 days to make the necessary course corrections to really have a shot at driving greater engagement and revenue. As such, I have organized what I believe are the top five articles to help give you the greatest chances for success in the shortest amount of time. Each one starts with a short excerpt from the original article and is then followed by a quick link at the bottom to review the article in its entirety.

Collectively, I see these articles as your ultimate PGT roadmap. There really is no right or wrong place to begin, but for those who like order and sequence, I will start at a high level and discuss why you must be thinking about and delivering a successful PGT program in the first place. Then, I will drill down to a deeper level and unpack many of the critical moving parts to PGT, such as space, equipment,

programming, how to charge, how to compensate, staff buy-in and driving more wearable sales.

Are You Still Playing "Monkey in the Middle"? Why It's Happening In Your Market and What You Can Do About It!

Remember the game "Monkey in the Middle?" A few kids, one ball and a whole lot of frustration for the one in the middle. Fast forward to today's hyper-competitive fitness markets, and everywhere you turn, it seems there is another *Boutique Studio* opening to your left and a *High-Volume, Low-Price (HVL)* model opening to your right. Instead of just trying to win a simple game with friends, now it's your business that's caught right in the middle of a genuine fight for survival. Rather than jumping, reaching or pivoting to try and catch a simple ball, you are now forced to do everything in your power to prevent your members from jumping right over your head and right into the hands of your competitors.

In order to shift the balance of power back in your favor, it's imperative to rewind and explore the origins of how

your business may have ended up "in the middle" in the first place.

To read the full article, go to bit.ly/clubinsider61.

How Can Edmund Burke Help You Grow Your Small Group and/or Team Training Programs?

First of all, you might be asking, "who the heck is Edmund Burke?" According to goodreads.com, "Edmund Burke was an Anglo-Irish statesman, author, orator, political theorist and philosopher who served for many years in the British House of Commons as a member of the Whig Party. He is remembered for his support of the American colonies in the dispute with King George III and Great Britain that led to the American Revolution and for his strong opposition to the French Revolution." However, statesmen Burke is probably most well-known for coining a very popular quote which purports: "**Those who don't know history are doomed to repeat it.**"

To read the full article, go to bit.ly/clubinsider62.

You Won't Get Too Far Without the



Ron Alterio

Gas. The Top Three Types of Staff Buy-In Needed To Drive More Paid Group Training

Imagine it's time to go shopping for a new car, and you have done all of your research. You have decided on the exact make and model. You know the exact color you want and have made an extensive list
(See **Ron Alterio** Page 26)

Influence With IMPACT

Building, Bonding and Beyond...

By: Nancy Trent

A recent article in *AdWeek* revealed that 81% of Gen Z are influenced by what their friends do. The new research comes from a student data company, *Amplify*, in partnership with Canadian newspaper, *The Globe & Mail*. The first of Gen Z, born in 1997, graduated college the summer of 2019 and entered the workforce for the first time.

The same poll found that only 10% of Gen Z's purchasing decisions are made by what celebrities are doing. When asked what they do before they make a purchase, 80% of the Gen Z polled said they research the internet.

The next generation of people who work out are searching curated media, reviews, YouTube channels, Snapchat and Instagram feeds for fitness trends and products, and then, they are checking with their friends for validation on their decision. Once a celebrity is talking about it, it's saturated the market; it's no longer new and different. Everyone has access.

This describes a culture shift. Celebrities used to have influence because they represented what was inspirational; now, what they are paid to promote is too attainable. Take that to the next level and paid "micro-influencers" and "nano-influencers," said to be the gatekeepers of social media, are going to have even

less impact on Gen Z buying and fitness habits. This is because everyone is getting paid to post. Even Amazon reviews can be bought. Consumers have to be smart and search for unpaid third-party endorsements and testimonials like media they respect and people they trust.

This means the only thing that is going to have impact is authenticity. Fitness brands need to identify and nurture relationships with their impactors, consumers who genuinely use and appreciate their products and facilities. Then, they can motivate them to tell their circle of friends online and offline, no matter how large or tight their following. To convert your buyers into your impactors, you need to give them the same three things you want from them. Here are some tips of how to do so:

1. Give Them Feedback - If you want your members and customers to be talking about your brand, you need to show them you are listening. Pay attention to what they are saying on social and connect with them directly.

2. Give Them Loyalty - If you want your members and customers to stay loyal to your brand, show your loyalty to them and that they are not just one of millions of people who you are trying to sell to. Reward them for their purchase; give them more to

talk about to sound smart and informed.

3. Give Them Attention - If you want your members and customers to give you attention on their social feeds, you need to do the same and provide media opportunities for them that give them a platform to be heard and expand your reach and theirs.

You can get media publicity for your brand without influencers, but having influencers without media publicity as a platform is moot. True ambassador programs, discounts and rewards will only go so far, and they will continue to get increasingly more costly and less effective/efficient. If you want influencers to have impact for your brand, you need to impact their personal brands in return by giving them a megaphone for their message and yours.

(Nancy Trent is a writer and speaker, a lifelong health and beauty advocate, a globe-trotting trend watcher and the Founder and President of Trent & Company, a New York-based marketing communications firm with an office in Los Angeles. Trent & Company, which launched many health and beauty brands, grew from Nancy's personal and passionate commitment to helping people live longer and healthier lives. A



Nancy Trent

former journalist for *New York Magazine*, Nancy has written seven books on healthy lifestyles, serves on the editorial boards of several magazines and travels around the world speaking at conferences and trade shows on trends in the marketplace. She is a recognized expert in PR with more than 30 years of experience creating and managing highly successful campaigns. Nancy can be reached by phone at 212-966-0024 or email at nancy@trentandcompany.com. You can also visit www.trentandcompany.com.)

In-Shape Health Clubs to Raise \$185,000 For Cancer Research

STOCKTON, CA - In-Shape Health Clubs, one of California's top community destinations for health and fitness, has announced its goal to raise \$185,000 this October in its annual In-Shape Fights Cancer campaign. If In-Shape reaches this goal, it will have raised \$500,000 for local chapters of the American Cancer Society and St. Jude Children's Hospital in just five years.

"At In-Shape, we're on a mission to motivate people to live happy, fit and healthy. We do this by focusing every day on impact and results," said **Francesca Schuler, CEO of In-Shape Health Clubs**. "It is because of this focus we started our Fight Cancer campaign five years ago. As a team, we wanted to make a real impact on our communities by supporting a cause that affects us all."

In California alone, there are nearly 90,000 volunteers who have given their time and their talent to help the American Cancer Society. These volunteers deliver over 63,000 rides to treatment for patients, and the American Cancer Society provided over 10,000 free nights for patient lodging during these treatments. In addition to this local level support, the American Cancer Society spearheads life-saving research and provides

educational support to newly diagnosed patients and caregivers.

"Without organizations like In-Shape rallying together to raise money, the American Cancer Society could not do what it does," said **Janelle Wilkinson, Senior Community Development Manager at The American Cancer Society**. "Every dollar makes a real difference, and we appreciate In-Shape's dedication over the last five years to help us support patients and hopefully one day eradicate cancer," she finished.

This year, in addition to participating in a group fitness or bootcamp fitness event, In-Shape is raising money through its mobile app. A member can make a donation with just a few clicks. The biggest contributor to the campaign is the sale of paper kettlebells for \$2, \$5 and \$10. Coloring cards are sold for \$1 with all proceeds being donated to St. Jude Children's Research Hospital. In-Shape will donate \$1 for every new member who joins in the month of October, and In-Shape will donate 20% of the sale from every Fight Cancer retail item sold in-club and online. In social media, In-Shape will donate \$1 for every social post with **#InShapeFightsCancer** on Facebook and Instagram.



www.inshape.com/fightcancer

"We are so grateful the way our community comes together every October for our Fight Cancer campaign. We're proud of the tangible impact we make in the lives of those affected by cancer," finished

Ms. Schuler.

Check out www.inshape.com/fightcancer for more information and follow us @inshapeclubs and #InShapeFightsCancer on social media to see all the fun activities.

...Ron Alterio

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of the "must-have" safety features. Most importantly, you have determined the bottom-line price you are willing to pay. After an exhaustive search spanning several weeks and a number of visits to multiple dealerships, you finally find the perfect vehicle and at the right price. There's just one problem. As you make your way out of the dealership and into your brand-new vehicle, it quickly dawns on you that you won't be going anywhere anytime soon. Upon one quick and unsettling turn of the key, you realize the gas gauge is on empty! All the features in the world, the best "deal" on the planet and the perfect color won't get you anywhere if you don't have what matters most, the gas to get from point A to B.

To read the full article, go to

bit.ly/clubinsider63.

Jackpot: What Can Slot Machines Teach Us About Driving Higher Paid Group Training Margins?

Okay, let's be honest. Most, if not all, can relate to walking by those darn slot machines in the casinos while trying to fight the urge to drop in a coin and pull on that lever. Ironically, anyone who has spent more than a minute inside the four walls of a casino knows that the odds of winning are stacked highly in favor of the house. Yet, despite those dismal odds, there is something irresistible about the notion of one coin, one pull and one jackpot.

When it comes to paid group training, it's not that much different. For many operators, driving a higher return per member while servicing a larger percentage of the member base for a substantially lower

cost is just too great of a jackpot to resist; and not unlike slot machines, you'll need to pull the right lever(s), both operationally and financially, and at the right time to have everything lined up and make a profit. Pull the wrong levers and at the wrong time, and it could very easily lead to a ton of wasted time, energy and money.

To read the full article, go to bit.ly/clubinsider64.

Stop Doing These Two Things Now: How to Capture a Larger Piece of the Wearable Pie

According to Steven Musil from cnet.com, wearable usage in the U.S. more than doubled from 39.5 million Americans (or 12%) back in 2015 to over 81.7 million (or 24%) in 2018. Moreover, according to Gartner, a leading U.S. research firm, the wearable category is set to grow year-over-

year by another 26% in 2019. There is no denying it, Americans love their wearables.

One of the reasons why we are so hooked on wearable technology is the real-time and immediate feedback these devices can provide. Many wearable products on the market today can monitor and communicate back to the end user in real-time a variety of data points including but not limited to heart rate, steps, calories, blood pressure and sleep. In essence, wearables provide the instant validation and gratification we competitive humans crave.

To read the full article, go to bit.ly/clubinsider65.

(Ron Alterio is the Vice President of Operations for XGT Fitness. He can be reached at 833.TEAMXGT, Ext. 803 or ron@xgfitness.com.)

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Thanks and Appreciation

At **Club Insider**, we are excited to be about to finish our **26th 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 26-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller**, of **Atlanta's Hudspeth Report** for the tremendous assistance they provided. **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 **310** monthly editions! And, of course, **Thanks and Appreciation** to the **United States Postal Service** for sending those editions out to our **10,000 readers!** **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 a decade of continuous 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 *thousands* 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 eight years old (helping with mailings). This young man, pretty much behind the scenes for 26 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 a majority of our cover stories each 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. And, he would like to give sincere **Thanks and Appreciation** to the power that made that survival happen: **God**.

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

Norm Cates, Jr.

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Mike's Story...

"I was a Regional Supervisor of a big box brand and decided it was time to make a move. After considering many franchise concepts, I landed on the Workout Anytime brand. The brand was appealing to me because of the simple and proven business model, low cost of entry, and exceptional franchisor support. I love being part of this fast-growing brand, being in business for myself, yet never feel like I must do it all by myself. I have opened my first club and am looking forward to a second. The sky is the limit."

Mike King, Owner
Marion, North Carolina

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