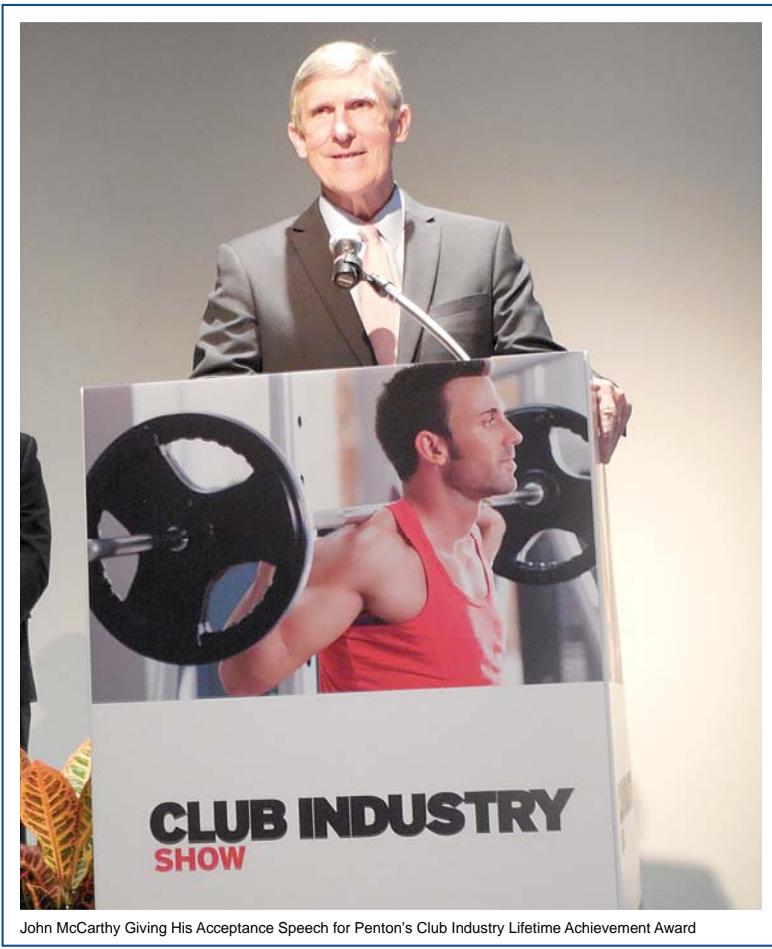


Norm Cates' **CLUB INSIDER**TM

The Pulse of the Health and Fitness Club Industry



John McCarthy Giving His Acceptance Speech for Penton's Club Industry Lifetime Achievement Award

Big John McCarthy... One of a Kind!

A Conversation With the Legend Himself

NOVEMBER 2014

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Big John McCarthy... One of a Kind! *A Conversation With the Legend Himself*

By: Norm Cates

The health and fitness club world is vastly different now than it was in 1981 when the man I affectionately call, "Big John," and describe in the title of this very special CLUB INSIDER Cover Story as, "One of a Kind," stepped into the role of IHRSA's Founding Executive Director.

Big John McCarthy truly had a destiny 34 years ago... At the time, it was an undisclosed destiny that he would someday become known and acknowledged worldwide as the man who would take IHRSA Founder and club business icon, Rick Caro's *vision* for the brand new trade Association to a level of excellence that all of us were only dreaming of at the time when we founded what was then called IRSA, The International Racquet Sports Association, (now known as IHRSA, the International Health, Racquet and Sportsclub Association).

As one of the industry icons who has forever changed our industry, Rick Caro will forever be known as "The Founder" of IHRSA, and it was this Author's distinct honor and pleasure to be a Co-Founder of the Association along with him and five others in 1981. The other five Co-Founders were: the late Dale Dibble, Jennifer Wayt Saslaw, "Brother" Curt Beusman, Todd Pulis and Peter Donahue. As a Team, we sought to change the world of clubs, and I'm pleased to be able to say that, with Big John's hard work alongside his world class staff, and with many excellent IHRSA Board Members who worked with John over 25 years, I think we did change the world of health and fitness clubs significantly."

"Don't worry about making it perfect... Let's just get it done!" are words

John says he repeatedly heard from me week after week on our regular Friday afternoon phone calls when I served as IRSA's 1st President in 1981/82.

I'd asked John to call me every Friday with updates on the fledgling Association, and he did that without fail. With John in Boston, me in Atlanta and with no Internet, phone calls, faxes and the U.S. Mail had to be our methods of communication. During IRSA's first year, I had great confidence in John and his leadership of IRSA, and I continued to have that complete faith for all of the 25 years John served as our IHRSA Executive Director.

Last month, *Club Industry's* Stuart Goldman produced a terrific article about John, and if you have not read it yet, I think you will find it interesting and well done. Stuart interviewed Rick Caro and me, and he also shared comments from a number of John's IHRSA friends who were involved since day one. And, of course, he spoke with John McCarthy himself.

Here are my comments about Big John, quoted exactly from Stuarts article:

NORM CATES, IHRSA Co-Founder: "John was an amazing ambassador for the idea, and that idea was to make our industry better through an Association that would not hold back in its sharing of expertise. Getting John McCarthy and Chuck Leve together as a team at the beginning of IHRSA was the luckiest thing we could have ever done. And, since then, our luck has continued with Joe Moore at the helm, and Tom Hunt as his teammate, both continuing John's work with IHRSA's world class staff.

John led the leaders. We were the leaders, and John led us and gave us the



Stuart Goldman (L) and John McCarthy (R) Following the Lifetime Achievement Award Presentation

ability to have complete faith in him and just kicked [butt]. John took the opportunity and ran with it and never put the ball down until he had gone across the goal line many times. I'm proud to have known him and proud to have worked with him and proud to have had those many phone calls over the year that I was president. You could depend on him like the day was long.

John's legacy is going to be that he changed the world that we lived in this industry, and I mean he changed it big time. He gave this industry a future of excellence through his dedication and his travels and his hard work, and his always presence at that front door right at the entrance of every convention when it would start, he was there shaking hands. John was the best thing that ever happened to the Association

and probably that ever will. He was a treasure --and he still is, of course-- for this industry."

IHRSA Founder, Rick Caro, weighs in with comments on Big John on **Page #6**. From Rick's words, it's easy to see why and how IHRSA became the world leader in health and fitness club education and support under John's leadership and direction. We also have comments from current IHRSA President and CEO, Joe Moore; Chuck Leve; Roger Ralph; Mitch Wald; Jim Gerber; Gale Landers; Mike Alpert; and C. Victor Brick.

CLUB INSIDER is very proud to present the following in-depth interview
(See John McCarthy Page 10)

Inside The Insider

- Building Great Teams - Part III - **By:** Dr. Art Curtis
- Who's Got Your Back? - **By:** Derek Barton
- Trees, Turkeys and Club Insurance - **By:** Justin Cates
- Secret Member Retention Tool Gym Chains Don't Want You To Know - **By:** Joe Imbrogno
- How to Get Your Employees to Speak Up - **By:** Rebecca Knight
- Promoting Physical Activity in the Fight Against Depression - **By:** Joe Moore
- Ten Keys to Profitable Non-Dues Revenue Programming - **By:** Laurie Cingle
- Renovated Pool Opens at The Atlantic Club in Manasquan, New Jersey
- AFS Education Big Success at Club Industry 2014
- Orangetheory Fitness Opens First Connecticut Studio

Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 checking in!

•Mmm... mmm... mmm... Is America a great country, or what!? If you voted on November 4th, I want to congratulate you, and say: Thanks for voting!

•First, as I write this, tomorrow is Veterans Day, so I want to say Thanks to all Veterans who've served our great country in our United States Military! Through your service for our amazing America, you've done something that's very special and important for all of us who call ourselves Americans and enjoy the Freedoms we enjoy and sometimes take for granted... such as our Freedom of Speech. We go to press tomorrow, on Veterans Day, Tuesday, November 11th. So, my sincere Thanks and Appreciation here are a little bit late, but they're from my heart anyway. Thanks to all who've served!

•Next, let me mention to all of you that this is our 22nd Anniversary of CLUB INSIDER, and my son and business partner, JUSTIN CATES, and I want to say Thanks to all of you who've subscribed to and read CLUB INSIDER over the years, all who have written and contributed articles for publication as expert Contributing Authors and all who have advertised in

CLUB INSIDER. We will forever be grateful to all of you for being with us for these 22 years if you have been with us since day one, or for just one edition, this edition, if this is the first time you've joined us as a reader! Let me be clear. We're here for one purpose: That is to help professionalize our industry; therefore, helping our readers build TRUST with consumers in their communities worldwide. In case you have not thought about it, TRUST is a vital ingredient in our industry and in your relationship with your members and prospective members, and if we can help you build up TRUST in your community, we know we will be helping the State of the Art of Your Profits! Thank you one and all for reading CLUB INSIDER! And, in case you have never done it, this would be a great month for you to read my Thanks and Appreciation writing on Page #30 of this and every edition where I give God all the credit... pure and simple. Stay tuned!

•Congratulations to BIG JOHN McCARTHY, IHRSA's Founding Executive Director, as he was honored in Chicago on November 23rd with Club Industry's Lifetime Achievement Award. To further honor John, we feature him with our Cover Story this month. Thanks to RICK CARO, JOE MOORE, CHUCK LEVE, ROGER RALPH, MITCH WALD, MIKE ALPERT and C. VICTOR BRICK for commenting

on John and their experiences with him during his 25-year IHRSA career and as the Chairman of the Augie's Quest Bash Committee for the highly successful Bash held each year by IHRSA for Augie's Quest. Thanks Big John for sharing your great life story with our CLUB INSIDER Readers!

•Don't miss our CLUB INSIDER Photo Slideshow composed of shots taken at Penton's Club Industry Show in Chicago last month. Go to www.clubinsideronline.com/clubindustry2014.

•Hmmm... I'm going to exercise my right to Freedom of Speech right now with the following two Norm's Notes. First is a Note about SHANE FRANKLIN, a person whom I've repeatedly reported to you about his wrongdoings over the years. After that is a Norm's Note about you folks in our industry and the importance of education to your future success or failure in this industry. So, please read on...

•SHANE FRANKLIN is a guy we've tracked for years now, while he's been out there damaging the reputation and consumer TRUST in our health and fitness club industry in many marketplaces... pretty much everywhere he's gone. He somehow continues to be involved in our industry. As I reported a few months ago, Franklin has landed



Norm Cates

in Little Rock, Arkansas and had been working a pre-sale for two clubs called Chenal Fitness. MIKE DUPUIS, COO of the Key Health Institute, and a long-time industry friend and industry veteran, joined Chenal Fitness. Recently, Mike went to work out at the place where he'd joined. As you can see from the photo on Page #7, the Chenal Fitness Center Mike joined has already bit the dust and is now closed. Just in case you can't read the hand scribbled poster board closing sign it reads: This location of Chenal Fitness is closed. You can contact Shane Franklin at (321) 948 - 5223 or (501) 420 - 1864 or visit the downtown location in the Regions

(See Norm's Notes Page 7)

About Club Insider

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22 Years and Counting!

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Rick Caro Comments on John McCarthy

By: Rick Caro

"John McCarthy was hired as the Executive Director of IRSA, which was intentionally called 'International' because there were clubs in both the United States and Canada, but there was also a vision of going to many other countries down the road.

(IRSA has been known as IHRSA since the word Health was added to the Association name and 'H' was added to make the acronym: IHRSA, in 1994.)

John was asked to be an Executive Director of a startup association where we needed members, vendors and products and services to be successful. John was given virtually no resources to accomplish this. But, fortunately, he had the self-confidence and the belief that this could be a significant story and one in which he could be successful in accomplishing it. So, with limited resources, he immediately started out trying to find members, obviously starting in New England, where he was based. But, he quickly realized he needed to go to other areas. So, as frugal as he could be, he flew coach as a 6'4" adult, would rent very small and inexpensive cars and would stay in less than great overnight facilities. And, he would show up on people's doors to try and introduce the concept. Some would have said he was a good salesman, but I would argue that he is just so forthcoming and so good at connecting with people that he, in effect, made you believe in a concept of an Association before it had full meaning.

So, he, in many ways, was a storyteller of a vision before we even had enunciated it for the industry. Therefore, I claim that he is probably the best visionary the trade association and the industry as a whole, has ever had.

He soon realized that he needed to attract vendors, and he would physically go and meet with them at their headquarters and made them feel special. He then realized he needed to satisfy all interests to create the kinds of products and services that were needed at that time. He was a great listener, so he knew that many of the clubs were clamoring for educational materials early on. He created and led the way for materials regarding how to succeed in doing front desk servicing, how to do member retention, how to sell club memberships, etc. He put together educational modules and led the way for the first video training for the industry. Later on, he created the first IHRSA Institute, which was a 5-day training ground at a university to help either existing leaders, or up-and-coming leaders in the industry, get exposure to the ingredients of all aspects

of the club world and become better for it. He continued that story over time working with a different President each year (They are now called Chairman of the IHRSA Board: See **Past IHRSA Presidents Sidebar** on Page #16). Obviously, he was gifted, in working with 25 different people in 25 years. That made it special for him, to work with different leaders, different styles and still accomplish what IHRSA needed fundamentally.

International and Educational Thrusts

Along the way, he expanded IHRSA so that it really did become international, expanding into Europe, Asia, South America, Latin America, Australia and New Zealand. But, he also really started trying to figure out how to make the products and services work internationally. He tried to find a way to help the vendors really see value. So, there was not only just a trade show, but for years, there was a sales and marketing event. He continued to work with people, both vendors and club leaders, on what was needed, so research became a function that grew. He personally wrote some of the best publications IHRSA ever had in member retention, a Lenders Guide and some other periodicals that were significant.

Public Policy Thrust

Finally, he figured out that one of things that a trade association needed to do, once it had adequate resources, was to develop a lobbying and legislative function, and IHRSA did that well under John's leadership. There was a Board of Directors, which was charged with strategic direction. But, in many ways, John was so gifted as a visionary, the Board really looked to him for much of that vision and for that concept. So, all of a sudden, when IHRSA had a concept of having 50 million people by 2010, it was John who led the way and John who really helped us see a big picture story when much of the Board and the leadership might have been more myopic. It was John who helped give us the impetus to look beyond what we're doing operationally and fundamentally and try to get us to think in different ways as to how to really make a difference in people's lives in club success and in, to some extent, our local communities.

It was he who nurtured all kinds of creative ideas from a Commit to Get Fit outreach program, which was an effort to get more activity out in the communities to sometimes adopting a school where a club would be involved in the actual physical education program at a local school, especially with cutbacks in budgets at the school level. It was he who found strategic

alliances with various other organizations that helped us take our limited resources and make them go farther. And, it was he who really developed the true international story, so we went from 4, 6, 8 clubs in Canada to over 3,500 clubs worldwide outside of the United States in a matter of years, because John figured out how we needed to accomplish that and was so special in achieving it.

A Talented Mentor

Internally, he was also someone who would take people that he had identified as real future talents but were not necessarily proven when they were hired and give them the kind of nurturing, guidance and a lot of space to succeed. So, in many cases, rather than hiring off of a resume with people who're already proven in a particular narrow area, he often took people who were interesting, talented, committed to a cause and gave them opportunities to succeed. They really developed into very competent and successful people in their own right. And, many of those people have been at IHRSA for years and years and have proven themselves over and over.

A Personality That Would Make Dale Carnegie Proud!

Finally, the thing that I think that we all miss is John's specific personality. We all remember John standing at the Opening Reception at an IHRSA Convention and shaking everyone's hand. In many cases, he knew something specific about you. In all cases, he looked at you, smiled at you, and in a few cases, if he didn't know you, he would find a way to create a warmth so you felt welcome and comfortable walking into a sea of people for the first time. John really was welcoming you and hosting you in his, in effect, big house.

People remember those initial handshakes, and they remember the short conversations... John would have that big smile, sometimes a little bit of a giggle and make you feel so comfortable it would be no different than if you were visiting his home in Massachusetts today. He was just that unique and that well meaning. And, when he came and visited you, you were the most important person in the world. When he came to see you at your local club, if that is where he met you, or out in the field somewhere, he really made you feel so special. And, when asking about you, what was working, what was going on in your life, what was important for the industry and what you'd like to see for IHRSA, he really embraced you and engaged you with a well meaning attitude and spirit of interest that was something



Rick Caro

that one couldn't hire for, or train for, but was just part of John's natural personality and character.

What's Best for the Industry

Finally, the one thing that I think everyone says about John is that he was always looking at what was best for the industry. So, when there were diverging forces or challenges where people had different points of view, his listening skills were really significant. He really tried to bring consensus where he could. In some cases, where it was important for him not to take a position, he would be a great listener and coax people into listening to the other side if there were two sides. But, he really was terrific in trying to make sure that we were truly inclusive, and we were all better off for it. So, one of the legacies we have from John's IHRSA days is that we were created as an organization that, in effect, was successful because of numbers, because of what was achieved, because of how people participated, because of what people felt IHRSA was doing in a macro way that couldn't be done on a smaller level, and it was being done by a leader whom everyone respected.

So, IHRSA was so fortunate. I was once asked that, since I was a Founding Member of IRSA/IHRSA, what was my dream when we created IHRSA? I indicated that I can't remember the exact dream, but I knew that it had been exceeded in the early years under John's leadership. Then, someone would ask, 'What does one do when your dream is exceeded?' And, I said, 'You look to John to create a new dream.' John was responsible for all of those new dreams for the organization.

Still Giving Back to the Industry

One of the other things that we also admire about John is that he may have retired from IHRSA, but he's still giving

(See **Rick Caro** Page 7)

...Norm's Notes

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Building. So, anybody out there who has any additional information about Franklin's antics in Little Rock, or elsewhere, past or present, please do pass that information on to me so I can share whatever you have with all of you in our industry, hopefully preventing future Franklin damage to our industry's **TRUST** and reputation with consumers. **Stay tuned!**

• **Reporting previously on the Chenal Fitness in Little Rock closing, MIKE DUPUIS**, also shared that he's contracted with a mobile texting provider to instantly message all of his members and staff that opt-in using a specific keyword. Mike wrote, "We have established sub-groups in our center for group exercise, personal training, aquatics, general membership, yoga, spinning, and most importantly, our employees. We have the ability to instantly communicate with any of those groups as well as offer specials, discounts, free guest days, inclement weather alerts and internal staff communications. It is quick, easy, and very affordable." For further information, please contact **Mike Dupuis** at mikedhfc@gmail.com.

• Following my *first exercise* of my **Freedom of Speech** about **SHANE FRANKLIN** is this special message to all of you who **did** or **did not** attend **Penton's Club Industry Show in Chicago, October 22nd - 24th**. In other words, the following comments are to everyone in our industry worldwide who earns their living in the health and fitness club industry, and my message is about the great importance of **learning in our young industry!** I want to share the following thoughts with all of you because *somebody needs to say it*, and I'm as good of a messenger that you will find anywhere to deliver these important and needed thoughts. I write these words here in response to my observations of what **did** and **did not** happen at **Penton's Club Industry Show in Chicago**.

First, let me share what **DID** happen. What **DID** happen was that the **terrific Club Industry** folks, led



Closed Sign at Chenal Fitness

by **MARTY McCALLEN, PAMELA KUFAHL** and **STUART GOLDMAN**, produced a well planned and executed 3-day event for all of you out there so you could go to Chicago and **advance the State of the Art of YOUR PROFITS**. As a **Co-Founder and the 1st President of IHRSA**, an organization that since day one has had as its sole and only reason for being to educate participants in our industry to help them operate their clubs more professionally and with more annual profits, *I want to sell you on learning as much as you can about your business*. If you are not sold on LEARNING yet, I think you may have chosen the wrong industry in which to earn your keep. So, please read on...

If you make your living owning, operating or working in health and fitness clubs, it's my opinion that you should have your mindset focused on **making your clubs the best clubs they can possibly be!** To achieve that objective, it's a good idea to find opportunities to learn and advance the knowledge you have about our industry and how to make a profit in it. Through education about **Best Practices** in clubs, you are going to be able to (a) **Increase the revenue your business produces** and (b) **Reduce your costs of operation**, thus creating what any business owner wants: **More PROFITS**.

Producing this 251st monthly edition of **CLUB INSIDER** right after the **Club Industry Show in Chicago**, I write here today to attempt to get your attention

as an industry. I urge you to take advantage of the hardwork the speakers put into preparing for their presentations, and the same goes for the Trade Show exhibitors. In other words, here is what I must flat out "Tell-it-like-it-is" about and that is, if you did not attend **Penton's Club Industry in Chicago**, and you have not or do not plan to attend **IHRSA's 34th Annual Convention and Trade Show in March in Los Angeles**, then I will argue to you that you are really *messing up!* You are being provided, by both the terrific **Penton Club Industry** folks, the terrific **IHRSA** folks and a few others, with very targeted and special **opportunities to advance the State of the Art of your clubs and your PROFIT**. And, if you're ignoring these glaring opportunities to learn and get better at what you do, I can only ask you why? So, to close this out, I want to ask you two simple questions: (1) Are you happy and satisfied with the **State of your Profits**? (2) Or, would you like to **make more money**? If your response was, "Of course, I'd like to make more money," then I have two more questions for you, and they are: (1) Do you think your profits are going to increase just because you want them to? (2) Or, do you think you're going to have to take some action to advance the knowledge you have about your business in order to make more profits?

If you were not at **Penton's Club Industry Show**, and you currently have no plans to be at **IHRSA 2015**, then I'm compelled to ask you: How do you expect to advance the **State of Your Profits** if you don't invest some of *your time*, some of *your energy* and some of *your money* to attend and **support two of the most prominent LIVE and IN-PERSON opportunities** that are still available to **help you grow your business**? With that thought in mind, I urge you to book your trip to **IHRSA Los Angeles** for March 11 - 14th, 2015 by going to www.ihsra.org/convention. And, YES, Save the Date now for the **Penton's 30th Annual Club Industry Show, October 7th - 9th, 2015** in Chicago. Go to www.clubindustryshow.com for more information. If you own a manufacturing company or an industry vending company, and you are thinking about exhibiting at either event, contact

IHRSA's TOM HUNT by phone at **(800) 228 - 4772** or email at teh@ihsra.org, and contact **Penton's Club Industry's LAURIE MORYLAK** by phone at **(303) 998 - 9243** or email at Laurie.Morylak@clubindustry.com.



Al Noshirvani at 4th Annual CEO Summit

• **AL NOSHIRVANI, Founder and CEO of Motionsoft** (See Al's Photo Above and their **Ad** on **Page #13**), and **RICK CARO** teamed up again to produce the **4th Annual CEO Summit, sponsored by Motionsoft**. The event was well attended with **CEOs** from companies such as: **ACAC, Active Sports Clubs, AussieFit, Core Power Yoga, Corporate Fitness Works, East Bank Club, Healthworks, Fitness Formula Clubs, Gold's Gym, Los Angeles, Gold's Gym Wisconsin and Virginia, Greenwood Athletic Club, Pure Vida, In-Shape Health Clubs, Midtown Athletic Clubs, New York Health & Racquet Clubs, Orangetheory Fitness, The Atlantic Club and The Houstonian**.

• **Penton's Club Industry Show** hosted the first ever **Fitness Leadership Forum**, a 1-day learning and networking opportunity for top-level fitness facility owners and senior executives from clubs such as **Asphalt Green, the Atlantic Club, Cincinnati Sports Club, Centegra Healthbridge Fitness Centers, Elmhurst Park District, Fitness Formula Clubs, Nike Sports Centers, Vida Fitness and Wisconsin Athletic Clubs**. The event was *(See Norm's Notes Page 8)*

...Rick Caro

continued from page 6

back to the industry. He participates with a private equity firm that invests in various aspects of the club industry... both clubs, as well as vendors. He also sits on the Board of Cybex, one of the major equipment leaders of the industry, and he's been successfully doing that for several years.

Giving of Himself to Augie's Quest

The thing that we all recognize is that John's spirit of giving back can't be any greater than what he's done for Augie's Quest for all of these ten years, where he

has rounded up all kinds of people who may or may not be as active in the industry, people who are now new in the industry, people who are both club leaders, vendors, media and everyone that touches the industry to get behind a charity to support the research, and hopefully the cure, for ALS. This is obviously embraced because of Augie Nieto, who was the Founder of Life Fitness, the first company that really created electronic cardiovascular equipment and for whom we all owe a great indebtedness to. So, John has really been a leader in bringing all of the forces together to help support financially a great cause. He's continued to do that relentlessly throughout the years on a consistent basis,

spending inordinate amount of hours to try, in effect, to maximize the resources put to bear on this solution for this terrible disease. And, he takes very little, if any, credit for it. That is typical John.

If you ask John how much time he puts into these things, he'll say, 'Well, I just don't know. It's part of what I do.' If I said to him, 'Gee, when you get close to the event at IHRSA, things must be really busy for you. You must be putting in tremendous efforts!' Instead of saying, 'Yes, you're right Rick,' his response is always, 'It's a collective effort, and we're all doing everything we can to maximize this event.' That's typical John. He's so understated that he just doesn't accept the

fact that he is as wonderful as he is.

Lifetime Achievement Award Deserved for Such a Long Time!

My only regret is that John deserved the Lifetime Achievement Award from Club Industry for years and years. It finally happened, and I couldn't be more proud. I was an early recipient, and I can tell you he should have been a recipient long before I was. It was well deserved, and I'm so proud of Club Industry for recognizing him and so proud of the fact that John finally gets the recognition that he deserved and has deserved for such a long time."

...Norm's Notes

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sponsored by Motionsoft, Stairmaster, Schwinn Fitness and GymGroups.

• **More about learning, but this Note is on the Vendor side.** KRISTEN WALSH, IHRSA's Associate Publisher, has announced that they are compiling an eBook on the topic of marketing/selling products and services to health club owners and operators. And, they are reaching out to Vendors as IHRSA needs for you to share and teach what you know on the topic. **You will receive the book for free when it's finished.** Kristen writes, "I'm writing today to ask you to contribute one or more 'tips' to the publication. What, specifically, has worked for you and your company as far as connecting with and successfully marketing/selling to health club owners and operators? And/or what would you advise against doing?" Please email your tips to kwalsh@ihsra.org by November 18th. Be sure to include your full name, your title, your company name and company location as you wish them to print in the eBook. For additional information, contact Kristen Walsh by phone at (617) 316 - 6811 or email at kwalsh@ihsra.org.

• **MARIA PARRELLA-TURCO** is hosting a **Webinar** on November 18th, entitled: **How To Make \$1 Million in Personal Training.** In this session, participants will learn the components to achieve a \$1 million one-on-one and small group training profit center. The five key skillsets of being a successful personal training manager will be discussed. Learn how to hire long term, full-time, quality trainers and help them build their business so they are successful and prosperous. Find out how to quantify goals and develop strategies to reach those goals in getting to \$1 million! Learn how group personal training contributes to the big picture. **New Paradigm Partners** will share systems and tracking tools to help you formulate your plan. To participate, contact **Maria** at map@newparadigmpartners.com.

• **GERRY O'BRION**, the terrific Speaker at Penton's Club Industry Show Keynote Address immediately after JOHN McCARTHY'S Award presentation, was outstanding and was time well spent for everyone who was there. I want to give Gerry Kudos for his work and Kudos also to the Club Industry folks for arranging his presentation, **The Fitness Club Formula - Building a Powerful and Profitable Brand.** Penton's Club Industry website stated, "In his keynote, O'Brion shared great marketing tactics and engaging stories. Attendees were inspired with strategic directives for building and growing their business, and retaining their clients." **Thanks Gerry and Club Industry!**

• **Congratulations to MINDY MYLREA of Santa Cruz, California**, as she was the winner of the 2015 PFP Media Fitness Trainer of the Year Award!

• **I want to congratulate and comment on LAURIE CINGLE's terrific recovery** from injuries suffered in an accident she had several years ago. Laurie's a *real trooper*, and *she's doing just great*. I'm very happy for her excellent recovery (Check out her latest Programming Article on Page #30).

• Now, as promised after Part I, here's Part II of my CLUB INSIDER Archived Editions "Flash Back In Time." Importantly, you should know that as a Paid Subscriber to CLUB INSIDER, you now have immediate access to all 251 of our past Club Insider Editions with almost 8,000 pages of industry educational information. This 3-Part CLUB INSIDER Archive "Flash Back In Time" Series will give you an idea of the many stories about the very special people in our industry that we've shared in 251 monthly editions dating back to December, 1993. So, here goes:

• Our **January, 1997** cover story featured young **AUGIE NIETO** and shared the story of how this young fellow who started working for fitness center industry legend and icon, **RAY WILSON** selling Lifecycles out of the back of a van when

he was still in college, and how he went on to build what is now the giant, world-class company called **LIFE FITNESS**. Of course, we all know the rest of the story and CLUB INSIDER has chronicled the struggle and effort **AUGIE** and **LYNNE NIETO** have put into Augie's Quest since it was founded to find the Cure for **ALS**, a/k/a **LOU GEHRIG**'s Disease ten years ago.

• Our **February, 1997** cover story featured **DAVE PICKERING**, the great guy I call, as I did on that February, 1997 Cover, "The **BIG Kahuna of Corporate Membership Sales**," a field he's prospered in for decades now. **Good on you Big Kahuna!**

• **KAREN WOODARD... "A Rising Star"** was the headline below the photo of Karen when she lit up our **March, 1997 Cover**, and she's been lighting up our industry ever since as a terrific club consultant in her company, **Premium Performance Training**. Karen owned several clubs in **Boulder, Colorado** when I first met her at an **IHRSA** event. She is also a **CLUB INSIDER Contributing Author**, and we'll have another of her great article contributions in our December edition. **Stay tuned!** If you ever need an excellent club consultant to help your clubs, you can't go wrong with **Karen Woodard-Chavez**. Go to www.karenwoodard.com or call (303) 417 - 0653.

• Our **August, 1997** cover story featured **RAY WILSON** as he was honored with **The National Fitness Journal's Lifetime Achievement Award**. The NFTJ is owned by **WALLY** and **MESCHELLE BOYKO**.

• Also featured on our **1997** covers were **MIKE CHAET**, **JIM GERBER**, **LEE HILLMAN**, **SPIKE GONZALES**, **TIM MANSOUR**, **LARRY GURNEY**, **MARK SMITH** and the **Northwest Athletic Club Company Board of Directors**.

• Our **January, 1998** cover featured **DON KONZ** and **MITCH WALD** with the headline: **Sport & Fitness Clubs Acquire D.C. Area Smith Clubs**.

• Our **April, 1998** cover featured **SANDY and RON FRANCO**, Owners of **Franco's Athletic Club** in **Mandeville, Louisiana**, not far from **New Orleans**, who were celebrating their **10th Anniversary** of their club(s). I write club(s) because, at the time, they had two clubs. Sadly, their second club was destroyed by **Hurricane Katrina** on **August 29, 2005**.

• Our **May, 1998** cover featured **GEOFF DYER** when he owned just five clubs. But, Geoffrey went on to build and then sell over 20 clubs.

(See Norm's Notes Page 25)

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...John McCarthy

continued from page 3

with **Big John McCarthy**, as we shared some fond memories of times long-passed and his thoughts about the industry, now and in the future.

**An In-Depth Interview With
IHRSA Founding Executive Director
John McCarthy**

CLUB INSIDER (C.I.) - As a young man, you excelled at sports. Please tell us about that and what it has meant to your life.

John McCarthy (JMC) - I've always loved all sports. My two best sports were basketball and tennis. I just played them all the time. Of course, growing up in Chicago, it was a seasonal deal. So, you played basketball all during the school year, and I played tennis all during the Summer when I was a boy. I got to be *very good* at basketball, and I would just say *good* in tennis. But, I enjoyed both games and had a lot of fun with both. As a high school and college athlete, those were probably the most enjoyable experiences of my youth playing on all of those teams with friends of mine. So, I loved sports from day one.

C.I. - Did you play tennis for Notre Dame as well as basketball?

JMC - No, I didn't. I just played basketball. We had basketball practice all year round, and it began with cross-country in the Fall and went year round. I played both sports before college for the fun of it.

C.I. - What led you to Seminary? Please tell us about that experience.

JMC - Back in the 1950s, when I was a young boy, a lot of the Army Chaplains had come back from World War II. I admired those guys so much! I thought that could be a really interesting life. They were tremendous fellows... tremendous men. Then, I went to a Catholic High School, and I liked a lot of the priests who were

there. So, I thought, 'Maybe that's a good thing for me to do.' So, I thought that, after I graduated from college, I would give it a try, which I did. I went to the Seminary, and I was ordained in 1965. My assignment there was to be a teacher at the University of St. Thomas in St. Paul, Minnesota. I taught there for five years, and I loved that. But, at about the same time, I knew that I wasn't cut out for not being married. So, knowing that being a priest was not going to work out, I left the priesthood knowing that I wouldn't be able to live the life of a single man. Then, I came to graduate school to try to get a Ph.D., which I never got. But, I had a nice experience at graduate school. To make money during graduate school, I was a tennis pro in all sorts of different clubs around Boston. That was a fun experience. Then, in 1975, I became part owner and the manager of a tennis club with a fitness center in the basement in one of the suburbs around Boston. That, too, was a lot of fun, and that was my introduction to the sports and fitness club industry. The fitness center was absolutely primitive. We had a Universal Machine in the basement and a couple of bikes and a couple of medicine balls. That was our fitness center. We didn't have a fitness director. It was primitive, very, very primitive.

C.I. - That description reminds me of the fitness center at Dick Trant's tennis club!

JMC - Well, it was a little bigger than Trant's fitness center but not much bigger. I'd say it was a 300 or 400 square-foot room. Dick Trant was a key guy for me. He had started a regional club association called The New England Racquet Sports Association (NEHRSA). I became part of that, and our friends, the late Dale Dibble and the late Tim Richards, were involved. God bless them. Nick Cotsidas, and a lot of other guys you know were also involved. These were great guys, and they were all more experienced than I was, a lot more

(See **John McCarthy** Page 12)



Audience for Penton's Club Industry Lifetime Achievement Award Presentation to John McCarthy

Industry Veterans Comment on John McCarthy
Joe Moore Comments on John McCarthy:

When I was asked to make a quick video clip about John McCarthy, I knew my praise would need to be limited to a few seconds, which was an impossible task. As incomplete as it may be, I said something like this: 'John, Congratulations on receiving Club Industry's Lifetime Achievement Award. No one has done more for the industry than you. They could not have picked a better person.' I thought Stuart Goldman did a wonderful job writing about John in an article appearing prior to the award presentation. He also set the right tone, speaking about what John means to the industry, before handing the award to John. As always, John's words centered around his friends, not himself, and he took the time to single out the IHRSA staff members in the audience. Everyone left happy and inspired.



Joe Moore

Chuck Leve Comments on John McCarthy:

I knew three John McCarthy's. First, was John McCarthy the industry leader... Inclusive instincts, uncanny ability to find common ground even among bitter competitors, the high road was the only road, sharing information and best practices... His legacy is the creation, nurturing and sustaining of the modern health club industry.



Chuck Leve

Second, was John McCarthy the boss... Inspirational, motivational, positive and empowering. Those who worked for him aspired to great things unselfishly because we would do anything not to let John down. John once told me, 'I hope you make a million dollars this year because that'll mean IHRSA makes 10 million.' And, he meant it.

Third, was John McCarthy the person... Honesty, integrity and all about others. He has a 'negative ego' and heart of gold. The best way I can put it is this: If you have a child, you'd want him to grow up to be John McCarthy.

Jim Gerber Comments on John McCarthy:

John's unselfish, egoless, friendly style brought together all types of club people at IRSAs beginning. He was the glue that brought us together and kept us there. He never forgot a name, never forgot who you were or where you worked. He visited all of us and always made us feel that we were important to him and to our industry. In short, John is THE reason for IHRSA's amazing success over the years.



Jim Gerber

Gale Landers Comments on John McCarthy:

John, Fitness Formula Clubs sends you hearty congratulations on receiving Club Industry's Lifetime Achievement Award. It's so well deserved. Thank you for the many alliances you formed for our industry across the United States and around the world. Your leadership in moving IHRSA forward to become truly international was brilliant. The fitness industry was destined to become global, and you saw it early on. IHRSA became the center of gravity for that global forum.



Gale Landers

Thank you for the prolific books and columns you wrote to educate people both inside and outside of our industry. It was one of the many components you proactively spearheaded to provide exceptional value to IHRSA members. It elevated the industry for club owners, club staff and financial centers around the world.

Thank you also for your outstanding leadership during your 25 years at the helm of IHRSA to promote, protect and grow our industry. Your vision and ability to be apolitical and inclusive created many forms of consensus in a very diverse industry. That innate skill has continued on as you help galvanize so much of our industry's support around Augie's Quest.

Lastly, thank you for being such a great friend to all of us, someone we can always depend upon and call a true friend. Congratulations on a great legacy.

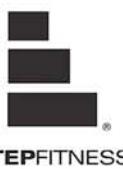
(See **Industry Veterans Comment on John McCarthy** Page 12)



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...John McCarthy

continued from page 10

experienced. Trant was head of the whole thing. He sort of took me under his wing, and then, he asked me if I would be the Executive Director of that group, which I was happy to do because I enjoyed working with Dick as he always had brilliant ideas. So, that's how I got into the combination of the sports club business and the association business.

So, when Rick and you decided to put together the two associations (NTA and NCCA), Trant put my hat in the ring and told everyone, 'I've got a guy who's building this New England Association.' We'd already changed it from a tennis association to a racquet sports association, so we had both racquetball and tennis club owners involved. Both of those sports were doing well at the time, so we were growing like a weed. I was sort of in the right place at the right time. You and Rick were looking for a guy who had worked with the racquetball clubs and the tennis clubs and saw fitness coming. You guys saw fitness coming, and at the time, you thought more clearly on that than I did. We just thought there was a wonderful opportunity there. Then, you and Rick gave me the opportunity, and that was one of the luckiest breaks of my life. You know, it was really through you, Rick and Dick Trant that it all happened.

And, of course, Dale Dibble was one of our biggest early supporters. He was really cool. He spent his whole career with General Electric, so he learned business. And, he was one of the first guys to put the whole thing together. You know... the tennis... the racquetball... the fitness... the aerobics... He had everything... indoor and outdoor swimming pools and so on. Dale and Red Lerille were so far ahead of the rest of us. Everybody in the industry went to visit Red's club in Lafayette, Louisiana and Dale's (and Zoe and Ed Veasey's) Cedardale in Haverhill, Massachusetts to

learn what they could learn from them.

C.I. - Let's talk about that great luck... In my opinion, our finding you at that time and place was by far the luckiest thing that ever happened to the health, racquet and sports club industry, and we owe Dick Trant a huge word of THANKS for the introduction!

And, as you mentioned earlier about Dale Dibble, the man I've called, 'Mr. Enthusiasm,' for a long time, that reminds me to mention that I was very honored in 2001 when IHRSA named its Distinguished Service Award after our good friend Dale and honored me with the first ever Dale Dibble Distinguished Service Award. John, I also want to mention that you were honored by IHRSA with the Dale Dibble Award in 1988. Plus IHRSA established The John McCarthy Merit Scholarship and Industry Visionary Award, and winners of the Industry Visionary honor include: Gary Heavin, 2004; Joe Cirulli, 2005; Peter Kight, 2006; Chuck Runyon and Jeff Klinger, 2009; Phil Wendel and Lloyd and Roberta Gainsboro, 2010; and Alberto Perlman, 2013.

JMC - Thinking back on those early days, Norm, I will never forget. You and I had a deal that I was supposed to call you every Friday afternoon, and I was faithful to that. And, your big thing was whatever we were doing, you always said the same thing, 'Get it done! Get it out! Don't wait until it's perfect, get it out!' You had two things that you wanted to do: (1) Get it out... whatever it was that we were working on at the time, and (2) You wanted us to grow the Association to get it to critical mass so we could attract the trade association members... attract the guys like Augie. You sort of set the standard... keep moving as fast as you can and build the membership as fast as we can. That would be the secret. Norm, we stuck with that. That was your plan, and I swear that we stuck with that the whole time. To grow it, to build it and

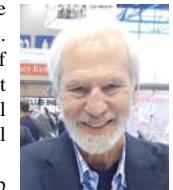
(See John McCarthy Page 14)

Industry Veterans Comment on John McCarthy (con't)

continued from page 10

Roger Ralph Comments on John McCarthy:

All of us have friends and mentors and role models whose presence in our lives has meant a great deal throughout the years. For me, as with so many others in this wonderful industry of ours, John McCarthy's persona, respect for others and consistent appreciation of the importance of our industry and its potential nationally and international made him very, very special in my life.



Roger Ralph

Our industry was fortunate to have his leadership for almost three decades. He was the right person to lead us in those times, and I am not sure our healthy growth --no pun intended-- would have occurred as rapidly. John was everything one wants in a true leader: absolute integrity; big thinker; able to capably articulate ideas verbally and on paper; open to new ideas; results oriented; accessible; and able to shake more hands in a day than Bill Clinton.

It is neither coincidental nor accidental that, besides his family, two of the most important things in John's "retirement life" is his weekly volunteer work with cancer patients and his work in helping Augie and Lynne Nieto find a cure for ALS.

John, my friend, thanks for blessing all of us by your example.

Mitch Wald Comments on John McCarthy:

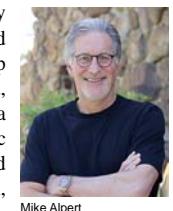
I can't imagine anyone more deserving to receive the Lifetime Achievement Award than John. His visionary leadership of IHRSA during its first 25 years has been instrumental in the development and success of our industry, as we know it today. I've often thought what position IHRSA and our business as a whole would have been in if not for John and his team's commitment to and passion for what we do. John wanted everyone to succeed and believed in bringing everyone in under IHRSA's tent to raise the professionalism of the industry and to improve the experience of our members. It is definitely a *Lifetime Achievement* to have helped birth an association and an entire industry that impacts the lives of millions all over the world.



Mitch Wald

Mike Alpert Comments on John McCarthy:

Norm, I am so honored to be asked to speak about John McCarthy and the impact he has had on my life, both professionally and personally. I first met John in 1990 when I was part of a group that was developing what became The Athletic Club of Bend, in Bend, Oregon. Shortly after we opened the club, I became a member of IHRSA and also served on the Northwest Athletic Club Association Board of Directors. At the time, NACA had their annual conference in Bend at the Inn of the 7th Mountain, and John attended this conference. So, John saw the club develop from the ground floor up, and when he was in the area for the conference, he visited it regularly.



Mike Alpert

What amazed me so much about John was how accessible he was and the quality he had to listen to you. He was never judgmental and listened with an open ear. The manner in which he responded to you made you comfortable and feeling like you were talking to a family member that you had a deep love for. As busy as he was at the IHRSA Convention, with hundreds of people who wanted time with him, he always made time for me. I sought his advice on so many things: operational, people and personal. And, I always came away from my time with John thinking about how I could do things a bit better and with a little more wisdom.

I was asked to join the Bash Committee last year because of the work we are doing in our Project Walk studio with spinal cord-injured clients, and with our first client with ALS, Augie Nieto, who I have known for over 23 years. Because of the amazing success we have had with Augie, we are now going to be treating other people who are struggling with this awful disease, as well as other neuro-muscular diseases.

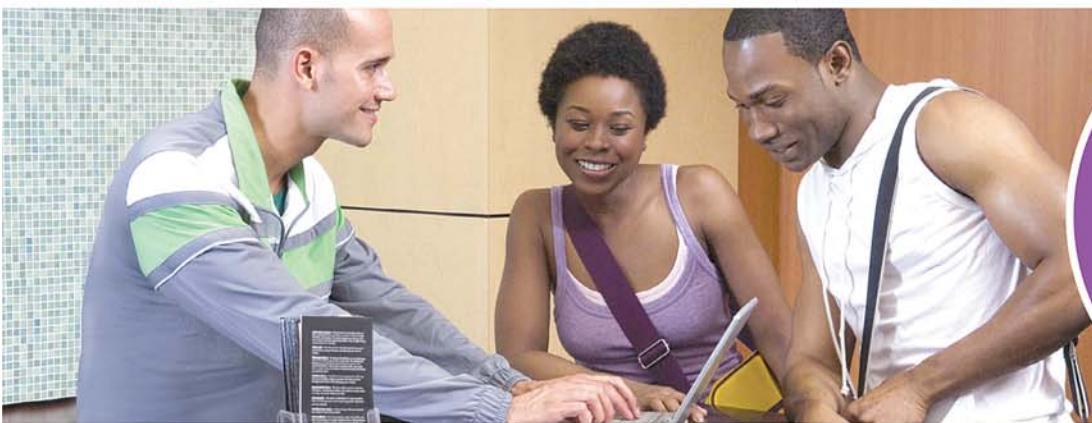
John has been witness to this work and has been such a strong supporter of what we are doing. He has encouraged me along the way and has given me such

(See Industry Veterans Comment on John McCarthy Page 14)

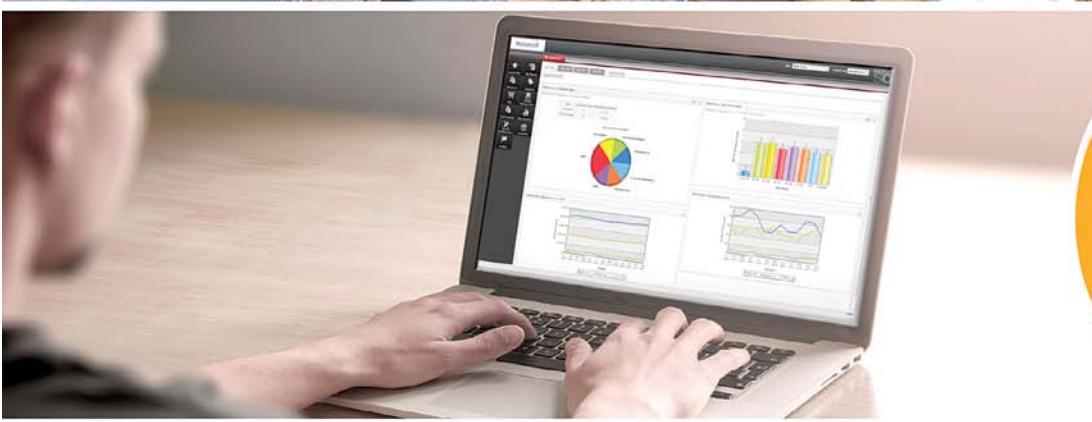




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...John McCarthy

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to just keep moving.

C.I. - *To make it happen!* Looking back on those days, almost 34 years now, that truly was an amazing experience that we had together. Now that we're talking about great luck, here's another experience that ended up with us Irishmen being mighty lucky. As the leader and last President of NCCA and first President of IRS, I had the chore of jumping on an airplane to Chicago to perform a tough task: to inform our good friend, Chuck Leve, that he was laid off. I had not laid off a lot of people at that stage of my business life, and I was not at all sure of what I was going to say to Chuck the next morning when we were scheduled to meet. But, while I was on the plane on the way to Chicago, I dreamed up the idea of putting Chuck into the role he ended up holding for 27 years at IRS/IHRS, the role of Associate Member Director, in which it was his job to recruit manufacturers and vendors to become Associate Members, Trade Show Exhibitors, etc. Chuck did a magnificent job all of those years. So, when I got to my hotel in Chicago that evening, I called all of the new IRS Board Members. I asked them what they thought about this new job for Chuck, who I had to fire the next morning. Everybody loved the idea! I didn't even have a clue that I was going to think of this when I got on that airplane (*John laughs*). I really didn't!

JMC - Your idea of bringing Chuck on board was the luckiest thing we ever did because he loved that assignment of bringing in those Associate Members. Most of the people don't know it, but Chuck did everything. He sold the advertising for *CBI Magazine*, he sold the sponsorships and he sold the booths for the Trade Show. Those dollars, Norm, were the profitable dollars. The membership dollars were not profitable dollars. He brought in the money that let us grow.

C.I. - You and Chuck were a great team for 25 years until you retired. Most people in our industry know Chuck went on for a total of 27 years at IHRS, and he's now working with his son, Josh, developing the Association of Fitness Studios (ASF). The fledgling ASF is celebrating its 1st Anniversary this month, and I wish Josh, Chuck and Josh's partner, Brad Elson, well in their endeavors.

• • •

C.I. - John, please think back to when you became IHRS's Executive Director and share a few of those memories about some of the wonderful people who helped us make I(H)RSA happen and become an International force.

JMC - You know, Norm, we were really blessed. We had some great people on our Board, and of course, you were involved

throughout all of that period. And, they were all positive people. Everybody had their oar in the water, and they were feeding us leads. They would tell us to call this guy... call that guy. So, we had a great team there. It was just fabulous, just fabulous!

C.I. - During your incredibly successful 25-year career with IHRS, which changed our industry for the better forever, please tell us about three of your (or IHRS's) greatest challenges and three of your (or IHRS's) greatest triumphs.

JMC - When I look back over 25 years, the greatest challenge for the fitness industry has been the high turnover rate of club members.

The second greatest challenge is we've always been incredibly successful at attracting the athletic and fit people. BUT, we've never really been successful at attracting the unfit and the non-athletic, and that's the majority of the population. So, that's a problem that we still haven't solved. The only company that has had some success with that... that I know of... is Curves. They targeted the middle-age overweight woman... of course, they would never admit to that. By middle-age, I mean women who are 40 to 60 and were overweight. They hit a home run with that group! Of course, the company I'm involved with now, North Castle Partners, bought them and is going to try to recreate the magic that Gary Heavin started with that wonderful company.

The third challenge in the industry, and this is my own point of view, Norm, is I see the fitness business somewhat similar to the way I look at the restaurant business and the hotel business; I see it as a hospitality business. And, I don't think we have even begun to master that dimension of the business. That is... welcoming people, making them feel comfortable, making them feel appreciated, making them feel that they're important to us... it's really mastering hospitality skills that some people like we talked about have it naturally, people like Dale Dibble and Red Lerille and Joe Cirulli. I have so many memories of being in Dale's club where he talked to every member who passed us. It's the same way with Red Lerille and Joe Cirulli. They are just the masters of hospitality. They should be icons for our whole industry to emulate. That's the missing link in our industry as I see it... *making it a hospitality business*. We haven't really mastered that piece of the business yet.

C.I. - Indeed, John. BUT... you left out one comment about yourself, which I will make for you here by describing you as the, '*IHRS Hand Shaker In Chief*,' which is my way of remembering all those years where you were stationed at the entrance to the IHRS Conventions Opening Receptions. By the end of the night, you'd have shaken everyone's hands in the room!

(See *John McCarthy* Page 16)

Industry Veterans Comment on John McCarthy (con't)

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valuable words of wisdom. Seeing, first hand, the value that John brings to the committee --his vision, passion, commitment and drive-- is simply an example to everyone who is fortunate to work with him.

Over the years, I have heard so many highly respected men and women in our industry speak about John that it is challenging to say anything that others have not already said. So, in closing I would just like to say that I love John from my heart and will forever be grateful for what he has taught me and for the example he has been to me over the many years that I have been fortunate to know him.

C. Victor Brick

John McCarthy served as the Executive Director of IHRS during its Golden Age. He literally helped create the health club industry as we know it. Perhaps his greatest strength was his ability to connect people and his ability to get everyone to work towards the common good, just as he is doing as the Chairman of Augie's Bash. He has that rare ability to make everyone feel special and good about themselves in his presence. No one can say, 'No,' to John. To quote Rudyard Kipling, he can 'walk with kings and paupers!' Of him, everyone can say, 'I like me best when I'm with you.'



C. Victor Brick

Augie's Quest Bash Committee Members
Bryan Andrus
Mark Mastrov
Bahram Akradi
John McCarthy
Mike Alpert
Bill McBride
Chip Baird
Dave Mortenson
Peter Brown
Augie Nieto
Chris Clawson
Andy Richters
Rick Caro
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Norm Cates
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Art Curtis
Mark Stevens
Mark DeGorter
Gale Landers
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Lee Hillman
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...John McCarthy

continued from page 14

Talk about mastering hospitality... you did that in spades and continue to do so!

Also, John, it's ironic that you mention the same two industries that I write about, the restaurant and the hotel industries, when I explain to our readers that our industry is truly just an infant when compared to those two industries and that we do have a great deal to learn from them in our industry. In the past, when explaining how young our industry actually is, I mention that the hotel industry is at least 2014 years old, if you're one who believes that the baby Jesus was born in a manger because, '*The Inn was full.*' So, your comments here reinforce my writings where I argue to my readers that our maybe 70- or 75-year old industry truly is very young, and we still have a lot to learn from other industries!

JMC - And, we haven't really focused on it the way we should. I mean... we're good... but we're not anywhere near to where we should be.

C.I. - Well, John, you're really touching on one of my favorite subjects. As a **CLUB INSIDER** reader, I'm sure you've noticed the little ads we publish *every month* urging our readers to **Make It Fun!** in their clubs. By producing those little ads for years now, we've been trying to help persuade everybody who owns and operates a club anywhere that they will be much more successful if they will **Make It Fun!** for BOTH their employees and their members. We've been doing these little ads every month for 22 years now since **CLUB INSIDER** first started. And, guess what, John? You may recall writing an article for **CLUB INSIDER** way back when we were just getting started. In your article, when you became one of our earliest **CLUB INSIDER Contributing Authors**, you quoted the late Dr. George Sheehan from his writing in *Runner World Magazine*, who'd written and I quote: **"Human beings will not continue for long to do anything no matter how good it is for them, unless it is pleasurable, unless it is sociable, unless it is entertaining, unless it is FUN!"** Did Dr. Sheehan *"Tell-it-like-it-is!"* or what? The man was a prophet!

JMC - Yes! That's as true today as it was when he wrote it! We haven't mastered this yet, and we have a long way to go!

Okay, Big John, you've covered the three biggest challenges for the industry, thus for IHRSA. Now, how about three of your greatest successes during your 25 years at IHRSA?

JMC - I'd say the first was that we decided very early --you were there Norm-- that we were going to go International. That was just a stroke of luck. I mean, when you and Rick and a couple of other guys said, 'It's not going to be just the U.S. We're going to go global,' it so happened that the United States was ahead of the rest of the world, and so the leaders in Japan and Europe and

Asia and South America... if they wanted to grow, they wanted to be part of the U.S. deal. So, we were incredibly lucky with our timing and going at exactly the right time. Rick would travel to China... he'd go anywhere! That tied into the next thing, and this is where Chuck Leve came into the picture. That was because we were the only group in the world that was bringing people together from around the globe. So, we were the first one to have an International Trade Show. That became a huge success, and it's still a success! We were very, very fortunate there. Those were two big things. The final thing was that, in the beginning, IHRSA was all about giving people information. How to do this... how to do that, etc. Then, *public policy became very big*. Now, it's even bigger, I think. The information about how to build and operate a great club... that's out there... But, the public policy challenges are so big and so huge right now, as you know, Norm. We've got a government that wants to rule everything. I won't get you started, Norm, and I won't get myself started, either (*both laugh*). There are more laws about everything. They want to regulate the heat of the water in the whirlpools! Everything! So, that's become just a huge thing for IHRSA right now. We've got a great leader in that effort in Helen Durkin, and she does a hell of a job.

C.I. - IHRSA's doing really great work in that area... they had something like 88 victories and only two losses over five years, or some outrageous number like that!

JMC - It's just amazing! Every year Helen Durkin sends me a scorecard on how they're doing. Every year, it's something like 30 wins and two losses! I mean they are world class when it comes to public policy. I don't think there is another association in the world that would have their win/loss record. They've got two stars... Helen does the big ones, and they have another young woman, Amy Banham, who has a Ph.D. in public policy from Harvard, and she's a bright one, too! They are an incredible team.

C.I. - John, I may be wrong, but it seems to me that the biggest challenge Joe Moore and Helen and her Team have with IHRSA public policy is getting people (Member Clubs and Associate Members) to listen and participate. We need to get them to pay attention and participate. All that has to happen is have one ill-advised legislator propose something that's going to be horribly detrimental to clubs, and then, use one of their seedy 'after hours' tactics to get it voted in without our industry's representatives having a fair opportunity to register their opposition before the vote. With this world the way it is, by the time they could get in their car and go home, it could screw up the health and fitness club industry in that State so much that the club owners there could end up in big trouble.

(See *John McCarthy* Page 17)

Past Presidents and Chairpersons of IHRSA

Norm Cates		1981 - 1982
Rick Caro		1982 - 1983
Todd Pulis		1983 - 1984
Ted Torcivia		1984 - 1985
Jim Gerber		1985 - 1986
Bob Fitzgerald		1986 - 1987
Tom Lyneis		1987 - 1988
Wayne Westwood		1988 - 1989
Bob Larsen		1989 - 1990
Mitch Wald		1990 - 1991
Cecil Spearman		1991 - 1992
Bruce Buckbee		1992 - 1993
Larry Krieger		1993 - 1994
Rob Goldman		1994 - 1995
Frank Napolitano		1995 - 1996
Steve Tharrett		1996 - 1997
Ben Emdin		1997 - 1998
Annbeth Eschbach		1998 - 1999
Gale Landers		1999 - 2000
Joe Cirulli		2000 - 2001
Geoff Dyer		2001 - 2002
Tom Behan		2003 - 2004
Julie Main		2004 - 2005
Joe Moore		2005 - 2006
Michael Levy		2006 - 2008
Gene LaMott		2008 - 2009
David Patchell-Evans		2009 - 2010
Art Curtis		2010 - 2012
Bill McBride		2012 - 2013
Brent Darden		2013 - 2014
Robert Brewster		2014 - 2015

...John McCarthy

continued from page 16

and I'm talking about *clubs going out of business kind of big trouble* with some of this stuff!

JMC - You're absolutely right. At some time, Norm, you ought to do a Q&A with Helen Durkin because she's been doing this for years, and she really knows her stuff. First of all, she would agree 100% with you that a lot of people in the industry have to wake up and realize that their business is at stake with some of these government rules that could be passed. You've been preaching that since day one. So, I don't have to say a thing to you about that.

C.I. - Yeah, but John, I'm asking myself, 'Are they listening?' Just like with you, they are my friends and I worry about their businesses' futures and their families. I really do. I don't get any letters from anybody saying to me, 'Hey Norm, I know you're absolutely right... we need to support IHRSA's Public Policy efforts!' I don't get any letters like that. We need to do a cover story on Public Policy!

• • •

C.I. - After 25 years, some would call it a career; however, you're still involved in our industry in several ways. Please tell us about those opportunities and responsibilities.

JMC - I'm very lucky that I'm involved with great people. I know you know these people. I'm working with John Aglialoro of Cybex. He's a terrific guy. I've worked with him almost since the time I left IHRSA nearly eight years ago. I love him and his company; they're doing great. They had that one terrible lawsuit with the young woman who got hurt, and they recovered from that. They also took Cybex out of the public marketplace. That saves \$1 million a year with all the rules and regulations involved with being publicly traded. Cybex is growing well with high single, almost double digit growth every year. John's a great and fun guy. You know... he's made three movies. He's a talented, fearless and good man.

I'm also involved in North Castle Partners, a private equity company that's always been involved in the health club business. They owned Equinox, as well as World Health, Octane Fitness and Curves right now. Chip Baird is the CEO, and that's a wonderful company to be associated with.

And, the third thing is Augie's Quest. Every year that you and I were working together at IHRSA, Augie was our #1 exhibitor, our #1 sponsor, our #1 advertiser... Augie was #1 at IHRSA. Augie once told me, 'John, whenever you are doing something new, let me know and I'd like to take a look at it and maybe we will sponsor it.'

C.I. - Augie was our *Bell Cow* for IHRSA

when you think about it! He always led the way no matter what was going on. I know having Chuck Leve was extremely important, but getting Augie and Life Fitness on board and behind I(H)RSA at the time was huge! They had to be among the first five IHRSA Associate Members to come on board.

JMC - You're exactly right. If Augie was going to take the Back Cover and the Inside Front Cover of the magazine, everybody else would follow and say, 'We've got to be there, too.' If Augie was going to take 8 booths, or 12 booths or 20 booths, everybody else would say, 'We've at least got to be close!'

C.I. - What Augie and Lynne have had to go through with this battle with ALS just breaks my heart. But, I believe they are going to **Win The War On ALS!**

JMC - Augie is an amazing, amazing man. You and I and a whole lot of our friends have been supporting him since day one. Norm, you have been an Ace in the hole for Augie. You've always supported him, and you're always here, so I know he appreciates you very much.

C.I. - John, I just wish we could do more. But, I want to say my most sincere Thanks and Appreciation to you for your leadership of The Bash for Augie's Quest. What you've done for the cause of defeating ALS is huge, and I know Augie and Lynne appreciate greatly what you have and are doing. To me, the very fact that Augie and Lynne will be hitting the 10th Anniversary Milestone of his fight with ALS is clear enough proof that Augie has been divinely chosen to do what he's doing, and I believe deep in my heart and soul that he's going to **Win the War on ALS!** And, when he does, we can all be dancing in the streets because this amazing man and the incredible team his lovely wife, Lynne, and he have built will be changing the world hugely for many people.

With the 10th Anniversary of Augie's Quest and The IHRSA Bash coming in March approaching, please give us a status report. What's planned for the future of this incredible cause?

JMC - Norm, Augie is more alive than ever... more energetic and more committed than ever... and more successful than ever! He's so committed to curing ALS it's just unbelievable. He's one in a million. We're all privileged to know and work with him. This is the 10th Anniversary, and we're going to make it the biggest and best ever. We're all committed to that.

C.I. - John, please let me know what Justin and I can do to help.

JMC - Norm, you've been out front every year, so Thank You so much.

C.I. - What would you say are the **Top 5 Industry Events** that happened during your 25 years of IHRSA Service, and since you retired.

JMC - I believe that the Top Industry

Events were:

1. Globalization of the industry... that's huge.

2. Then, I'd say that the link between exercise and health, no matter whether it's physical, mental or emotional health, has been established. It has become clear that we're involved in something that is incredibly important and valuable, and none of us, and I mean none of us, realized how important it was when we got started.

3. The third thing was, and you and I go way, way back when the industry was 80 to 90% men, now it's like 45% men and 55% women. That's because of what Peter and Kathie Davis of IDEA and the other leaders in that field did to encourage women to be even more involved in exercise than men, so that's a huge thing.

4. Then, there are actually three phenomena that go together:

• The first is what your buddy, Mike Grondahl, did with Planet Fitness. He revolutionized the industry. There is not a club in the world that hasn't been impacted by what Mike did. So, he was a **HUGE** factor in the evolution of the industry.

• Then, totally different than Planet Fitness, but just as prolific, was the incredible birth of the thousands and thousands of mini-clubs. The 1,000 to 2,000 square-foot clubs are everywhere up here, and most of them are franchises. But, this means that the little guy CAN get in the business now, and that includes young people in the business that are highly motivated and can be in the industry now because they don't need a whole lot of capital to get in. Plus, they are all doing what they love.

• Next, there are several guys who have really changed the industry, and I put them all in the same breath: Dale Dibble, Red Lerille, Curt Beusman, Alan Schwartz, Jim Gerber and Bahram Akradi. They caused the re-birth of the family club. Mike doesn't do any of that. The mini-clubs don't do any of that. But, it's people like Dale, Red, Curt, Alan, Jim and Bahram, to name just a few from many, who re-birthed the family clubs with everything from Grandmas to 6-year old kids. They are people who made everybody realize that there was real gold in creating family clubs. And, the huge family clubs are some of the most successful in the industry now.

5. Norm, the guy who proved that execution in clubs is everything is Joe Cirulli. When you go into his clubs, there's nothing different than in 10,000 other clubs, but it's his **execution**. He just does it better than anybody else. Of course, it's not just Joe who's great at execution, but if you want to see execution at the five star level, go down to Gainesville, Florida and take a look. That's how you do it. The point is... no matter what you're doing... it's **ALL**

ABOUT EXECUTION! There is no secret sauce... secret this or secret that... it's **EXECUTION!** And, that's what this business is about. Joe only owns two or three clubs, but he makes more money in those clubs than some people who own 25, or 30 clubs, or more!

C.I. - John, that's a great list of happenings! And, with respect to the low-cost clubs and small mini-club revolutions that are happening, I'd argue with anyone anywhere that low-cost 'starter' clubs work for many people who are out of shape and are too embarrassed to even go into a big family club, or to a big box fitness center. In essence, I believe that these clubs act as *feeder systems* for new member prospects for the family clubs and the big box fitness centers of the world.

C.I. - John, we're at the end of the interview now, but I want to share with our readers about what you have on the horizon... What's in store for Big John McCarthy?

JMC - Well, you know, Norm, I enjoy what I'm doing, and I'm still in reasonably good health. So, I just take it one day at a time, and I enjoy it as much as I can. I try to stay in touch with my buddies. I play a little golf. I go to a health club almost every day. And, I stay close to my wife and my kids. It's very simple. Very simple.

C.I. - Well, Big John, it's simple, and it's great. Because if anybody in the world deserves the opportunity that you've got in life, because you know of course, with everything with exercise that you've been involved in during your life so far, there is no reason why you should not live to be 100!

• • •

In closing, Big John, I want to thank you from the bottom of my heart for all that you've done for all of us in this wonderful industry that we all share and participate in. Words will not adequately express the depth of the appreciation from thousands and thousands of us who've known and worked with you during the past 34 years. So, congratulations to you for your *Club Industry Lifetime Achievement Award*, and to the *Club Industry* folks who so wisely decided to present you with the honor in Chicago on October 23, 2014.

Thank You and God Bless you and your Family, Big John!

(Norm Cates, Jr. is a 41-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 22nd year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

Building Great Teams

By: Dr. Art Curtis

Part III

In Part I of this 3-part series on teamwork, I discussed some of the characteristics and behaviors that are common to high performing teams. In Part II, some of the triggers that can lead a team down the road to dysfunction were covered. In this final installment, I will share some thoughts on an approach you may find useful when assembling your senior management team or when you need to replace a team member.

Unfortunately, too often I have seen club companies that have a great strategy or a very charismatic leader but do not get the right people on their "team bus." They just do not hire right! Without the right people on your senior management team, your chances of success are greatly reduced. Why do so many organizations find this so difficult? My sense is that there are a couple of reasons.

First, many organizations do a poor job of connecting the dots from their vision and values to developing their operating plans. All too often, the vision sits in the vision silo and is not clearly articulated and translated into what the business stands for and aspires to achieve. The values sits in the values silo where it tends to be merely a collection of words that may sound good but never become the "guiding light" for how the company will go about its business or the type of people it wishes to have as employees representing the club to its members. Finding team members who share the vision and values is not possible unless you have a clear vision and know the values you are looking for and then evaluate candidates against those criteria.

Second, there is a tendency to evaluate talent based on the past and not how a prospective team member might perform in the future as a member of your team within your organization's culture. The warning at the bottom of a typical stock prospectus all too often holds true for hiring team members, "past performance is not necessarily indicative of future results." Have you ever hired a person for a key position in your organization who had all the right skills and experiences? They interviewed well, had all the right answers and their resume read like the job description. But, after you hired them, they fell flat on their face. They did not bring any new thinking to the team and proved to be a very poor fit within the team creating more turmoil than contributions.

How does this happen? Perhaps you were looking at the wrong things and asking the wrong questions. Most people have been taught interviewing is about

the candidate's skills, education, training and experiences. Often times, there is too little useful information gathered from the candidate to help understand how suited the candidate is to face the challenges that lie ahead for your organization. We are in a very dynamic industry, one that is constantly undergoing change. All too often, the skills and experiences that were needed for success in the past are not necessarily the ones that are needed for success in the future. Just think how technology and social media has changed how we market clubs today versus just a few short years ago.

Unfortunately, most interviews tend to focus on the past and not the future. All too often, interviewers tend to ask a lot of questions about the past, information that is generally already contained in the candidate's resume. The questions tend to take the form of: Have you ever done... or what have you done in this area...? Unfortunately, this only provides information about what they may have done for someone else, under different circumstances and within a different team and support structure. This information is more useful for screening candidates. Do they have the basic skills, education and experiences that would make it worth the time to interview them? It provides very little insight into how they would be expected to contribute on your team within your club environment. We have certainly seen many instances in professional sports where a "free agent" who was extremely successful on his former team only to disappoint his new team. Professor Boris Groysberg of the Harvard Business School studied the careers of more than 1,000 star analysts at Wall Street investment banks and found the star analysts who changed firms generally suffered an immediate and lasting decline in performance. He concludes that their earlier excellence appears to have depended heavily on their former firms' general and proprietary resources, organizational cultures, networks and colleagues. The few exceptions were the stars that switched with their team intact or to a better firm. Past performance did not predict future results.

So, how can you improve your chance of selecting the best possible members for your senior management team? By shifting the focus from the past (*skills and experiences*) to evaluating **HOW** the candidate will use those skills and experiences effectively to contribute to the challenges of today and tomorrow. I would suggest the following approach:

Interview Guide - Start by taking the time to develop an interview guide, complete with a numerical rating for all

questions to be used by all individuals involved in the interview process. Make sure everyone involved in the selection process contributes to developing the interview guide and uses the guide during the interview process.

Interview Questions - Put the candidate into several situations that will be faced by your team by asking **HOW WOULD YOU...** (*insert the issue(s) that are important to your organizations and that you want the candidate to contribute to*) Follow-up questions (*i.e., who, what, where, when, why*) can be used to probe and clarify responses to the how questions. Remember, you are looking to find out if they exhibit the characteristics commonly exhibited by high performing teams, (*i.e., mutual respect, how they handle conflict, how they collaborate with others, how they commit to team decisions and hold themselves accountable, etc.*). Included in the interview guide should be ratings for the candidate's potential fit on the team including things like personality, work style, as well as complimentary skills brought to the team. Finally, there should be a rating of the extent to which the candidates shares the organization's vision and values.

Group Interview - When recruiting candidates for a place on your Senior Management Team, I would recommend that the final interview be a group interview with the candidate and the members of the team. This is a little bit of a stress test but should give you a sense of how the candidate handles the stress and communicates in a group setting. Someone will need to lead the interview and keep it focused by asking the HOW questions while others can ask the probing questions.

Case Study/Problem Solving - Prior to the final interview, you might even ask the candidate to prepare a response to a specific issue or case study faced by the organization. This helps to give you a sense of how the candidate thinks, how they approach a problem. It also provides you with some insights into how committed that candidate is to being a member of the team by the initiative they take to learn about your organization and prepare.

Scoring - I would keep the numerical rating simple. I tend to like scales from 1 - 10 so there can be good discrimination from high to low scores. **At the end of each candidate interview, the interviewer should immediately and independently, without discussing with any of the other interviewers, complete their rating of each candidate.** It is important to complete the scoring while the interview is fresh in



Dr. Art Curtis

your mind and without introducing any bias from the other interviewers.

Selection - **Ratings should not be discussed by the interviewers until after all the interviews have been completed.** Ratings should be compared for consistency across the different interviewers and ultimately used as a basis for selection. Finally, references must be checked before an offer is made. When checking references, make sure to focus on asking how the candidate approached issues, how they interacted with co-workers and how collaborative they were in their work with others.

This approach is not simple, and it will take some time and effort, but if done well, the results are well worth it.

(Dr. Art Curtis earned his B.S. in Business and M.S. in Exercise Physiology from Bowling Green State University and his PhD in Exercise Physiology from the University of Maryland. He has taught courses in the graduate schools of the University of Maryland and the American University in Washington, DC. In addition to his consulting work, Art has been serving as a mentor to students at the Dallas Hamilton Center for Entrepreneurial Leadership in the College of Business Administration at Bowling Green State University. Curtis Club Advisors LLC was formed in 2011 to serve the Global Fitness and Wellness Industry. Currently, Art serves on the Board of Advisors of CYBEX, one of the world's largest fitness equipment manufacturers. He is also a member of the Board of Managers of Taymax Holdings, an investment by ClearLight Partners in one of Planet Fitness's largest area development companies. From 2008 to 2013, he was a member of the IHRSA Board of Directors, serving two terms as Chairman from 2010 to 2012.)

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Who's Got Your Back?

By: Derek Barton

Have you ever seen a Disney car? You may never see one on the road because of the Brand Manager at Disney many years ago.

What may seem like a perfectly logical brand idea to many may seem like a very bad idea to one. And that ONE just might be what most companies call their Brand Manager, or as I was nicknamed at Gold's Gym, the "Keeper of the Brand."

At that Think Tank meeting at Disney many moons ago, someone said, "Since every kid grows up loving Disney, why shouldn't their first automobile be a Disney car?" Every person around the table praised the idea and the excitement grew at the thought of this potential revenue maker while getting another Disney product out into the marketplace. It seemed like a logical extension of the brand. Who wouldn't love that idea? Certainly, every Disney fan would. All the Disney management and marketing teams at the roundtable did but not Disney's Brand Manager.

That "Keeper of the Brand" was the only person who questioned the idea. She was the only one who truly thought all the way through the idea from the good points to the bad. After all, it was her job to make sure this idea was "on brand" and would not diminish or harm it in any way. She was in a tough position, because at Disney, they do not allow any negative thinking when it comes to developing an idea, a concept I admire and respect because too many people don't have the vision to truly see a great idea. They'll negate it for many reasons: (1) because it wasn't their idea or (2) because they just don't open their minds to something new.

In this case, the Brand Manager at Disney waited until the celebration and the high-fives over their great Disney car idea were completed. She raised her hand and said, "I can see the Disney car as clearly as all of you can. I can see the excitement on the face of every kid who drives one. It could be more popular than the Volkswagen Beetle. But, I can also see what would happen to our brand when a 16-year old girl gets into a fatal accident in

her first car, the Disney car. The newspaper headlines and newscasts will brutalize our brand."

There was stunned silence as the bearer of bad news sat uneasily in her chair. After all, she had just rained all over their parade. The looks were as if she had killed the Mouse or complained that Donald Duck had no pants, or questioned why Goofy walked on two legs while Pluto walked on all fours, strange indeed because they are both dogs.

A voice with another perspective had spoken and shone a light on the likely consequences of what a moment ago had been the greatest idea since Disney World. It was like the play *Twelve Angry Men* where one person changes the minds of the other eleven jurors. The Disney team all sighed and then nodded at the thought of their Brand Manager's insight and wisdom. More importantly, they appreciated that somebody had their back. The Disney Car idea was unanimously scrapped.

Who's got YOUR brand's back? Like a loyal friend who always has your back, you need that trusted person for your



Derek Barton

company. During my 20 years serving many owners as the head of marketing at Gold's Gym, I learned the importance of being loyal to the brand first. I do the same thing with my clients today. Believe it or not, it's easy for an owner or staff to lose sight of what's best for their brand. It's sometimes the little things that count. And,

(See Derek Barton Page 21)

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...Derek Barton

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if you don't think little things matter, try sleeping with a mosquito.

For instance, at GOLD'S GYM, I learned to be on the set during a photo shoot because nobody was looking at the little things like the "G" in GOLD'S hiding in a fold of a sweatshirt, thus spelling "OLD'S GYM." It mattered to me.

Many gym owners make sure they hang the Equipment Company and Group Exercise Company banners from their gym rafters, but I see none of their own company signage in strategic places. Great for these other companies, but not for those gym owners, as they soon discover when watching that great newscast in their gym seeing everyone else's logo, but not their own. What gym was that filmed in? Hmm.

I recently saw a great newscast of a personal trainer from a very successful gym giving valuable stretching lessons before a golf match. Being an avid golfer, I watched intently for five minutes as he demonstrated from the golf course how to loosen up before he played. It could have been tremendous publicity for the gym, but the only problem was he wasn't thinking as a Brand Manager would. He thought like a Personal Trainer, promoting what *he* does by wearing a huge generic PT inside a big circle instead of the company logo. We all got the message that he is a Personal Trainer, but not the most important thing, *where* he can train you. Another missed opportunity for his host gym.

Note to self, all things to be made public should go through your company's Brand Manager, your "Keeper of the Brand." He or she will make sure your brand gets the proper care and the right exposure it deserves! They got your back!

(Derek Barton is President and owner of California-based Barton Productions and can be reached at derek@bartonproductions.com)

Trees, Turkeys and Club Insurance

By: Justin Cates

It's that time of year again. Halloween has come and gone, it's getting cold out and the Holidays are upon us. I can already smell the freshly cut trees and freshly cooked turkey. However, so too is the need to prepare your club for the new year. There are a myriad of things to prepare for every new year, but there is one key item you can get done even before you hang your decorations! That key item is updating your club's insurance.

While at Club Industry 2014 in Chicago, I had the chance to speak with Jennifer Urmston Lowe, National Account Manager for Sports & Fitness Insurance, and we spoke by phone after the show. If you're not an insurance expert or you are not up-to-date with your policy, the interview that follows should help better inform you and caution you about the importance of this *shield* for your business and keeping it as strong as possible to protect you. I welcome you to read on, and when you have scratched the tree and turkey off your shopping list, don't forget your club's insurance!

An Interview With Jennifer Urmston Lowe
National Account Manager of
Sports & Fitness Insurance

CLUB INSIDER (C.I.) - Please tell us about the insurance world as it applies to health and fitness club owners...

Jennifer Urmston Lowe (JUL) - The insurance world for health clubs is primarily comprised of specialty programs. At Sports & Fitness Insurance, we offer a specialized program. For 30 years, we have tailored our general liability offering

specifically to health clubs because the liability insurance needs of a health club are extremely different than a restaurant or other retail businesses and services. For health and fitness club owners, it's important to work with programs that specialize in this industry and have a long history of servicing this industry. In this industry, we have serviced those accounts, paid millions of dollars of claims and haven't walked away. So, not only is our coverage specialized, but our customer service is also specialized. We know what the claims are, we've seen them and are not afraid of them.

C.I. - Can you elaborate on some of the differences you mentioned between health clubs and other retail businesses?

JUL - Well, our professional liability exposure is different. Professional liability includes personal trainers, fitness instructors, group exercise instructors, yoga, Pilates, massage, nutritional counseling, and now, physical therapy. In each health club, you have this vast array of professional liability exposure, and it needs to be covered on the *primary policy*, rather than having to go out and buy a second policy, because you want your limits to be consistent and your umbrella coverage to be seamless. That's an important primary point.

Another point is that you need adequate medical payment coverage on these policies that pay medical bills with *no fault* as goodwill. For instance, our medical payment limit is \$10,000, which is pretty high. On a lot of policies, it's just \$1,000 or \$2,500. If you are a retail establishment, someone can trip on the carpet or slip in the bathroom. In a health

club, that can happen, but someone could also tear an ACL in a group exercise class at no fault of the club, the instructor or anyone on staff. You can easily run into more than \$1,000 or \$2,500 in medical bills with the costs of MRIs, surgery, etc., depending on the injury. So, we have more exposure for medical bills; therefore, our program offers a higher no-fault, med-pay limit.

Then, there is the occurrence and aggregate limit of the general liability policy, which is usually \$1-2 million or \$2-4 million. This limit is available for claims where there is possible fault and a potential lawsuit and awards or settlements. Those limits are available on other policies, of course, but our program is unique in offering a higher medical payment to prevent lawsuits without an exclusion for athletic participants. Our coverage is also unique in that we cover the professional liability without having to file a claim under a second policy. Additionally, our definition of professional liability is broad and includes nutritional counseling and physical therapy. Our program covers these exposures that are unique to health and fitness, where standard general liability policies might not.

Having everything together is important. Let's say you have a claim because someone fell off a treadmill. If the policies are separate, you could have the general liability carrier say they are going to deny it, because it's a professional liability claim since the claimant states they were not instructed in the proper use of the treadmill. Then, your professional liability carrier could potentially deny it if they deem it not to be professional and believe it had to do with the equipment malfunctioning. So, if you have two carriers, you could end up paying the bills yourself and waiting for the two carriers to fight over the claim or even have to sue the carriers for payment. That's why you really want all your coverage under one policy, if possible. It's one carrier. It could be 50% general liability because the magnet came off the safety cord, and it could be 50% professional because the instructor didn't explain that the cord had to be attached to the magnet. With one policy, there is no gray area. The claim is paid!

Another thing that would be of vital importance to health and fitness facilities and professional is the exposure for sexual abuse and molestation claims. In this industry, there needs to be coverage for both on the general liability policy that applies to both adults and children. There are also safety issues and upkeep of facilities during the winter, which are very important to health clubs. Protecting your business should be top of mind year round,



Justin Cates

so having an agent you can ask questions to anytime is important. It really comes down to what I said at the beginning of the interview. Does your agent have expertise in this industry? Can they continue to help you as you grow your business by knowing industry-specific issues?

C.I. - What is the first and foremost question that should be on the minds of club owners this time of year when it comes to insurance for their clubs?

JUL - What have you done differently in 2014, or what do you plan to do in 2015? In your plan for the new year, are you adding any new services, new equipment or new programming? If so, that's excellent, but make sure you check with your insurance agent. You want your new exciting developments to be fully covered, and we want your business to grow. It's important to know about these new things in advance. For example, let's say you are adding playground equipment to your children's area so they can be more active. Make sure you check to see how this will affect your coverage because you have expanded your child care facility. You just invested that money, so we need to add that in. So, whatever your new plans are, run it by your insurance agent and make sure you are fully covered. We want you to grow, and it may not cost you any additional premiums. It's just a good idea to check.

C.I. - Please tell us about Sports & Fitness Insurance. When and how was it founded? How do you go about servicing your clients?

JUL - We were founded 30 years ago by Glynne Simpson who, at the time, was insuring all the manufacturing for Nautilus Fitness Equipment in Independence, Virginia. John Urmston, my dad, who was COO of Nautilus at the time, went to Glynne and asked him to put together a solution for health clubs because

(See *Club Insurance* Page 23)



Jennifer Urmston Lowe and Her Dad, the late John Urmston



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...Club Insurance

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the health clubs were feeding back to Nautilus that general liability coverage for fitness centers was either not available or very expensive. They could buy property insurance, fire insurance, etc., but they were having a hard time buying liability

insurance because the local agents were afraid of the exposure. So, in 1985, Glynne went to an IHRSA event for the first time, and he and my dad worked together to write the first policies. Glynne is still active in the company, and of course, I am actively involved in the day-to-day operation of the company.

We have a team of underwriters

with over 100 years of experience working with just health clubs, and we work with agents all over the country. We have written more than 300,000 policies and have serviced millions of dollars in claims. Our programs are very much tailored to this industry, and our carrier, Liberty Mutual Insurance, is very much committed to this industry. If you have a carrier that isn't, you could have a big claim, and they might walk away or choose not to write any more health club policies. To us, this is not just insurance, it is fitness. That's why I love what I do. I love the fitness industry, and insurance is a means of helping clubs stay in business, grow their business and protect their assets.

• • •

Thank you to Jennifer Urmston Lowe for her time and help with this article. Be sure you are covered for 2015, and have a successful New Year!

(Justin Cates is the President and 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 29 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)



Steve Shelton and Jennifer Urmston Lowe at Club Industry 2014



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The Secret Member Retention Tool That The Big Gym Chains Don't Want You To Know

By: Joe Imbrogno

Member retention: The ultimate challenge for club operators today, and it seems, forever. There is no doubt that retaining members is critical to your gym's success. A deeper look into the economics paints the picture.

Recently, I had to deliver the unfortunate news to one of our new gym clients that the first 30 members that they had signed up for the month didn't even count. Translation: \$10,000+ per year in lost dues caused by attrition!

Because they didn't have a solid member retention strategy in place, they couldn't even begin looking at gains in revenue until after the sales team signed up new member number 30!

The client I describe above is not unique. Interestingly, we have found this to be a real problem for GMs who are so heavily focused on new member sales that they forget that members have much bigger expectations from their clubs these days.

So, giving them a reason to stay HAS TO BE A TOP PRIORITY! When equal focus is given to member retention, more of those new member sign-ups move your gym toward growth mode, rather than just keeping you at the same level (talk about "spinning your wheels!").

If you happen to be one of those GMs who may not have been equally focusing on member retention, you may be wondering where the heck to even start. The answer might even seem to be a bit counterintuitive, but I'm going to walk you through it.

Member retention starts with the new member orientation. Yes, that's right! Member retention starts long before the member has completed even one workout or one group fitness class or one personal training session at your facility! Why? It comes down to the top reasons why people stay at a gym (to name a few):

- Getting in shape;
- Improving overall health;
- Making progress towards fitness.

As Nick Murtha, Account Executive of MBSC Thrive put it, "If people are getting results, they are likely to remain members. So, why not start new members off in the right direction from the beginning to ensure the highest possible likelihood that they will get results and meet their fitness goals."

Seems like a no-brainer, right? But we can all agree that getting people to first, schedule an orientation, and second, actually show up, are quite a challenge!

What if I were to tell you if you

make just one simple adjustment to your sales process --the secret member retention tool that the big chains use-- that your new members will not only willingly schedule orientations, they'll actually follow through and show up!

Here's The Secret: Build the value proposition for the new member orientation (a/k/a fitness assessment) from the moment the sales rep comes in contact with the new member. So, technically, this means that the value proposition for the new member orientation has to be built before the prospect even becomes a member.

"Too often, I see membership sales reps go through the entire pre-tour, tour and post-tour process without even mentioning the orientation. Then, as a last step of member sign-up, they say something like, 'Okay, let's get you scheduled for your orientation,'" commented Murtha. "This rarely results in a successful outcome, especially in cases where the new member has belonged to a gym in the past and either believes that they do not need the orientation or that it is a loosely veiled attempt to sell personal training services," he continued.

I'm going to share with you the exact steps we used to take the client that I mentioned earlier (that was losing \$10,000+ in member dues) from losing 30+ members per month to less than 15, a 50% improvement!

Meet with your sales team right now and have them do this:

1. When meeting prospects at the front desk, the membership sales rep should explain the process they will go through: "We'll discuss your background and goals; I'll give you a tour of the facility; we'll review membership options; then I'll get you signed up and scheduled for your orientation to make sure you start off with a plan in hand to accomplish your fitness goals."

2. During the pre-tour process, make sure your reps are identifying and understanding the prospect's fitness goals and looks for opportunities to relate them back to the orientation.

3. During the tour, your membership reps should stop by the training area and introduce the person or people who conduct the orientations, saying something like, "This is John. He'll be helping you with your orientation to make sure you start with a plan that will get you the results you're looking for."



Joe Imbrogno

- 4.** At the close, your membership rep should politely, "assume the meeting," and say, "we can schedule your orientation with John tomorrow at the same time. Does that work?"

The goal is to make the orientation so valuable all through the process that, by the end, the new member not only gladly schedules it... but they eagerly show up! If you are getting 75% of your new members to schedule an orientation and 50% or more of them to show, you are making a significant investment in member retention long before your new members hit that plateau or get busy with life and stop using their membership.

Need help implementing the above changes into your membership sales process or want to discuss other ideas? Please send me an email at joe@exaktmarketing.com or call **(888) 949 - 5487, Ext. 701** for a complimentary 30-minute phone consultation.

*(After graduating from the Wharton School of Business, Joe spent the first 15 years of his career in Corporate America, leading marketing teams around the world in market expansion activities. In 2007, he left to start Exakt Marketing's parent company with co-founder Derek Lee. At Exakt, he leads the fitness marketing practice team that delivers the group's three-phase intensive lead generation program dubbed "Kinesis" to bolster sales and marketing efforts geared toward energizing the lead generation and membership sales activities for health clubs. Additionally, he consults with health clubs across the country on everything from online lead generation to membership sales training. Joe can be reached at joe@exaktmarketing.com or **888-949-5487 x701**. More information can be found at www.exaktfit.com)*

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...Norm's Notes

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• Our June, 1998 cover featured CARL PORTER outside of his Michigan Athletic Club. Carl was one of those present when CLUB INSIDER was dreamed up in Chicago in January, 1993.

• 1998 also featured the following CLUB INSIDER Cover or Headline Stories: the late, ROBERT DEDMAN; RICK CARO in a headline story; JIM FLANAGAN; TODD and FAITH PULIS; JERRY EVANS, BONNIE PATRICK MATTALIAN, LIZ NEPORENT and HANNAH KARRIS; and BOB and MARY BETH PROVOST.

Next month, I'll cover many more years of special cover stories, just in case you have not yet subscribed, so you can have access to all 251 CLUB INSIDER Archive Editions.

• Happy Thanksgiving to you and your family, your club staff and your members!

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• Happy Veterans Day and God bless all of our troops, airmen and sailors and keep them safe. Thank you, Congratulations and Welcome Home to all of our troops who have served in Iraq, Afghanistan and around the world. God bless you and your family, your club staff, your members and your club(s). God Bless America!

(Norm Cates, Jr. is a 41-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 22nd year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981/82. In 2001, IHRSA honored Cates with its first ever DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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How to Get Your Employees to Speak Up

By: Rebecca Knight

Getting candid opinions from your direct reports can be difficult. After all, no one wants to upset the boss. But, hearing messages from down the ranks, including input from your company's customers, feedback on your performance and information from other departments or units, is critical to your organization's

success. How can you encourage your team members to have honest conversations with you and to speak up when it's important?

What the Experts Say - Cultivating an open environment is tough because people are wired to be conservative, according to James Detert, a professor at Cornell's Johnson Graduate School of Management who specializes in transparent communica-

cation in the workplace. "We have a deep set of defense mechanisms that make us careful around people in authority positions," he says. "That is why the information you're getting from people multiple levels below you in the organization is likely to be filtered." But, you need those people to be straight with you. "They are better in touch with customers and stakeholders, and they understand problems and possibilities, what works and what doesn't better than you," he continued.

Getting an early handle on minor issues before they become big problems is the key, according to Joseph Grenny, the Co-Author of *Crucial Conversations* and the Co-Founder of VitalSmarts, a corporate training company. "You can approximate the effectiveness of the team, or even an entire organization, by measuring the average lag time between when problems are identified and when problems are brought out in the open," he says. Here's how to minimize the gap.

Zero in on the Source of the Silence - "Silence usually means people are holding back," says Grenny. Whether people are clamping up in meetings or avoiding questions behind closed doors, it's up to you to understand why. Are they worried that, if they speak up about a problem, they will lose out on a bonus? Or, do they think it's futile since other suggestions haven't been implemented? To encourage openness in a group setting or in a one-on-one conversation, Grenny suggests, "coming up with a code word that jars people into knowing they can be candid with you." In his corporate training work, Grenny advises managers to use the phrase, "crucial conversation." The phrase helps, "frame the issue so that your team knows they have permission to be honest and open," he explains.

Give People Options - You may want everyone on your team to feel free to discuss issues publicly, but speaking up about problems in a group setting is uncomfortable for many people. Some might feel put on the spot; others worry they'll say something unpopular. Initiate more one-on-one, casual conversations so that your people have more ways to express their views. An open door policy is important, says Detert, but "stop waiting for people to come to you; go out and ask them yourself." Begin with your team's opinion leaders, advises Grenny. "Every smart manager knows who the opinion leaders are," he says. "Take them out to lunch individually and ask for feedback," he says. Pay close attention to the gaps between the issues they raise with you in a "safe, informal environment" versus the "issues that are discussed in team

meetings," Grenny says. "Those are things that really may be bothering your team."

Model Candor - In every organization, there are things you just don't do: Disagree with the big boss in public, for instance, or criticize a certain manager's pet project. But, cultivating a climate of candor requires a "willingness to kill the sacred cows," says Grenny. Are there certain topics that you don't dare broach with your own manager? If so, you need to speak up and make sure your team knows you have done so. "You lose moral credibility with your team if you're not taking risks with your boss," he adds. Your willingness to run issues up the food chain will make employees more apt to come to you in the first place. "People will realize that, if they're willing to stick their neck out and tell you what's bothering them, you will try to get something done," says Detert.

Create An Ownership Culture - When it comes to speaking up, some employees think, "Why bother? It's not as though my perspective matters." This line of thinking, according to Detert, is dangerous, "and is exactly why you need to create an ownership mentality in everybody on your team." Colleagues need to feel they have a stake in the success (or lack thereof) in the organization and that speaking up, admitting mistakes, "and addressing concerns is a collective responsibility." This goes for you, the manager, as well. To embed this notion, Detert suggests offering regular updates on the financial picture of the organization to deepen their understanding of what's working and what's not, including examples of your own errors in judgment. "You want to make sure everyone's motivation to improve the place is sufficiently high."

Make It Routine - You can get people in the habit of speaking up. In one-on-one meetings, set aside a few minutes at the end to ask if there are any issues you should be aware of. Dedicate part of the agenda in your regular team meetings to air out problems. Before each meeting, appoint someone whose job it is, "to bring up any issues and concerns," and then, "rotate that messenger role throughout the team," over the course of time, says Detert. "It's a good way to show that this process of putting things on the table is everybody's job. And, everybody does it without consequence," he adds. "It creates a *safe zone*." Another approach is to schedule certain meetings with the express purpose of bringing up problems. "Tell your team you want to hear everything that's wrong with Project X," says Grenny. "Then, build consensus around those to help you figure out: How

(See **Rebecca Knight** Page 27)

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...Rebecca Knight

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do we deal with these challenges together?"

Do:

- Try to get to the source of your colleagues' concerns about speaking up: What precisely are they afraid of?
- Initiate one-on-one, informal conversations, which will help team members feel safer about broaching uncomfortable topics; and
- Create a culture where colleagues feel they have a stake in the future of the company and that speaking up about issues is everyone's job.

Don't:

- Allow your organization's cultural norms of, "what not to say," get the best of you. Be willing to speak the unspeakable;
- Be a hypocrite. If you're not bringing up tough topics with your manager, you can't expect the same of your team; and
- Let your team get out of the habit of speaking up. Before each group meeting, appoint someone whose job it is to bring up issues and concerns.

Case Study #1: Build Trust By Communicating With Colleagues One-on-One

About two years ago, Josh Green, the Co-Founder and CEO of Panjiva, which helps companies source manufacturers around the world, sensed turmoil on his team. "Things clearly weren't working and morale was low," he says. "Low morale is, in my experience, usually a precursor to bigger problems."

Josh suspected that people were upset because of a decision he had made some months earlier to restructure the team. But, during team meetings, colleagues were reticent. "I wasn't getting the whole story," he says. "I needed to talk with people one-on-one."

He sought out three colleagues, people he'd worked with in the past and whose judgments he trusted, and met with them individually for a drink after work. He chose a site away from the office so they would feel more relaxed. "I said: 'Put yourself in my shoes and describe what you would do if you were me,'" he recalls. "It was a challenge getting them to be candid because they weren't sure I wanted to hear what they had to say."

Once his colleagues felt confident that he was "genuinely looking for an honest assessment," they were more forthcoming. His hunch was right. His team was unhappy with the restructuring. They presumed he wasn't interested in their opinions because he had brushed off complaints and defended the decision for months.

"One-on-one conversations are vitally important," Josh concluded. Based

on the input from his team, he decided to reverse his decision. Morale improved immediately as did performance.

Case Study #2: Be Vulnerable With Your Team and Colleagues Will Follow Your Lead

Megha Desai, Founder and CEO of MSD, a New York City-based branding strategy firm focused on social entrepreneurship, wants to cultivate an office environment in which, "every person is and feels responsible" for the success of the business.

Megha shares all of the company's financial information with her team and provides them with weekly status updates on client revenue. Letting employees in on this level of detail has a positive effect on their willingness to be honest and upfront with her when issues arise. "I empower them so that they realize the need to step up and speak up," she says.

But, occasionally, there are bumps in the road. Earlier this year, for instance, she commissioned one of her team members to develop an internal website. "About halfway through the project, I could see that my colleague had reservations about the person she had brought on board to design it. I chose not to say anything, and it ended up being a teachable moment for me."

By July, the website was woefully behind schedule, and the design was awful. Megha asked her colleague: Why didn't you speak up sooner about this problem? "She told me she was nervous to admit she had made a mistake. She said, 'I thought it would look bad if I showed you self-doubt.'"

The lesson for Megha was that she needed to be more honest and open with her team about her own mistakes. "The notion that founders and leaders are infallible is false," she says. "I make mistakes all the time, and when I do now, I share them with my team."

(Rebecca Knight is a freelance journalist in Boston. She has been published in The New York Times, USA Today, The Financial Times and The Economist. This article was reproduced from Retention Management, Inc.'s newsletter with their authorization.)

**Make
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Exercising Public Policy:

Promoting Physical Activity in the Fight Against Depression

By: Joe Moore

As published in The Huffington Post on 10/10/14:

There are a lot of reasons why Congress should enact public policies that promote exercise. The great potential that

exercise has for helping people overcome depression is an important one.

Depression takes a tremendous toll on America. For individuals and their families, depression inflicts immense personal suffering. At its most tragic, depression leads to suicide, which claims

nearly 40,000 American lives each year.

For businesses, depression imposes a significant financial burden, costing more than \$34 billion annually. In fact, two hundred million workdays are lost each year because of it.

Depression renders our veterans especially vulnerable. Twenty percent of suicide deaths in the United States are among military veterans, yet they comprise less than 1% of the U.S. population. Every day, about 22 veterans die from suicide.

Undoubtedly, depression is a very serious and complex issue. Often, it's not easily or openly recognized, understood, addressed or treated. But, precisely for this reason, we need to take multiple tacks in addressing it. Routine exercise should be one of them.

The truth is that exercise is an under-recognized and under-utilized but is significantly effective tool that has been shown to be useful in helping to prevent and manage depression.

According to Harvard Medical School, a review of studies stretching back to 1981 concluded that regular exercise can improve mood in people with mild to moderate depression and may play a supporting role in treating even severe depression.

The mechanisms by which exercise helps ease depression are not fully understood, but experts believe that exercise releases neurotransmitters and endorphins that make you feel good and reduce immune system chemicals that can worsen depression.

Research released just this past month brought additional insight. Researchers at Karolinska Institutet in Sweden found that exercise actually protects the brain from stress-induced depression. Their study, in mice, found that exercise induces changes in skeletal muscle that can rid the blood of a substance that accumulates and harms the brain during stress.

It is imperative that we add exercise to the national toolkit for combating depression. Not only do we need to educate the American public on how regular physical activity can help nurture mental health, but we must also urge Congress to get behind initiatives that remove barriers to physical activity so that the choice to exercise is realistic and sustainable for all Americans. Simply, we



Joe Moore

must find ways to support people's efforts to exercise.

Passing bipartisan legislation that helps create a national environment that supports physical activity is one way that Congress can make a difference. The Personal Health Investment Today Act (PHIT Act) and the Workforce Health Improvement Program Act (WHIP Act) are two examples of bills that remove financial barriers to exercise.

The PHIT Act would make it easier for Americans to be physically active by allowing individuals or families to pay for fitness equipment, youth sports league fees, gym memberships, and exercise videos with dollars from pre-tax accounts, like flexible spending accounts (FSAs) and health savings accounts (HSAs).

The WHIP Act would make it easier for employees to take advantage of subsidized gym memberships provided by employers by making the benefit tax-free. Currently, if a worker uses an employer-provided wellness benefit in an off-site facility, it's taxed as additional income to the employee.

Perhaps, most of all, members of Congress can make a difference by including exercise in the national dialogue on health care and mental health and by including language on exercise in mental health legislation.

A staggering one in ten Americans suffer from depression. Exercise is one of the most pragmatic, cost-effective and potentially accessible tools we have for helping to combat it.

That's reason enough to enact public policies that promote exercise.



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Renovated Pool Opens at The Atlantic Club in Manasquan

MANASQUAN, N.J. - The Atlantic Club, the Jersey Shore's premier health and fitness club, announces the completion of one of its largest capital improvements, the renovation of The Atlantic Club Manasquan Indoor Member Natatorium pool. Updated to better serve the needs of members, the new pool was designed to match the vision of The Atlantic Club: to provide an atmosphere that enables members to escape from the world and its stress the minute they walk through the club's doors.

"We are excited to officially open the doors to the new pool at our Manasquan location," said Patricia Laus, Founder and

CEO of The Atlantic Club. "We understand the important role aquatics plays in our members' quest to achieve maximum wellness at all ages, and this renovation provides a wonderful environment for them to focus on their health and wellbeing."

Designed to convey a timeless, elegant, contemporary, resort-style feeling, the renovation incorporates materials and a color palette that blends innovation, warmth and coolness. From its addition of windows to allow more natural sunlight, to its carefully chosen lighting fixtures, materials and color palette, the design pays homage to the pool's history.

"We were thrilled to be able to

bring the Manasquan indoor pool to the next level for members of The Atlantic Club," said Patty Grafton, Senior Interior Designer at Ohlson Lavoie Collaborative. "All materials, were chosen because they represent the latest technology and styling in commercial surfacing materials."

The 25-meter, 6-lane indoor pool uses saline water instead of chlorine and features a steam room, sauna and oversized hot tub. A variety of water exercise programs are offered for members, including lap swim, family swim, masters swim, water aerobics and more.

"The color palette blends cool and warm, hard and soft, and sophistication

and playfulness," continues Grafton. "We combined large scale neutral cream colored floor tiles and small scale mosaics of cool shades of whites and grays, with hot accents in turquoise and orange convey a feeling of sand, ocean and sun, drawing from our surroundings and creating a simplicity and elegance in the design."

The new pool is now open for all members and guests to enjoy. For more information on the facility and programs offered at the Natatorium, please visit www.theatlanticclub.com/swim_programs.aspx.

AFS Education Big Success at Club Industry 2014

CHICAGO, IL - Proving that there is an eager market for business-centric education for fitness studios, the Association of Fitness Studios' (AFS) "Studio Day" at Club Industry 2014 was a huge hit.

The full day of seminars and networking events, took place Thursday, October 23, highlighted by a dynamic session, *The 7 Secrets to Driving Studio Traffic in Today's Competitive Environment*. The star-studded panel included Rick Mayo, Owner of North Point Fitness; Jon Graff, Marketing Director at SPRI Products; Robyn Becker, Founder of Healthy Results; and Merrill Richmond, VP Sales & Marketing at Stairmaster/Schwinn.

Industry icon, Todd Durkin, followed the marketing session with

Creating a Winning Team and Culture - The keys to Studio Profitability. Durkin, Owner of Fitness Quest 10 and Todd Durkin Enterprises, is a recognized fitness studio expert, and he didn't disappoint the crowd.

Attendance at the AFS sessions substantially led both time slots, with the 8:30AM *Marketing* panel attracting more attendees than all other sessions combined at that time.

"We couldn't be happier with the lineup we developed, and of course the turnout was tremendous," said AFS Co-Founder and CEO, Brad Elson. *"It proves the point that studio owners need and want quality education. We were thrilled to provide it."*

The afternoon sessions featured

a top-level panel, *Connecting the Dots Between Technology and Studio Profitability.* Panelists included Isaiah Tryman, Owner of EZIA Human Performance; Michael Piermont, Co-Owner of amStatz; and Sunil Saha, Founder of Perkville.

The final AFS session, *Money Makes the World Go Round; How to Get Some for Your Studio*, featured a panel with Paul Bosley, Owner of Health Club Experts; Stephen Tharrett, Owner of Club Intel; Brian Cygan, Owner of Exercise Coach, a franchising specialist; and entrepreneur Tom Campanaro, Founder of Total Gym and Gravity Studios.

"This was an enormous opportunity for studio owners to hear from real experts, addressing relevant issues

facing their businesses, and they took advantage of it," said Elson. *"It was an incredibly enlightening day."*

At the end of the day, over 120 attendees sat in on AFS sessions, despite rigorous competition from other sessions and the Club Industry trade show.

AFS Education at Club Industry was sponsored by the American Council on Exercise (ACE), Sports & Fitness Insurance Corporation (SFIC), SPRI Products and Stairmaster/Schwinn.

"Sponsorship support was a key element in our ability to bring this level of education to the studio market," said Elson. *"These companies see the value of strong business education, and they're willing to ensure it reaches the market. My hat is off to them."*

Orangetheory Fitness Opens First Connecticut Studio

High-intensity Interval Fitness Franchise Now in 26 States

FORT LAUDERDALE, FL - Orangetheory Fitness, the energizing and fast-growing fitness franchise announced it has expanded into Connecticut, opening the state's first studio in Fairfield, approximately 50 miles outside of New York City. This announcement comes on the heels of explosive growth for the Orangetheory Fitness brand in 2014 and marks its presence in 26 states.

Owned and operated by first-time franchisee Mark Molina, the new studio located at 525 Tunxis Hill Cut-Off, celebrated their Grand Opening with a VIP party on October 23 and opened to the public on October 24 with classes beginning at 5:30AM.

"I'm thrilled to be opening the very first Orangetheory Fitness studio

in Connecticut," said Molina, Fairfield Orangetheory Fitness franchisee. "OTF gives me the opportunity to positively affect people's lives through fitness, the results of this workout across the country are astonishing. I am excited to get up every day and get to work and am so proud of my new studio and the product we offer.

Molina spent 20 years as a corporate and business lawyer working principally as the Chief Legal Officer for a number of private and publicly traded tech companies around the country. After learning about the concept through a friend who was a member of Orangetheory Fitness in Denver, Molina tried the workout and was hooked. He looked into franchising opportunities and was drawn to the company's product and business

model, as well as the integrity, support and quality control provided to franchisees by the corporate team. Molina signed his franchisee agreement at the beginning of April 2014 and began construction on the Fairfield location in August 2014. The studio was completed after six short weeks of construction and build-out and is now ready to change people's lives.

Orangetheory Fitness has plans to continue expansion across the tri-state area with additional openings planned for

Connecticut, New York and New Jersey. With more than 130 studios, Orangetheory Fitness has transformed into one of the world's top fitness franchises. The 60-minute, five zone heart-rate monitored interval training concept has helped tens of thousands of members lose weight, get toned and meet their overall fitness goals in a short amount of time. The fitness franchise is on track to open 500 studios by 2017.

Make It Fun!

Programming For The “Fun Of It!”

Ten Keys to Profitable Non-Dues Revenue Programming

By: Laurie Cingle, M.Ed.

Key #1: Offer a strong menu of programs, both complimentary and fee-based. Types of programs to offer include those that are:

- One-day or 12 weeks in length;
- Short-term or ongoing;
- Competitive or non-competitive;
- Just-for-fun or results-based;
- Motivational, like a Monopoly-themed program; and
- Progressive, like personal training or behavior-changing.

Key #2: The more programs offered equals more members participating. Programs build a habit of participation. One size does not fit all, so be sure to target diverse groups.

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The Pulse of the Health and Fitness Club Industry

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An IHRSA study found the more money members spend at the club the longer their length of membership stay. Spending money reinforces the value of membership.

Key #3: Consistently offer monthly motivational programs in addition to profit programs. Programs provide a reason to come to the club and a feeling of being part of a group.

Key #4: Provide a strong one-on-one new member orientation. A one-on-one environment allows emotional data to be gathered. Customized solutions can then be presented in the form of personal training and other fee-based or free services.

Key #5: Have a system in place for connecting members to programs.

Implement a structured sales system for presenting Personal and Small Group Training (See CLUB INSIDER, September 2014, Page #32: *Connecting People to Programs*).

Key #6: Staff your fitness floor with the “right” people who are there to help members and not just sell personal training. Look for people who exhibit the characteristics of an Ideal Program Champion (skills that cannot be taught):

- Positive, happy;
- Confident, Friendly, Approachable;
- Willing to adapt to the club culture;
- Desire to help others;
- Desire to succeed; and
- Strong work ethic.

Key #7: Eliminate the “do more with less” attitude when it comes to job functions. Staff who wear many hats do not typically do well. Niche your staff based on their strengths for the best performance.

Key #8: Hire quality, professional full-time personal trainers. Hire trainers who have appropriate credentials and exhibit professional communication skills.

Key #9: Train your staff and managers and provide follow up training regularly. In our clubs, we are comfortable providing technical training. But, we are weak in teaching staff Professional Communication skills. In her



Laurie Cingle

book, *Successful Programs for Fitness and Health Clubs*, Sandy Coffman recommends managers teach and reinforce the five components of a professional greeting: Smile, Eye contact, Introduce yourself, Shake hands, Engage in conversation.

Key #10: Communicate regularly with members and the community. Regular communication is important and necessary as you grow your programming offerings.

(Laurie Cingle, M.Ed., is a fitness business success coach, club consultant and a member of the Leadership Team at Akron General LifeStyles. Contact her at laurie@lauriecingle.com.)

Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 22nd Year of this home-based health and fitness club trade newspaper! The thought that this newspaper 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 run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report** for the tremendous assistance they provided us during our first 8 years of publication. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our CLUB INSIDER **Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, **National Gym Supply**, with over 19 years advertising with us! We also want to say sincere **Thanks and Appreciation** to all of our CLUB INSIDER **Contributing Authors**, past and present, who've contributed *hundreds* and *hundreds* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 22 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

3 million Xbox One consoles sold.
1 million Xbox Fitness users discovering MOSSA.
1 thousand happy health clubs running 4,000 MOSSA programs.



For over 25 years BTS (Body Training Systems) has been delivering innovative and popular products and group fitness programs for health clubs around the world. Xbox One has recognized our commitment to engaging club members and creating an exciting atmosphere that gets people moving and, more importantly, gets results. Xbox One wants the same things for its new Xbox Fitness. We have welcomed Xbox One's desire to get people healthy and fit, whether it's in the comfort of their own home or in our customers' gyms.

BTS, through Xbox Fitness, is proud to launch MOSSA. Call it a hipper, cooler, more relevant name than Body Training Systems, but MOSSA still comes with your longtime friends, our dedicated team, and our never-ending commitment to giving you the best group fitness programs on the planet!

For more information visit www.MOSSA.net or call
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Secrets Everyone Should Know About ALS!

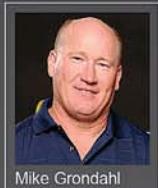
- Every 90 minutes, someone is diagnosed with ALS in the United States;
- The incidence rate is nearly identical to Multiple Sclerosis (MS);
- However, unlike MS, there are no effective treatments for ALS;
- Funding for ALS therapy development is urgently needed to move promising research forward.

Augie Nieto, the bravest man in the fitness industry, after eight years of not being able to move his arms, legs or breath on his own, is winning! His legs and arms are moving!

For anyone who has made \$1 in the fitness industry, we owe Augie Nieto, the trailblazer. Without men like him, we would not have an industry such as ours in which to thrive.

Augie brought the Life Fitness Company to the world!

All cardio grew from there.



I know a little bit about today's industry, where 80% of usage comes from treadmills, bikes, ellipticals and arc trainers. Where I used to work just hit 5 million members and 700 units. Everyone in the fitness industry, from independents to chains and manufacturers, needs to show financial support.

YOU HAVE TO GIVE TO GET AND WHAT BETTER CAUSE!



THE GOAL

I asked Augie, "What is the most ever raised for ALS?"

He said, "\$6,000,000."

Then what should our goal be Augie? Knowing the answer any champion would give, he goes with, "\$6,000,001."



By March 14, 2015, we will raise \$6,000,001!

www.augiesquest.org