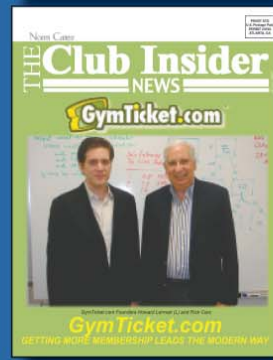
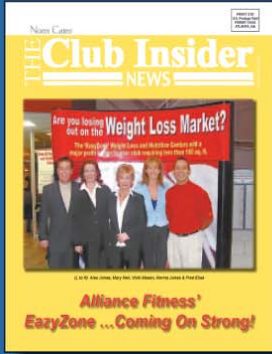


Norm Cates'

THE Club Insider NEWS

DECEMBER 2007

2007 In Review



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Norm Cates' **THE Club Insider** NEWS

The "Pulse" of the Health, Racquet and Sports Club Business
"2007 In Review"

PART I - January Through July, 2007

By Norm Cates, Jr.

Our industry lost some friends this past year, and I would like to remember them before we move on to our 2007 In Review writing. Passing away during 2007 in this order were: Art Satterfield, Arthur Jones, Robert Rice, Jim Booker and Dennis Collacino. Our renewed and sincere condolences go to all of the family members of these men. We know you will miss them greatly during the Christmas Holidays and the New Year, and I am very sorry for your loss. May these fine men all rest in peace.



Our January, 2007 cover story was entitled: "Governor Mike Huckabee From Hope to Higher Ground". Governor Huckabee served the State of Arkansas as Governor for 10.5

years and before that for 2.5 years as the Lieutenant Governor. Prior to entering politics he spent over a decade as a Baptist Church Reverend. I chose to produce this cover story, not for political reasons, but to focus in the New Year on America's tough fight against obesity. During Governor Huckabee's term as Governor he had gained a lot of weight. One day his doctor told him he had diabetes and urgently needed to lose weight. He did. He completely changed his lifestyle, lost 110 pounds, defeated diabetes without medication and has run several marathons. As you should know by now,

Governor Mike Huckabee is also running for President of the United States. When it comes to candidates from either party, Governor Huckabee understands the obesity crisis (what it is going to do to America financially and how to fix it) better than any other candidate in either party. In his January, 2007 cover story I described him as starting off as a "dark horse". Today Governor Huckabee is leading in the Iowa polls for the January, 2007 caucus. Governor Huckabee has authored several books, including "Quit Digging Your Grave with a Knife and Fork" and "From Hope to Higher Ground".

Our cover story and both of these books really tell what is inside this former Governor of Arkansas. His book about his weight loss is a compelling tale about how he completely and permanently changed his lifestyle, lost the weight and defeated diabetes with lifestyle change. And, he shares among many messages how he made Arkansas the only State in the U.S. that actually reduced childhood obesity during his term. Governor Huckabee is a down right personable guy and I wish him well in his run for the Presidency. I enjoyed sitting with him for an over one-hour (See 2007 In Review page 16)

"Younger Next Year" To Grow Your Club Membership

Neal Boortz Hosts Power Lunch with Authors Chris Crowley and Dr. Henry S. Lodge
 Part II

By Norm Cates, Jr.

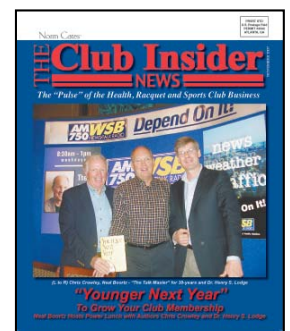
This is Part II and continuation of the transcript from the Neal Boortz Radio Show Power lunch held in Sandy Springs, Georgia in

September, 2007. Part I appeared in my November edition. Neal Boortz, "The Talk Master" for 38-years, hosts a nationally syndicated radio show each day reaching over 250 U.S. markets. For infor-

mation on how to find The Neal Boortz Radio Show in your market if you have not heard it go to: www.boortz.com, click on Contact, then click on: Syndication Info and look for a radio station in your

hometown that carries his daily show.

The Neal Boortz Radio Show Power Lunch carried live from the Ruth Chris Steak House on WSB Radio featured Chris Crowley and Dr. Henry S. Lodge, the authors of the book "Younger Next Year...Live Strong, Fit and Sexy Until (See "Younger" page 16)



Bricks Buy Maryland Planet Fitness Rights!

- See Norm's Notes -

The "Wheel" for Club Success

By Norm Cates, Jr.

You are in the health/fitness club business. You planned to, want to and expect

to make a profit. You spent and continue to spend a ton of money on your club, equipment, services and products for your members. You origi-

nally thought: "Build it and they will come." Maybe they came to your club in droves when you first opened. But, (See The "Wheel" page 20)

Fiserv Completes Acquisition of CheckFree

Brookfield, Wis., December 4, 2007 - Fiserv, Inc. (NASDAQ: FISV), a leading pro-

vider of information technology services to the financial (See "Fiserv" page 14)

• Inside The Insider •

- How to Become a Winning Sales Coach by Jeff Masten
- Why Health Clubs are Missing the Weight Loss Opportunity by Casey Conrad
- How to "Double-Close" the Health Club Membership Sale- by Jim Thomas
- A letter from John McCarthy to the club industry.
- Letters from Gordon Johnson and Blair McHaney

- Casey Conrad launches: www.askmehowtoloseweight.com
- "Use the Pros" follow-up on The "Wheel"
- IHRSA San Diego 2008
- Bricks Get Planet Fitness - MD.
- Review your club insurance!
- IHRSA Guide to Retention

- 20+ Years of Neanderthals!
- GymTicket.com is The Ticket!
- Equinox Orders 1,000+ Life Fitness treadmills & ellipticals!
- Fitness Franchises hurting.
- And, a whole lot more!!!!!!!

Norm's Notes

Thank You

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- **Donna Krech**- Founder & President-Thin & Healthy's Total Solutions® - 419-991-1223
- **Casey Conrad** - Communications Consultants - (800) 725-6147
- **Will Phillips** - www.Rexonline.org
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- **Richard Ekstrom** - President - Retention Management - (800) 951-8048
- **Dale Dibble** - Retired - Bentley Village - Naples, Florida. Email: dwdibble@hotmail.com
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- **Bruce Carter**- President- Optimal Designs Systems Intl. 1-954-385-9963
- **Jim Thomas**-President-Fitness Management USA 1-800-929-2898
- **Tom Kulp**-Executive Director- Universal Athletic Club- (717) 490-8063
- **Shawn Vint** - Greenmaple Wellness, Inc. - (888) 355-1055

• **Ho, Ho, Ho** and hello everybody! This is your friendly **CLUB INSIDER Publisher** for 15 Years and Counting checking in! Here comes the news!

• The **Neal Boortz Radio Show Power Lunch - Part II** with Boortz begins on page #3. Today I was listening to Boortz on **WSB 750 AM radio** and he was discussing the **Fair Tax**, a subject that is dear to Neal's heart and the name of the book he and **U.S. Congressman** from Georgia, **JOHN LINDER** (R) co-authored. A book and a **now a cause** by the way, that **Governor MIKE HUCKABEE** has carefully studied and fully adopted in his campaign for **President of the United States**. Then a caller came on and said, "What about a Fair Tax on fat people? I weigh 400 pounds." Then the man laughed and he and Neal discussed the idea, somewhat whimsically. Then Boortz said, "How tall are you and how old are you?" The guy said, "5'10" and I'm 29 years old". Boortz then said emphatically, "You ain't gonna see 49 if you don't do something! Do what you have to do. Don't wait until diabetes

sets in and they start cutting off your feet!" So folks, please read the "**Younger Next Year...To Grow Your Club Membership**" **Part II** and seriously consider buying the books for your members and 2008 new membership promotions. Learn what club owners like: **FAITH PULIS** of the **THOREAU CLUB, Concord, MA., MIKE ARTEAGA** of **Mike Artega's Health and Fitness Clubs, Poughkeepsie, N.Y.** and **DAVE HALL** of **Life Center Plus, Hudson, Ohio, have learned from using "Younger Next Year" to help their members get better results from their club memberships and to bring more members into their clubs. This book will help both RETENTION and NEW MEMBER SALES!**

• **IHRSA San Diego 2008**. IHRSA will host its **27th Annual Convention and Trade Show** March 5-8, 2008 in the single best IHRSA Convention venue the IHRSA Convention and Trade Show has ever gone to. So, by now I hope you've already registered for the educational seminars and booked your hotel room. There are still three or four top notch hotels

to choose from. And, if you buy your airline tickets now you'll find great deals. Just checked and round trip from the ATL is available for under \$300 right now. Please note our advertisers IHRSA exhibit #'s on this page and check out the IHRSA ad in this issue and go to: www.ihrsa2008.org for more information. Two of many highlights of IHRSA 2008 will be **RICK CARO's 12th Annual Financial Panel** on Thursday, March 6 at 1 p.m. and on Friday night, March 7th, **Augie's Quest** will host a fundraiser called the **Beach Bash to Fight ALS**. I hope you'll make plans to attend. I hope even more that between then and now you will host a special event at your club using the **Clubs for The Cure Program** that **PAT LAUS** and **KEVIN McHUGH** of New Jersey's **Atlantic Clubs** have put together with the **Augie's Quest Committee**. See the ad on my outside back page. (Also note, this page is available for other advertisers now. I will be using this outside back page for The Clubs for The Cure ads if it is not contracted for Jan, and Feb.). The goal is for our industry to work together to raise **\$3 million by March 7, 2008**. We all can do this together! Also, you will see a letter from **JOHN MCCARTHY** to me on page 6. John said it was O.K. for me to publish his letter and now it is really to all of you from Big John McCarthy.

• Challenges in our industry abound for many club owners, but I believe there is a formula for success that will help you make your club profitable in the short and long term. I call it the "**Wheel**" and have written about it in the article on page #3. If you own and operate a club I hope you will take the time to read and study this piece because there is a lot there for you to digest.

• Last month I wrote about **ROYCE PULLIAM** dropping the **Gold's Gym** brand and changing his 25 Gold's Gyms to a new name: **Urban Active**. Well, my writing ruffled the feathers of a couple of really nice guys,



Norm Cates, Jr.

my long-time friend, **GORDON JOHNSON** and **BLAIR McHANEY**, the **President** of the **Gold's Gym Franchise Association**. I've presented their emails setting me straight on page #6 and I have commented there. Suffice it to say here, I've apologized to Gordon, Blair and to TRT Holdings, Inc.

• **MIKE GRONDAHL**, the owner of **Planet Fitness** and **World Gym International** informed me that his new **World Gym 1440 All Access** (see ad page on 2) is going strong and that he had sold the rights to **Planet Fitness** in Maryland to **VICTOR and LYNNE BRICK**, owners of 7 Brick Bodies Clubs in the Baltimore, MD. area. In follow-up emails with Grondahl I confirmed the selling price: **\$850,000** was the correct sales price for the Maryland territory, according to Grondahl. But, to me this event sets off a potential true "**Spa War**" in Maryland ... a competitive situation in which the Bricks will be bringing many of the low-price sector clubs to Maryland. Note here in case you don't know, Planet Fitness Centers do not offer group exercise. So, this means the Bricks, who also work as one of six regional representatives for **Les Mills International**, very likely will be putting in Planet Fitness Centers in competition with their own Les Mills club customers. I'm looking forward to reporting on how that is going to play out. In fact, I would really like to hear from Maryland Les Mills customers (See Norm's Notes page 8)

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Dear Norm:

In behalf of our esteemed colleague, Augie Nieto, may I invite you to this year's Beach Bash for Augie's Quest which will take place in conjunction with the IHRSA Convention at the San Diego Marriott on Friday evening, March 7, 2008.

Individual tickets for the Bash are \$350, or you can sponsor a table for 10. To reserve your place now, go to: <https://secure.mdausa.org/Augie/beachbash/>.

Immediately preceding this event, there will be a silent auction for magnificent gifts, vacations, and tickets to prestigious events.

Thanks to research already funded by Augie's Quest, we have now – for the first time ever – identified the genes that induce ALS, and are now experimenting with therapies that might arrest, reverse or possibly even prevent this disease.

May I also encourage you to consider conducting a fundraiser for Augie's Quest at your club. Our colleague, Pat Laus, who with only two clubs has raised over \$800,000 for charities in the past two years, is spearheading this initiative. For further info on how your club might do this, go to: <http://clubsforthe.cure.com>.

With Regards and Best Wishes,

John McCarthy

Chair – Augie's Bash - 2008

Hello Norm,

My name is Blair McHaney and I am the President of the Gold's Gym Franchisee Association. I read your article concerning Royce Pulliam's recent departure from Gold's Gym. While I won't speculate on all of the details of Royce's departure, I would like to address your depiction of TRT allowing the GGFA to be created.

The GGFA was formed about 8 years ago by a handful of franchisees which included Jerry McCall, Angel Banos and Jeremy Lowell. We exist and thrive by no ones permission but our own. We represent about 390 franchisee locations and we have a staff of two – Ginger Collins, our Executive Director, and Debra Collins, the Executive Director Assistant. We have 7 franchisees on our Board of Directors and 14 more on an advisory board.

We have formal meetings with the franchisor in the form of the National Franchise Council (NFC) which is formalized in a 10-year agreement. The GGFA is also starting a series of what will be ongoing regional GGFA meetings in order to bring system-wide communication back to the franchisor and to bring information out to the franchisees. The GGFA Owner's Conference, held each fall, has been a resounding success and we will be holding it in Los Angeles in 2008.

I think I can accurately answer the question you raise in your article as to how happy franchisees were with increased fees – not happy. That being said, increases in any expense in life won't tend to make one happy.

Franchisees need additional value for their increases in fees. In most franchise systems, those "value" pieces are determined in a "silo" by the franchisor. Once created there is an attempt to drive their implementation down through the franchise system. Even with the best of ideas, this rarely works. The Gold's Gym franchisee is now positioned to have input as to what value means to them. Moreover, the franchisor is listening. While we wish that we could have received everything of value before we were faced with increases in our fees, such was not the case. The GGFA was able to sit down with GGI/TRT to hammer out a franchise agreement for those who have been in the system the longest - the Legacy owners - in order to keep as many franchisees in the system as we could. We certainly hope to have this agreement widely adopted.

Most importantly, franchisees are now beginning to engage each other for more and more support. As I write this letter, there is a large group of Gold's Gym franchisees convening in your backyard in a 2-day retreat. Also as I write this, another large group of franchisees in the Northeast are meeting as a Roundtable group to begin the process of knowledge sharing for operational excellence. On December 7th, I will hold the very first regional GGFA meeting in Redmond, WA for Pacific Northwest franchisees. In January, 14 franchisees representing 39 Gold's Gyms will be launching The Gold's Gym Challenge for their communities. Each of these franchisees has put up \$5,000 to form a \$70,000 prize pool for the Challenge. These things are being done by franchisees, for franchisees. GGI has been very supportive of each of these initiatives.

Our hope is that Gold's Gym franchisees will stop waiting for things to happen and start getting ensconced with those who are shaping the future of the brand.....even as I write this. Our future will not be determined by those who exit. Our future will be driven by those who line up, start marching and never stop.

Thank you very much for taking the time to read this!

Sincerely,

Blair C. McHaney

President of the Gold's Gym Franchisee Association

Thanks Blair. I appreciate both you and Gordon Johnson sharing your Gold's Gym passion and setting me straight.

- Norm Cates, Jr. – The CLUB INSIDER News

*A Letter from Gordon Johnson, owner of three very successful
Gold's Gyms in Douglasville and Marietta, Georgia*

Hi Norm,

I'm among those that vocally congratulate you on articles and issues well done so I come to one of the few times that I am critical of an article, that being your Pulliam article in the November issue. Pulliam was never your favorite so I was surprised that the tone shifted from Pulliam to TRT criticism. Most surprising was your statement that "TRT allowed the GGFA to be formed" or something close to that. Nothing could be further from the truth and you know that from conversations that we have had. The GGFA was born in the crucible of earlier chaos between franchisees and franchisor. Many franchisees of good intent banded together and negotiated in good faith as did TRT. There was no "allowing" the formation of the GGFA. It was an irresistible force. Because of GGFA the Gold's Gym bonds and brand is stronger than ever. Because of genuine interest and continued investments by TRT there is more benefit coming forth to Gold's Gym franchisees than any franchise group existing. All the good things that you seek for the industry are being nurtured by the GGFA-GGI team. In months to come you will see for yourself.

There are always some people (franchisees) with suspicious minds that seek any reason to accuse those with integrity (GGFA) of being the lackey of the franchisor (TRT). At a time when the wounds are healing and the parties are reconciled, incorrectly intoning "allowed" does nothing more than fan the embers of suspicious minds.

I suggest that you seek an interview with Blair McHaney, President of the GGFA. He will be more than glad to fully describe the present state of the franchisees.

Always your friend,
Gordon

Dear Gordon,

Thanks for setting me straight about my errors in my November writing about TRT Holdings, Inc. and the Gold's Gyms Franchisees. First, let me address my writing error when I stated the "TRT allowed the GGFA to be formed". Actually, I miswrote because what I meant to write was "TRT allowed the Gold's Gym National Franchise Council (NFC) to be formed." NFC was described to me by Gordon in a later email memo as follows: "It is a standard that other franchises cannot achieve." And, I acknowledge your comments Gordon that you guys do what you want and TRT does not have to "allow you" to do anything. My bad choice of words. Sorry and Touche'.

Clearly from your writing and the memo Blair McHaney sent responding to the same misstatement by me, you bigger Gold's operators are happy overall with TRT and how the big company is treating you. That's a good thing. Clearly my comments about TRT not doing the right things with respect to Gold's Gym Franchisees was, at best partially wrong and at worst, all wrong. So, I apologize to TRT Holdings, Inc. in any case, here, too. My hope is that there are a lot of the smaller and long-time Gold's Gym Franchisees that are as happy as you and Blair McHaney.

Always your friend, too Gordon,

Norm Cates, Jr.
 Publisher Since 1993
 The CLUB INSIDER News

How to Become a Winning Sales Coach

By Jeff Masden

The key for sales managers is to provide target coaching to develop the team you already have. You may find that you're able to grow more business when you focus on helping each member of your existing team to maximize his selling skills and opportunities.

Evaluating a sales team performance usually comes down to one key measurement.....Did they make their sales goals? This is the ultimate measurement but what we miss when we focus on this alone is a lost opportunity. The opportunity you should not lose is looking at other key indicators and coaching your team toward improvement in the areas they need it most.

So how can you be a winning sales coach? Follow these steps.....

1) Recruit. A sales team will never be any stronger than the sales people who are recruited, selected and hired to be a part of it. You may say, "But I don't need to hire sales staff now! ...That's

exactly the point! Hiring when you need to hire is probably the worst time to think about recruiting and selection of new sales staff because the pressure to get someone quickly will cloud the better judgment that leads to getting the right person. Recruiting should be a pro active process that is 24/7. Your goal should be to never have to run another help wanted ad again.

2) Know the game.

No sales person will ever reach any meaningful level of performance excellence if expectations are not clearly established at the beginning. Many sales salespeople have no idea of what is expected of them. They may have an arbitrary number in terms of a sales goal for the month but no meaningful information about how to get there. If you establish expectations for activity (number of calls made, number of appointments, number of prospects contacted etc.) you'll have the opportunity to correct their performance by the end of the month.

Also important is that your sales people take own-

ership of their own expectations. Rather than handing down arbitrary goals consider making each sales person take an active role in deciding upon and committing to their sales goals and activity goals. Then let them lead in formulating a plan to get there. You will get better results if you put each sales person in charge of their own success!

3) Play ball.

A sales team cannot be led from behind a desk. How can you possibly coach and develop your team if you don't have first hand knowledge of how each person performs in the club? Put yourself in the sales environment in order to see how they perform. That means you should sit with them while they make their calls, role play with them on their presentations and tours. If you're not already doing this start now. Remember, make it clear that the idea is for you to help each sales person improve their results not catch them doing something wrong.

4) Evaluate the game.

Develop a sales team

evaluation form to help you document the assessment. Then review your findings and suggest an action plan with each rep. Sales managers need to manage the progression of every performance indicator. They need to have regular daily meetings with each sales person and focus on the progress of each performance indicator and the specific plan to generate greater numbers.

5) Practice.

Sales is a sophisticated profession where the skill set of the highest performers is significantly greater than that of the lowest. The unfortunate ugly truth is that most sales people don't know how to do their jobs well. They have never been instructed in the best practices of the best sales people. They have struggled to learn on their own and on the job through trial and error. Some have arrived at practices, that has been successful. But, most have not. Hold regular weekly sales meetings and incorporate a short targeted training session into each meeting.

"Coaches have to



Jeff Masden

watch for what they don't want to see and listen to what they don't want to hear" John Madden

You must coach your team toward improvement in those areas where they most need it. It's not babysitting or micromanaging, it's leadership. Successful sales begins with coaching!

(Jeff Masten is a veteran sales manager and trainer with Sales Makers. Jeff may be reached at:

Jeff@sales-makers.com)



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...Norm's Notes

continued from page 4

about how you feel about this development. clubinsidernews@mindspring.com

• It's the time of year when I suggest to all club owners that you take the time and make the effort to review your club insurance plan and cost. A great way to do that would be to obtain insurance quotes from each of our advertisers shown in this edition and compare them to your current insurance plan. You may find better insurance products for less money. Our insurance advertisers are: **Association Insurance Group, Inc.** (See ad on page 19), **Fitness and Wellness Insurance**, (See ad on page 28) and **Sports and Fitness Insurance**, (See ad on page 35). Better safe than sorry.

• **"IHRSA's Guide to Member Retention - What to do and what not to do"**, is now in print and available for purchase. With the Introduction written by master wordsmith, **JOHN MCCARTHY**, IHRSA's semi-retired and former 25-year Executive Director, the guide provides important thoughts, ideas and information on member retention...the single thing preventing membership in the United States from reaching **100 million**, instead of the latest number reported by **HARVEY LAURER's American Sports Data**, 42.7 million. Master member retention and you will master significant membership growth in your club, so I would very highly recommend that you get this guide and really study it. So, call IHRSA at: (800) 228.4772.

• **Over 20+ years ago fast buck artists in our industry** began to create what they call **"Membership Promo Companies"**. Here is their 'stiiick'...they recruit health clubs that are dying on the vine and convince the owners that the solution is to sell more new memberships at a price, for example, of \$69 per year multiplied by 3, thus generating \$207 (if the State's law is a 3-year maximum membership term, which many are). Their deal is to use the old health club era idea that "Hey, the member is not going to come to the club anyway after 3 weeks! So, why not get what you can up front?" They promote these memberships via direct mass mailings. I got one of these letters in the mail from a Gold's Gym up the street that is less than a year old and located in a building with the other end occupied by a big night club. The letter came in a window envelope and the return address simply stated as: GG with the address below that. The letter starts with a huge **CONGRATULATIONS !!!** and has the Gold's Gym logo right above it. They tout a two-year membership for just \$89 per year. They say, "Bring

this letter to Gold's Gym of (location withheld) within the next 48 hours between 8 a.m. and 8 p.m." Then they write in bold letters **"As an additional bonus, this offer may also be extended to your friends and relatives."** They go on with: "Remember, this is a special limited time offer to you and your workout partners. You must activate your membership at once." By the way, the reasons this Gold's Gym is sucking wind are that: 1) The facility is small, (I'd estimate no more than 10,000 square-feet), not heavily equipped and basically substandard when compared to virtually all of the other Gold's Gyms in the Metro Atlanta area. 2) An **LA Fitness** big box about two miles away owns the market we are in. Then, I get an email a few days ago from: Health Club Doctor. **(NO! NOT THE REAL CLUB DOC - MIKE CHAET!)** This one says: "Generate over 150,000 (without a dollar sign.) Sell More than 600 New Members - Raise EFT by 2,000 (again without a dollar sign.) Two, absolutely hilarious comments appear in this writing: The first was from a testimonial from a vendor, mind you, not a club owner. This guy states his titles as: President of Southeastern Fitness Products, President of Fitness Equipment Exchange and Partner Capital Fitness. His name is **TOM ROGERS** and his testimony reads: "I have been working in the fitness industry for almost 20 years and **can count on one hand, the aptitude and cleverness of the professionalism, sales and marketing of RICK QUINN**". (The name of the club membership promo guy)." Then the club promo guy Rick Quinn writes on the right side of the page: **"Not only does this promotion work, it will provides you with working capital for year-end club updates and improvements, higher monthly EFT (grow receivables) to assist in getting loans easier from a bank but most importantly, it takes market share away from your competitors."** There you have it folks...a couple of our true 21st century operators out there spamming and jamming! Our industry has a vast food chain with people on the top who are honorable and admirable and who behave that way in every act they perform for and in our industry. At the bottom of our industry food chain are the **Neanderthals** who prey on desperate club owners! Sad, but true. And, more sad but true news. I have learned that **BRIAN HOMAN**, the guy who got away with over \$200,000 from his **Tools Management, Inc.** customers is now in this business in South Florida. Beware folks and please don't allow your club to be preyed upon!

• Writing in the previous Note about the vast food chain in our industry with people on the top who
(See Norm's Notes page 10)

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Norm's Notes

continued from page 8

are honorable and admirable and behave that way in every act they perform for or in our industry, let me draw your attention to the **GymTicket.com** ad on page 29 and press Release on page 35. GymTicket.com's **Chairman of the Board** is the one and only **RICK CARO**, the **President of New York City-based Management Vision, Inc.** and **Founder of IHRSA**. Caro is as high on the club industry food chain as you can get. Rick has teamed with cyber-talent extraordinaire, **HOWARD LERMAN**, to start the GymTicket.com company. GymTicket.com is already making a hugely positive difference and impact on our industry and it will grow and grow as time goes by. If you are looking for a real, 21st century marketing tool that may well be the best in the history of the health/fitness club industry, not a Neanderthal mass mailing organization, check out GymTicket.com

• **EQUINOX Clubs** have placed an order with **Life Fitness** for 500 new, high-tech **95T** model treadmills. Additionally, in the total deal estimated to be North of \$5 million, Equinox will buy 500 **95X Ellipticals** and some **Lifecycles**. Equinox is clearly one of the premier, upscale club groups in the world. Somebody is going to have a very Merry Christmas!

• Speaking before of clubs dying on the vine one of my great sources called me the other day to tell me to go to: www.franchisepick.com to read the latest about what's happening to the **Butterfly Life (BL)** chain out in California. In a brief visit to the website I noticed headlines reading: "**Fiscal Fitness Proving Elusive for 30 Minute Workout Franchise Owners**"; "**Franchise Dreams Becoming Nightmares for Many Fitness Club Owners**"; "**Will the REAL Butterfly Life Franchise Please Wave Its Wings?**"; "**Is Team Spirit Fitness A Great Fitness Franchise and Is Butterfly Life A Great Fitness Franchise?**" and "**CUTS Exec: Male-Only Fitness Club Idea Bombed.**" My source's expression of concern, the information on the website and **Casey Conrad's** comments quoted in the **Club Industry's Fitness Business Pro Magazine**, November issue, confirm to me that we've seen the bloom go off the rose in fitness franchising across the country. Franchising that mind you, has been happening with people who don't know what they're doing and many of whom, I contend here, are NOT doing their franchising legally. In my estimation, the health club industry is now in a state of complete oversupply with illegitimate franchising and my guess is at least one half of the franchises out there for sale are not legal and violate

both State and Federal laws. That makes a lot of room for people who are legitimate, who do know what they're doing and who provide lawful franchising opportunities as more and more of the 100 or so fitness franchises that are shams dry up and blow away. I'm real thankful for **MIKE GRONDAHL** and **CASEY CONRAD** because they know what they are doing in franchising, are doing it right and are lawful. Therefore, in response to my source's suggestion and because all I've already tracked in the past year about fitness center franchising, I believe there is a dark franchising hole out there. Therefore, in 2008 I will be producing a cover story with a title that will read something like this: "**Fitness Center Franchising Scams.**" This report will not come early in 2008. That's because such a cover-story report will require an enormous amount of investigation taking months and I am going to do that. I will keep my power dry until I have all of my facts very carefully documented. But, along the way I would appreciate you helping me research this topic thoroughly by reporting franchisors you feel are not legally doing business. clubinsidernews@mindspring.com or call me with your tip: (770) 850.8506.

• **RAY GORDON**, the **Founder and President of Sales Makers**, tells me that **LEE HILTON'S** new **Gold's Gym** in London, Ontario, Canada sold 500 memberships in the first month of its Sales Makers directed pre-sale! This is further evidence that Sales Makers is the best in the business when it comes to club membership sales and management and pre-sales projects. RayBob says that **BILL EGAN'S** new **Sportsclub of Five Forks** construction in Greenville, S.C. is under way and will be opening in the Spring. This new club will give the **Greenville Sports Clubs**, formerly owned by veteran, now retired **BOB PROVOST**, a real good hold on the Greenville, S.C. marketplace. I hope to go to the Grand Opening of the new Sportsclub Five Forks in 2008. **STAY TUNED!**

• My friend I call "**Fabulous FABIANO**", also known as **RUDY**, has

launched his new and greatly enhanced website for his company, **Fabiano Designs International**. Check out Rudy's ad on page 14. Once you read Rudy's press release on page 34 and my article about the "Wheel" you will want to go to: www.fabianodesigns.com and contact Fabulous Rudy Fabiano!

• Two of the hardest working people I know of in our industry are lovely women. I am going to state their names in alphabetical order because I love 'em both equally. They are **CASEY CONRAD** and **DONNA KRECH**. Let me give you updates on these two dynamos.

---- **Casey** has had a really busy year. Her **Take It Off** in-club weight loss licensing program continues to add more and more club locations. **Take It Off** has also become the preferred "**weight loss program vendor**" for the **JCC's**, who have close to 300 US locations. Casey's new e-marketing approach is helping club operators build ancillary revenue with weight loss AND drive more prospects to their club doors! **Healthy Inspirations** has been changed to a regional franchise model and the **Franchise Growth Solutions Company** was retained to represent the company in the sales and execution of this business model. To date two regions have been sold; Southern California and Hawaii, with two more regions expected to sell before year end. Casey just launched her new: www.AskMeHowToLoseWeight.com site that will help Americans fight the obesity pandemic. Consumers can go to the site and ask any question about successful weight loss strategies. Every two weeks **Conrad** and **DR. KEVIN STEELE** will host free, live teleseminars to answer submitted questions. The first teleseminar was Thursday night, December 6th and I enjoyed listening in. I will have a report on that teleseminar next month and another website link Casey is producing for you so you may listen to the archived Dec. 6th teleconference. (See Casey's **Take It Off** ad on page 24) --

-- **DONNA KRECH** has been equally as busy running her **Thin&Healthy Total Solutions® Company**, speaking across the country and pre-

paring a big birthday party for herself. The two-day party starts today so again. Happy Birthday Donna! She's also produced a very compelling DVD that chronicles her life and shares an awful lot of hope for people. Here is a woman who over 20 years ago, in one year, went from earning \$6 an hour as a seafood clerk in a grocery store to earning \$90,000 a year in a weight loss business. She then built 8 weight loss centers. At age 32 she was a millionaire. Now Donna Krech is on a Mission. She's intensely focused on America's challenge with being overweight. Beyond that, she's focused on helping people have hope and making money in their business or job. (See Donna's **Thin&Healthy** ad on page 21.)

• This from **IHRSA's Capital Report on Nov. 28th: Victory! Maryland Health Club Dues Will Not Be Taxed!** Governor O'Malley's budget plan passed the Legislature at 2:30 last Monday without an expansion of the sales tax to health club dues. The Governor had called the special session three weeks ago in an effort to resolve an estimated \$1.7 billion budget shortfall. The budget passed with \$1.3 billion in tax increases but without a healthy lifestyle tax. This victory is the result of countless hours of hard work by many people. IHRSA would like to thank our Maryland lobbyist, **MACMA**, our coalition partners and fitness professionals across the state. Their grassroots advocacy educated and persuaded Maryland legislators. Maryland fitness professionals and consumers sent over 15,000 e-mails through our websites, wrote postcards, made phone calls and attended in-person meetings, rallies and hearings. The unified voice of the health club industry and our members, and our "don't tax healthy lifestyles" message, was heard. Thank you again to all of the fitness professionals that took the time to advocate and engage their members in support of healthy lifestyles.

• This too, from **IHRSA: Pennsylvania Health Clubs Urged to Take Action and Engage Members on Healthy Lifestyle Tax.**

(See Norm's Notes page 12)

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...Norm's Notes

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As reported in IHRSA's October 30th Legislative Alert, the Pennsylvania General Assembly has been considering school property tax reform legislation. Legislators may try to raise revenue for the state by removing the current sales tax exemption for health club dues. In addition to an online Grassroots Initiative campaign for fitness professionals to write to legislators on this important issue, IHRSA has developed a web page specifically for Pennsylvania health club consumers. To aid clubs in engaging their members - the ones who would have to pay the tax - a [Sales Tax Toolkit](#) is now available online. The Toolkit includes posters, a brochure, and a template postcard. It is expected that action will occur on the school property tax reform issue in the next few weeks. Don't delay, take action today! Here is how your club can become involved. Here is an IHRSA site for fitness professionals: <http://www.votervoices.net/Groups/IHRSA/Advocacy/?IssueID=12251&SiteID=1>

• **Join and support IHRSA and the Industry Leadership Council (ILC)** with a contribution of your dollars. Your investments in supporting the ILC, no matter how few or how many bucks you and your club can afford, will go a long, long way toward helping the ILC help your club in Washington, D.C. Regardless of your club size, shape or description and whether you are an IHRSA member club or not, IHRSA and the ILC are working for you right this minute. Someday, because of IHRSA's ILC funded work with legislators in Washington, D.C. your club is going to receive a new membership bonus in America the likes of which has never-ever been seen. So, please help now. Give moola to the ILC...give whatever you can possibly afford. Contact IHRSA at: (800) 228.4772 and simply say, "Hey...I want to give a contribution to the ILC and Norm Cates gave me your phone number." Even better, pick up the phone and call me personally. My phone # is: (770) 850.8506 I would love to personally discuss your investment in the ILC with you.

• **CASEY CONRAD,**

DONNA KRECH, COACH DENTON SMITH, RICH BOGGS, BRUCE CARTER, FRED ELIAS, SHAWN and LYNETTE VINT, NORMA JONES, MICHELE MELKERSON-GRANRYD, DARON "ROCKETMAN" ALLEN and yours truly are the **Founding Members of The International Alliance for Life.** This is a group of people who are as busy as a one-armed paper hanger and who've gathered together to try to help America. By the end of 2008 somehow, some way this group will have created a major plan to help stop obesity in America and around the world. We welcome you to become involved now simply by continuing to read what we announce in next years **CLUB INSIDER News.** Please do **STAY TUNED!**

• **15 Years and Counting!** As I write these last **Norm's Notes** for 2007, I think back on the past 14 years and one month where I have performed the jobs of 7 people each month for this publication for 169 monthly editions. It ain't been easy folks. But, it sure has been **FUN!** Today is the last day of this 14+ year period where

I wear 7 hats every month in this **CLUB INSIDER News** business. Today is the first day of the rest of my life. On December 12, 2007 I go to press with our **169th monthly edition.** And, today I welcome my 22-year old son, **JUSTIN STEPHEN CATES,** to this company as he graduates from the **University of Georgia Terry College of Business** with a **3.6 G.P.A.** on December 15, 2007 and comes on board The **CLUB INSIDER News** full-time on January 1, 2008. On January 2, 2008 Justin Cates will be wearing 4 hats and I will be wearing 3! Many of you will be hearing from him, so please *kindly welcome his call.* And, you all will have a chance to stop by our **IHRSA Booth #4424** in San Diego as he and I will be at the **IHRSA Trade Show** meeting and greeting you great folks. The good **LORD** has blessed me and Justin's Mom with a wonderful, smart and very handsome son. And, we feel so blessed that he has chosen, from all of the opportunities he could have pursued, to come and serve all of you in this wonderful industry. **A Mom and a Dad** could not be more blessed or more proud of a young man than we are of Justin Cates. We are thrilled that Justin has chosen to give his heart, his soul, his mind, his sponge-like intellect, his enormous energy and his amazing work ethic to this great industry. Truthfully, that carefully studied decision by this 22-year old, who now has 14-years of part-time publishing experience as he graduates from college, is a very true compliment to each and every one of you. **Just-in-case** you forget his name... just remember...**JUSTIN CATES!**

• **Hanukkah** is here and to those of the **Jewish faith** I wish you **Happy Hanukkah. Merry Christmas** to all **Christians.** And, a wonderful **Kwanzaa** to those of you in that faith. Should these greetings for Holiday Good Wishes and Happiness not cover your religion, or if you have no religion at all, I just say **Happy Holidays** and a **Happy Healthy New Year.** Now the most important greeting of all. That is the expression of **great appreciation, deep gratitude, sincere thanks, deep prayer and heart-felt caring for our military forces in the Middle East and around the world. God bless** our troops, airmen and seamen as these brave men and women risk life and limb everyday for all of us in Iraq and the Middle East. **God bless** their families for the sacrifice they make for all of us. **God bless** the citizens of **IRAQ** as they deal with the ongoing potential of death and destruction from suicide bombers. **God bless** you and your family and your club. **And, God bless America!**

(Norm Cates, Jr. is a 34-year veteran of the health, racquet and sports club industry. Cates was the Founder and is now in his 15th Year and Counting as the Publisher of The **CLUB INSIDER News.** He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award,** one of IHRSA's highest honors. Cates may be reached at: **770.850.8506** or email: **www: clubinsidernews.com**)



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(L to R) Norm and Justin Cates With Rick Caro at IHRSA San Francisco - 2005

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dustry, today announced the completion of its acquisition of CheckFree Corporation, a world leader in financial electronic commerce services and products, including electronic bill payment and internet banking. Under terms of the transaction, Fiserv acquired CheckFree for approximately \$4.4 billion in cash, or \$48 per share.

"Combining our two companies' broad range of market leading capabilities will provide a platform to deliver unprecedented innovation in financial services technology," said Jeffery Yabuki, President and Chief Executive Officer of Fiserv. "CheckFree's key strengths - world-class products and a culture of dynamic innovation - will accelerate our Fiserv 2.0 strategies resulting in a client value proposition unrivaled in the market today. Both companies have been strong, and together we will be even stronger."

More than 3,000 financial services web sites use the electronic billing and

payment services provided by CheckFree, and growth will continue as consumers and businesses move from paper to electronic processes. Additionally, CheckFree has the market-leading online banking platform for financial institutions and its investment services platform processes portfolios with assets under management totaling more than \$1.8 trillion.

"CheckFree has defined innovation in online banking, electronic billing and payment, financial software and payment infrastructures, and the delivery of investment services technology for managed accounts," said Pete Kight, former CheckFree Chairman and Chief Executive Officer. "Now, we have the opportunity to integrate and innovate with the unrivaled breadth and scale of Fiserv's technology platforms. We have an opportunity to create compelling value for our clients in areas that are tremendously important to their success and growth."

The combined company's pro-forma revenue for 2006 was more than \$4.5 billion (excluding the previously

announced sales of Fiserv ISS and Fiserv Health). Fiserv serves more than 21,000 customers in 275 locations worldwide, and has more than 25,000 employees.

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completed the acquisition of CheckFree, a leading provider of electronic commerce services. Fiserv and CheckFree had more than \$4.5 bil-

lion in combined pro forma total revenue for 2006. For more information, please visit www.fiserv.com.

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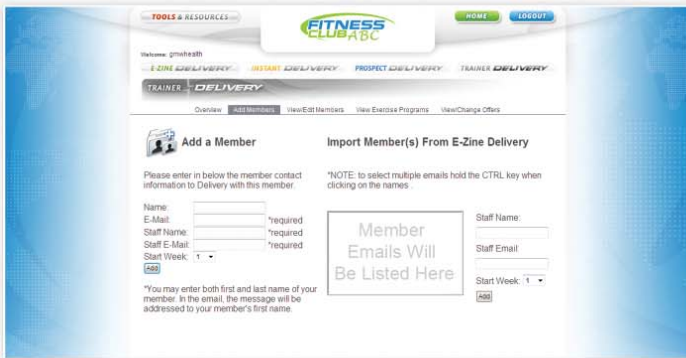
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...“Younger”

continued from page 3

“You’re 80 and Beyond”. We resume the Power Lunch live radio broadcast with a continuation of the discussion on training heart rates.

Neal Boortz (NB)

– Ballpark, what should my max be? Look at Chris, he’s so anxious to pitch in!

Chris Crowley (CC)

– My guess is your max is 170.

NB – 170? It’s been a long time since that sucker has pumped at 170, I’ll bet! (Crowd laughs) In wearing my heart monitor, which I’ve been doing since you two told me I had to in the book, 144 probably.

Dr. Henry S. Lodge (DR.HL)

– I’d bet you’re probably 150. But, I’m just a doctor and Chris is a lawyer and he probably knows better! (Crowd cracks up.)

NB – In talking about heart rates, oddly enough, well...there is a weight loss, there is aerobic, there is anaerobic. What’s that all about?

DR.HL – It all makes pretty clear sense in the book. It’s impossible to really figure it out on the radio. But, basically your body has different gears. Think of yourself having three gears...the real easy one is just kind of walking around. The second gear is what you do most of the time when you’re running or riding a bike. Then, you’ve got this third gear for when a lion is chasing you and you’ve got to really go full out. And, if you play with those in the right way, you send your body very specific signals. That’s the whole point of this. The way you live every minute of the day is telling your body something. And, your body is listening...all the time. So, if you’re moving your body thinks you’re doing it for a good reason...like you want to survive. If you’re moving lightly, if you’re moving moderately hard or if you’re spitting...you’re telling it to grow and get stronger and younger and faster in different ways. That’s the reasons all of this works. It goes back for billions and billions of years of evolution that these are the signals that we survived on all that time. Then you go to the gym and you use those

signals and you use them to make yourself younger, stronger and fitter in modern America and it works like a charm.

NB – What am I telling my body if I eat a quarter - pounder and fries?

DR.HL – If you are sedentary, you’re telling your body that you’re about to starve to death. It’s a very interesting paradox and explains a lot about modern life: living a sedentary life is the biological signal for starvation, regardless of how many calories you consume.

NB – Yeah, because there is a famine on the way and you’re fattening yourself up for it or something? You’re hearing the music now because someone is going to say *the news*, folks and we will be back! The book is **“Younger Next Year”** out in paperback as of yesterday. Go get it...it will change your life!

OFF AIR and at the end of the news break, Neal’s lovely wife also a “Younger Next Year” fan, Donna, took the stage and received a check for \$5,700 from a group she works with called the “Wounded Warrior Project” who raised money at a recent event at Ruth Chris Steakhouse for our injured troops. Donna Boortz said to the Power Lunch attendees, “I want to thank you. A lot of you were here for that event and you realize there are many \$55 donations contained in this big check. That’s what buys the back packs that go to our soldiers, sailors and marines when they get injured. It’s the first sign that we care about them. I love you all for doing this. You people have kindly made it possible for them to have the backpack, the help and most importantly, *your caring*. It means the world to them. Thank you so much.” (The big crowd gave a huge round of applause for Donna Boortz.) Then, the super lady, Belinda Skelton, Neal’s on air side kick, stepped up and said, “If you missed the opportunity to donate and you still want to do so, go to: www.woundedwarriorproject.com as I’m sure they will still accept your donations for our injured troops. Also, I want to once again thank our sponsors, Solomon Brothers Fine

Jewelry, CoolRay Heat and Air, Mr. Sparky and of course, Ruth Chris Steakhouse.

NB Still Off Air

– “They must have found a particularly good cow for this luncheon...man it was a great cow!” (Crowd laughing) Then, there was a door prize of a blood pressure heart rate monitor for the first person who could come up with Belinda’s middle name.

NB – Back On Air

– O.K. ladies and gentlemen, we’re talking to Chris Crowley and Dr. Henry S. Lodge. Harry, are you any relation to Henry Cabot Lodge?

DR.HL – He was my Grandfather. They just called him Cabot.

NB – *Political royalty here!* The book is **“Younger Next Year...Living Like 50 Until You’re 80 and Beyond”**. We were talking about a number of things, the heart rate monitor and we were talking about cheese burgers. You don’t have Crystal up there in New York, do you? O.K. you have White Castle. Every once in a while I have to go get a bag full of Crystal burgers and a big bowl of chili and just dip and eat and dip and eat. I KNOW it’s not good for me. But, dammit, I want to enjoy life, too. I wonder what a Doctor’s response to that is?

DR.HL – Well, we did just finish a steak lunch! (Crowd laughs). Look, it’s America. We have this wonderful food. It is not good for you. But, we all love it. So, eat it when you feel like eating it, but do it with your eyes open. And, compensate by being in great shape and eating good stuff the rest of the time.

NB – My wife and I just went to Iowa a couple of weeks ago. Donna’s not a big corn-dog eater. But, they were wonderful! Then, we had to be good for awhile. We’re both working out now. Chris, we’ve been talking a lot about aerobic exercise and heart monitors. It’s somewhat easier to get people to do aerobic exercise on a regular basis, but there another element to this making yourself younger that is tougher for you, isn’t there.

CC – One of the things we’ve learned as we produced the book is that there are different exercises

that do different things for you. With aerobics at different levels you do different things for your body. Another is weight training and it does a whole different bunch of things. You are sending different signals: You are building bone mass, which is extraordinarily important, especially for women, you are building better wiring for your joints, it is the great antidote to pain and a way to make your coordination better. And, it really, really works. It is a torture and you feel like an idiot when you go into some gym in these awful costumes and you feel like a fool. HOWEVER, a guy who is 60 can double the strength in his legs in four months. Double the strength in his legs! It’s SO important because it keeps you from falling down. And, when you do tumble you can catch yourself and get back up. You live longer because you can avoid the heart attacks and strokes with the aerobics, but QUALITY of life, has an awful lot to do with the stinky old weights. I hate them. Read our chapter and see our description of the guys who train you with weights. I just hired a wonderful new guy who was a homicide detective in Boston for 20 years. Now he’s teaching me weights. He’d killed four guys while a detective and now he’s killing me! (Crowd cracks up!) If you happen to survive, for quality of life the weights are great. They are also great for people who love to ski like I do.

NB – How much can you leg press, Chris?

CC – 450 pounds!

NB – The TRUTH IS NOT IN YOU! You didn’t leg press 450 pounds! How many reps? Anybody in this room believe that?

CC – I did it about 5

times. This is a demonstrable truth! I did it yesterday.

NB – Ray, how much can you leg press? I was just asking former University of Georgia star quarterback and Head Coach of the Georgia Bulldawgs who is in the audience.

Coach Ray Goff – Dead silence. (Crowd chuckles as Coach Goff does not reply.)

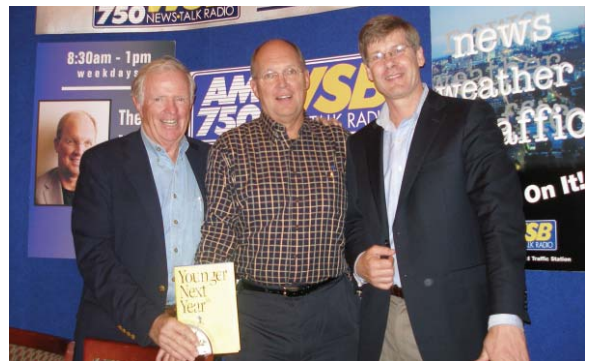
DR.HL – I have a 90 year old woman who can leg press 180!

NB – How much can you leg press, Doctor?

DR.HL – Actually, less than Chris. I can do 400.

NB – Well, this afternoon is my weight workout day at the club. I am going to put it on 250 pounds and see if I can do it just once. Just once. Maybe I will surprise myself. I’m just a scrawny, weak little kid. Now, let’s get to the “Don’t eat crap thing a little bit more, we talked about cheeseburgers.

DR.HL – It’s tough. You do yourself a favor by looking at a couple of different things. One is *weight and health are not very closely related. Fitness and health are tied together*. So, if you get very fit, even if you’re fat, you’re going to have a great quality of life. The data are: a fat guy who smokes a pack a day and exercises will outlive a thin, sedentary, non-smoker. Those are the facts. So, weight is a massive struggle. Don’t exercise to lose weight. You may lose weight or you may not. All you can do is portion control. All you can do is eat less. And, the nutrition is: *eat better stuff. Don’t eat the junk. Eat less of it.* (See “Younger” page 18)



(L to R) Chris Crowley, Neal Boortz and Dr. Henry S. Lodge

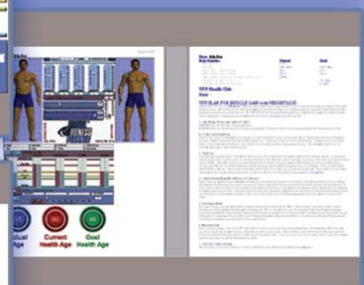
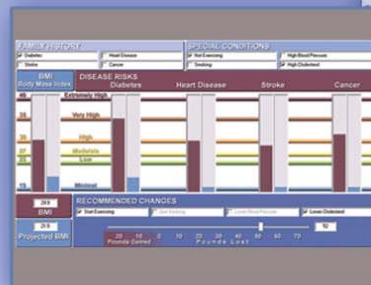


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...“Younger”

continued from page 16

Neither we, nor anybody else has figured out a solution for that.

NB – What do you think about weighing yourself every morning? Good? Bad? Or, are you just going to cause yourself a little emotional distress?

DR.HL – It works well for some people. It's cataclysmic for others. Unfortunately, you've got to figure out what works for you. We have no magic for that.

NB – I tend to go on whether my clothes fit. If they stop fitting, then something's wrong somewhere. They've been washed in water that's too hot! (Crowd cracks up big time at this Boortz' continued fun sense of humor.)

CC – Not a bad idea. Your body has a set point. Your body gets used to a certain point. You weight 180 or whatever. You can stay there without much agony. When it tends to creep up, it is pretty easy to get down to your set point. But, when you set a new set point, you are stuck and it's gonna be a lot of work to go back.

NB – Taking a listener call, “John, you're next up.”

John – Yes, thanks for taking my call. I appreciate that. I know there is a minimum daily requirement with respect to supplements and then there is an optimum daily requirement. I read somewhere that zoo's give animals nutrients based on their optimum daily requirement.

NB – Hey John, up there in Flint, listen for the answer on the radio. You two kind of groaned when he mentioned vitamins.

DR.HL – I am going to give you the answer, but not a single person out there is going to like it! The answer is there has never been a shred of evidence that vitamins do a damned thing for you! **NOT ONE SHRED!**

NB – Your holding back!

DR.HL – Yeah, I'm being soft and gentle. There are hundreds of studies that have been badly done by the supplement manufacturers, which is a 30 billion dollar a year industry. Ev-

ery single Federally funded, decent study has shown either no benefit or a slight death rate to the supplement (study) group. Eat your fruits and vegetables.

NB – (whimsically, again) – So, this portion of the Neal Boortz Show is NOT sponsored by GNC! (Crowd cracks up again.)

DR.HL – You know it's funny because we said that in the book. Then we got calls from supplement manufacturers who said, ‘Hey, we'd like to sponsor your book!’ We said, ‘Did you read the book?’

CC – I didn't care either, but Harry wouldn't let me. (Crowd laughs).

DR.HL – If you believe in supplements, we don't want to get in a big argument about it. It's not worth it. But, the bottom line is there is really truly zero science of any quality on supplements. And, there probably never will be, because it is just too expensive to do it. So, you're totally on your own now.

NB – Well now, don't some people have needs for some supplements that their body doesn't produce or get from the food their eating?

DR.HL – It's very hard to figure out what the minimum daily requirements ought to be. So, it's fine to take any of the standard multi-vitamins. You are almost certainly not hurting yourself and may be doing yourself a tiny favor.

CC – Other than that it's just expensive urine. (Crowd laughs again).

NB – O.K. water. We talked about water earlier. I try to get down 70 or 80 ounces of water everyday. Chris, you're not high on that.

CC – I divert to Harry on everything, but especially this.

DR.HL – Well, you know most people find if they stay well hydrated their energy is better and their performance is better. You really do just feel better. Nobody has studied this in incredible detail. It does seem that as you get older you sort of slowly lose your thirst mechanism. So, you get dehydrated, without realizing it.

NB – Is it part of the decay process?

DR.HL – Yeah, probably. So, more water like

America drinks is probably going to make you feel better.

NB – *We're gonna be back in a moment folks. One more segment with Chris Crowley and Harry Lodge the authors of “Younger Next Year”.*

NB Back on Air – O.K. folks, we're back with Chris and Harry. I have this question from actually the Connecticut version of Belinda. Belinda, are you trying to use weights and you are starting to hurt yourself? Is that the problem?

Belinda from Connecticut – Hi. Thanks for taking my call. I am a very young 54 years old woman. I've been working out regularly at a gym and I do resistance weight training. I have a problem doing the upper body. I am reaping the benefits, but I am always straining my muscles in my neck and shoulders. The next day I'm always feeling a lot of pain. I hate that. Is there anything I can do to prevent that?

NB – O.K. Listen to their response on the radio up in Connecticut, Belinda. Thank you so much for listening.

DR.HL – You're almost certainly doing it wrong. That's hard. We didn't grow up using weights. It makes an enormous difference if you have someone to show you how to do it. Most gyms have pretty decent trainers these days. If you're technique is right and you're lifting the weight carefully and you're not swinging it, you really should not be hurting yourself. It's one of the things where if you do it wrong, you're going to hurt yourself. If you do it right, you're injury rate is going to plummet. So, get some professional advice. Have a trainer work with you for a little bit and get you on track.

NB – Did you ever hurt yourself with that 450 pound leg press, Chris?

CC – NO. (Author's note: Ironically two months later on www.youngernext-year.com Chris Crowley told his readers of his blog that he HAD hurt himself doing leg presses and it bothered him some during his recent trip to Paris.

NB – We have less than a minute. It's yours now

Chris and Harry. The book, I love it. My wife loves it. I've given it to people, they write me letters. Thank you so much for this book. The paperback was out yesterday. You're last message to our listeners out there is...

Chris Crowley – I'll go quickly and turn it over to Lodge. You have an extraordinary amount of control over the quality of your aging. You really can have an awful lot of fun when you're 60 and 70 and 80. I'm skiing my sox off at my age, 72, biking 100 miles a day in the Rockies. You may not want to do that, but you can be the same woman or man that you were at 45 or 50 until almost the day you die.

Dr. Henry S. Lodge – Have a great life for a long time and then die in your sleep.

Neal Boortz – I want to do the “Get shot by a jealous husband routine!” O.K. folks, thank you very much. We're through. We'll see you back here tomorrow. It's the Neal Boortz Show!

To close this illuminating report I asked Dr. Lodge, “What advice, if any, would you give health club owner/operators that would help them utilize your terrific book to bring more of the 50+ population into their clubs as members?”

Dr. Lodge replied: “There is an audience out there that are desperately hungry for two things. An optimistic message about aging and a social connection. Gyms that have done “*Younger Next Year*” competitions within their clubs (usually over 3 months) have had great results, as have gyms that have started “*Younger Next Year*” clubs among their members (simple sign up sheets for group exercise class, book clubs, movie clubs, ski clubs, etc.

These are member organized and run so they impose minimal staff burdens and members get very involved. The aim is to boost retention and draw in new members. With the release of the paperback, the cost of the book has come down to where it works as a promo give-away for new members. It's especially effective when given out by personal trainers because the book hits so

hard on the benefit of investing in a trainer.”

Acknowledgments and Thanks from Norm Cates, Publisher of The CLUB INSIDER News

I want to thank the one and only, Neal Boortz, the man known as “The Talk-Master - the High Priest of the Church of The Painful Truth” for his inspiration and influence on my work here in my home-based business, The CLUB INSIDER News, for the past 14 years. For all these years I've listened to this brilliant and hard working man on WSB 750 AM Radio and I've learned more from him about a huge variety of American societal topics than you could imagine. In fact, Neal Boortz and I went to law school together back in the early 1970's when I was a furloughed airline pilot. I remember. He doesn't. That's because he didn't know me, but he was already becoming an Atlanta celebrity then. But, I've kept an ear out for Boortz ever since then. “Tell-It-Like-It-Is” has been our slogan for 14 years and were words of wisdom from my long-time friend, Jane Beusman, the wife of another long time industry friend, the icon and legend ... “Brother” Curtis Beusman. Jane said those words while we were attending the Faust Roundtable #1 Meeting in Chicago in January, 1993 where The CLUB INSIDER News was dreamed up. So, I took Jane's words as our motto. From Neal Boortz and from 14 years of producing monthly editions like clock work every month, I have learned how to mix our industry news with FUN and yes, “Tell-It-Like-It-Is” commentary on our industry. Boortz' absolutely masterful radio manner in which he conducts his daily radio shows and his Power Lunches has helped me immensely in my publishing work. I've survived 14 full years of publishing...an industry with a very high early mortality rate, in part, because of Neal Boortz. So today, I want to thank Mr. Neal Boortz for his inspiration, his influence and his very, very hard work on behalf of Ameri-

(See “Younger” page 20)

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Association Insurance Group

...“Younger”

continued from page 18

ca and all of us listeners. One of his works, a very important book for the future of America, is Neal's book, **“The Fair Tax”** co-authored with Georgia U.S. Congressman John Linder. If you have not read it you should and you can order it on Amazon. And, I want to thank Neal Boortz for the humor that invariably is present on his great radio show every single weekday. I am a Neal Boortz fan for life. I hope you will become one too, if you do not already listen in. **Go to: www.boortz.com click on: Contact, then click on: Syndication Info and look for a radio station in your hometown to hear his show.**

Thanks to Chris Crowley and Dr. Henry S. Lodge for their affirmation in their book **“Younger Next Year”**. I read their book about two years ago. And, what I learned at that time was that I was on the right track in a 180 degree lifestyle change I had started five years before on November 26, 2000. On that date, I weighed 343 pounds.

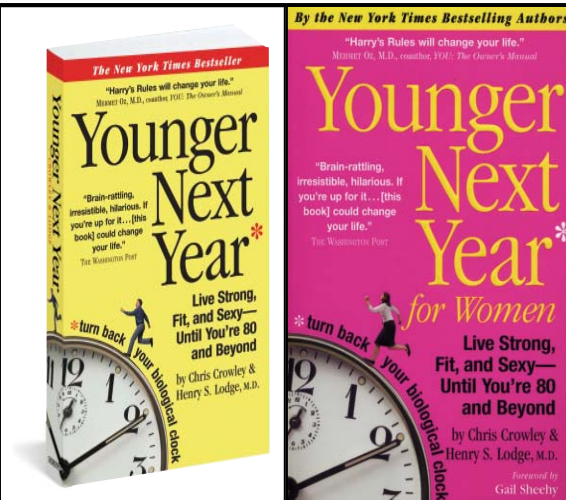
That is the day I started moving again...by walking for just 15 minutes. And, believe me, even that was not easy. I kept walking virtually everyday for seven years. But, in 18 months I lost 110 pounds and 20 inches off my waist. I too, crafted a book: **“Leaving FAT City”** and placed it on the internet for free for three months from May 15 thru August, 2006, to try to help save some lives. One day I will find the time to finish my revisions of my book and I will take it to print and I promise I will help many people improve and maybe even save their lives. In the meantime, just like Neal Boortz does with this fabulous radio show everyday, I will continue my work with The CLUB INSIDER News by doing my best every month to bring you, my thousands of readers...owners, operators, managers and staff of health and sports clubs in North America and around the world, my best effort. I pledge to continue to give each of you and everyone of you who take the time to read The CLUB INSIDER News all I've got every month.

All I've got, just like the amazing man, Neal Boortz does for his listeners.

Thank you Chris Crowley and Dr. Henry S. Lodge for your great book and thank you Neal Boortz for a great Power Lunch Live Radio Show! I hope all of you will buy their new paperback now on Amazon.com and then order hundreds, if not thousands as gifts for your members!

God bless you all. —
Norm Cates, Jr. – The CLUB INSIDER News – Publisher Since 1993.

(Norm Cates, Jr. is a 34-year veteran of the health, racquet and sports club industry. Cates was the Founder and is now celebrating his 15th Anniversary as the Publisher of The CLUB INSIDER News. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or email: www.clubinsidernews.com)



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...The “Wheel”

continued from page 3

they aren't coming in droves anymore. Or, if you are a new club owner, they just aren't coming to your club as you had dreamed they would.

What is wrong?

What is *wrong* is that the **“good old days”** of little competition in many markets are over.

What is also *wrong* is that a **very nice club full of equipment is no longer competitive anymore**.

What is the *solution*? **Back to basics of the club business**, even if you're a veteran. And, if you're a *newbie*, **learn the basics right here**. Go **“back to basics”** by understanding The “Wheel” of a profitable club.

What is the “Wheel” and how does it relate to making a profit in the club business?

The “Wheel” is simply my way of explaining to you about how to create a **balanced club that will be profitable**. A **balanced club that will, in all conditions and**

circumstances, prevail and make a profit.

You may already have your wheel of your own firmly in place and hitting on all cylinders. Maybe not, but I do hope so. If you do your club should be profitable and I applaud you.

But, read on. Learn here if you actually have a “Wheel” club or if you have an expensive and underperforming equipment storage and usage facility. Learn here whether you *truly* have The “Wheel” for balanced club success and profitability.

If, after examination of your club/center you learn and can admit that you really don't currently have a balanced “Wheel” for club success, you will learn here how to build this balanced “Wheel” in your club. You will learn how to ride your balanced “Wheel” to club success.

First, take a look at our entire industry. View it as having basically two sides:

#1- the club/center side... clubs are the consumers of equipment, services and products that, when carefully and properly selected and employed professionally in a

balanced “Wheel” club/center ... produce perennial profits.
#2- the supplier side that provides equipment, services and products that are *supposed* to help your club be balanced and produce profits.

It is very important to note and realize now that some of the companies in **#2** above do not provide equipment, services and products that will actually *complement* and *improve* the balanced “Wheel” in your club. Read the truth here. Some vendors will attempt to “sell” you equipment, goods and services that will not really help your club be a balanced “Wheel” club. And, those products will not fit on your wheel of success after examination. In fact, some vendor offerings *will become drains on your club and its future*. Choose your new club offerings very carefully, lest you buy into a drainer. One drainer can pull down your profits.

Imagine in your mind a wagon wheel. Imagine the picture of our early settlers, our brave ancestors who traveled out West via covered wagon. Imagine

the four wheels on a covered wagon. Picture, in your mind, each wheel with its hub and wooden spokes connected to the hub in the center. Picture each of the spokes on the other end from the hub surrounded by a metal band holding the wagon wheel all together and making each wheel strong. Imagine, in your mind, the picture of a family of settlers riding in a covered wagon through rough, rocky terrain. See the Father and Mother and maybe 3 or 4 children. Suddenly, one of the wagon wheels falls heavily in between two big rocks. The left back wheel breaks and one corner of the covered wagon, filled with belongings and the pioneer family, collapses to the ground with one and then immediately more of the wheel's spokes breaking almost simultaneously. All of a sudden this family of five or six American pioneers are faced with leaving many of their belongings in the broken down wagon. Some ride the wagon's horses and the others walk and try to keep up with the rest of the pioneers who forge ahead in their already full wagons in their

quest for their new home out West. What a tough dilemma. Facing rugged terrain, cold and hot weather with no wagon space in which to ride with others...the future appears bleak. But, this is a real picture of the terrible dilemma some of our American pioneers and settlers experienced in the Wild West in the 1800's. We've all seen this difficult scene depicted in movies ...so the mental picture is very easy to recapture here. Some survived and some did not.

The message of the pioneers is that one single broken spoke in the “Wheel” of your club can cause problems with other wheels and ultimately cause your club to fail or, at the very least, not to perform well financially. The club business is that fine of a science.

And, importantly your personal ability as a club owner to be extremely careful when traveling over rough terrain where the spokes in your club's “Wheel” might be broken ... is crucial. That is why I wrote before about **#2**: “Choose your new offerings (See *The “Wheel”* page 22)

My decision to place a Thin & Healthy Total Solutions inside my Ladies Workout facility has completely changed the way we do business. It has restored my joy and passion for my business. The support and training that I received after signing with Thin & Healthy has been phenomenal! I don't feel like I am out there all alone trying to figure out what works and what doesn't. The staff at Thin & Healthy has a heart for small business and relates to where I've been and where I want to go and is dedicated to helping me get there. Since adding the Thin & Healthy to our program, we grossed over \$47,000 the FIRST MONTH! My advice to anyone wanting to immediately increase their bottom line is this.... DON'T WAIT! Thin & Healthy will change your business AND your life.

Elizabeth Delagrangre
Ft. Wayne, IN



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...The "Wheel"

continued from page 20

in your club very carefully lest you buy into a drainer." This business, for true financial success, is really not simple. Formulas for balance are, in fact, necessary for the short and long-term financial success of your club/center. And, I will say now to all that building your second or third club when you are not ready can become a really big, big drainer of your first club. Make your club expansion to new location decisions very, carefully, too.

Imagine the "Wheel" in your club. See your club as the hub. See each of the spokes of The "Wheel" as spokes to make your "Wheel" strong and perennially financially productive. (See the diagram on this page) Please realize that this particular wheel is for bigger clubs, 20,000 square-feet plus, that have the capacity to offer all of the spokes and that all spokes shown here may not be required for financial success in a smaller club. For example, you do not have to offer group exercise to make a profit in your fitness center, especially if it's below 15,000 square-feet. But, if you do...it should be the best group exercise program available. But, for sure whatever the spokes of your club are, they each must be strong and work well together to produce a profit.

Here are ten important spokes of The "Wheel" of the long-term, successful and profitable club: **#1-** Facility site selection and design; **#2-** General management and leadership; **#3-** Equipment; **#4-** Personal Training; **#5-** Group exercise programming; **#6-** Marketing, promotion and public relations; **#7** Sales; **#8-** Programming; **#9-** Back office operations; **#10-** Club/center operations and maintenance.

First, let's examine your club, spoke by spoke

Spoke #1 – Site selection and design. If you're designing and building a new club you can either do it right or do it wrong, right off the bat. First and *very importantly*, the use of a professionally done site selection demographic and competition study is *crucial*.

Use a market analysis by a *real pro with specific club industry experience* to determine the best location for your new club. Once your new club is in the ground, you are screwed if you've made significant site selection and/or design mistakes. So, that's why it is important to use *excellent and experienced* site analysis expert and expert club designers, not local architects who've never designed a club. If your club is in the ground and operational, I ask: "Is your club brand new or is it 'rode hard and put up wet?'" In other words, does your club/center need an upgrading facelift now? When was the last time you took a very close, clip-board-in-hand, walk through your club/center? How many frayed or stained carpet areas do you have? How about broken floor tiles? How about light bulbs or fluorescent tubes that need replacing? How about broken mirrors? Do you have walls that need repainting or re-wall papering? How is your club cleanliness? Go and look into the corners of your showers on the floor. When was the last time you really focused on your club/center physical plant? And, when was the last time you went out after inspecting your own club and looked at your competitor's clubs? Now, THAT can be a real eye opener. Do you have an experienced club design professional to call upon to assist in the design of your new club or the remodeling of your existing club? Did you hire a pro for site selection and will you for any new clubs you may be planning? You really should.

Spoke #2- General Management expertise in our industry, as more and more clubs come into markets everywhere, is clearly lacking. Examine your club/center general management. Are you the GM or do you employ a GM? If you are the GM do you examine your own performance and participate in regular continuing education with IHRSA and Club Industry and others to get better? If you do employ a GM, do you insist on, fund and provide for regular continuing education opportunities for yourself, your GM and key staff? You really should.

Spoke #3- Equip-

ment. Is your equipment new and in great condition and well maintained? Or, do you have old equipment that regularly breaks down? When a piece breaks down, how long does it take from the time the "Out of Order" sign goes up until the machine is fixed and operational again? Do you have too many strength machines and not enough free weights? Have you considered the fact that free weight participants now include females and do you have an environment for free weights that appeals to them? Do you have a talented maintenance man or an "on-call" equipment repair man? Do you have contact with a company that provides equipment repair trouble shooting and overnight parts delivery? You really should.

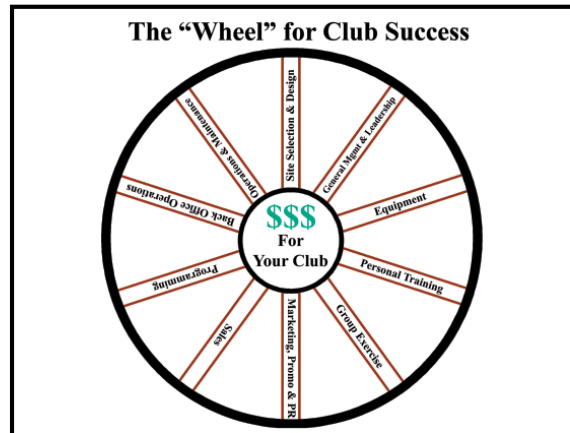
Spoke #4 – Personal Training Department.

The key here is your club's training department leader. Without a great leader in this all important area your club will under perform financially because this department will be *responsible for results for your members* and can become a real profit center if you have the right Personal Training Manager. Always remember that results for your members will make them happy, keep them paying and cause them to talk to and bring their friends. Results for your members will produce the same thing ActivXl Promotions produces for your clubs...*walking billboards* ... but these billboards are not in the form of terrific backpacks with your club logo branded on them. These walking billboards are in the form of more fit, slimmer people going from your club out into your community where they will hear comments from their friends like: "Hey Joe, man you're looking great! What have you been doing to lose that weight and get in such great shape?" This single question will result in multiple new member referrals from each satisfied and newly "in-shape" member each year. So, if your club is new...do your homework and find a real professional leader for your training department. If you've been in business for some time and realize now that you don't really have a leader of your trainers who is professional, qualified, dedicated and a super hard work-

er...then find one. Give him the opportunity, the latitude and financial incentives to really lead. Your leader must focus on two things: club staff who provide on the floor training for members at no

manage the department. In reality, divas become entrenched to such a degree that nobody really knows if they are drawing great attendance because they are great instructors or because they

The "Wheel" for Club Success



cost to those new and existing members who need guidance on what to do, when and how to do it. The second thing is he must also focus on the personal training operation in your club. My experience tells me that these jobs are best done by the same person, not two, because the role of leader, shared by two people, will rarely work. One strong, talented and dedicated leader can make a huge difference and can perform both jobs very well. Do you have one leader that fits the bill, that you trust and that will dedicate his entire being to this important job? You really should.

Spoke #5 – Group exercise department.

One of the two single greatest profit opportunities for clubs in the world today is group exercise. The other is personal training. For decades clubs who've provided what used to be called "aerobic classes" have suffered from captivity. Captivity by what I've called in my writings for years: "Divas". I define the group ex "diva" as usually the woman who is the best aerobic instructor, now called group exercise instructor. This woman, and sometimes it is a man, is the best teacher of them all... if judged by attendance in her classes. But, what happens with divas is they get the prime time slots in your club because they usually end up being the person the club manager appoints to make up the group exercise class schedule and

occupy the few prime time slots. Usually, getting them out of a prime time slot into a slow time simply ain't gonna happen on their watch. Thus, you're held hostage to growth of your group ex program. How many of you reading this out there are thinking about your "diva" right now? How many of you club owners out there, or more likely club managers, are sick and tired of dealing with your "diva" and want to find a solution but simply have left it alone to keep it out of your hair? How many of you offer a bunch of group exercise classes, but ONLY prime time classes draw large attendance? How many of you have a group exercise program that drains money from your club, rather than produce money for it? How many of you have group exercise class schedules that you would simply like to wipe all of the classes off except for one class a day Monday through Thursday at 5:30 p.m.? How many of you have heard about the two major group exercise providers in the United States, but have never contacted either of them? How many of you have said, "Hmmm...I think today I will *finally* make this call to finally seek and find a solution to my group exercise department? You really should.

Spoke #6- Marketing, promotion and public relations. This is a real biggie. The reason it is a biggie is that without a well-developed

(See The "Wheel" page 24)



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...The "Wheel"

continued from page 22

oped annual marketing plan you are *urinating in the wind!* You are going to spend the next year without enough prospects walking in the door to make your club successful. First, do you know what marketing actually is? And if so, how important it is to plan ahead? And, do you plan for and set aside adequate marketing budgets to get the job done year round? Are you a consummate annual marketing planner? Do you set aside funds to pay for marketing each year? Or, are you a last minute marketer and one who invests "whatever you can scrape up" for your all important marketing job each year? If you are a last minute marketer do you realize how much money you are losing each year because of your laziness in this area? Do you have a marketing plan already done for 2008? If yes, have you taken your plan and converted it into actions and are you prepared and funded in advance to pay the cost for the actions that you have planned every month? Or, are you like many who might be sitting out there today reading this in late December or early January, who've yet to produce your marketing plan for January, February and March, 2008, the three biggest months in the business?

Do you realize that marketing and promotions are two different animals intended to achieve the same

thing? Do you realize that promotions and special events that cost your club nothing to speak of, particularly those tied to worthy causes such as the "Clubs for The Cure Program" (see outside back page ad) can serve more than one purpose? The second purpose being to create community awareness, goodwill, public relations and attention from TV, radio and newspapers for your club(s). For example, during my career I produced: **1)** A "Roast" of the most popular Atlanta Journal Constitution newspaper "happenings" columnist, Ron Hudspeth, to benefit the Scottish Rite Children's Hospital, **2)** Atlanta Mayor Andrew Young's 50th Birthday Party at my Downtown Athletic Club (DAC), **3)** "The Battle of the Atlanta Cheerleaders", a great event bringing the Atlanta Falcon Cheerleaders vs the Atlanta Hawks Cheerleaders together one afternoon in a number of athletic contests such as running, swimming, racquetball, volleyball and basketball, also held at the DAC. **#4)** A party during the Democratic National Convention for Nike that was attended by 1,500 people. **#5)** The first ever and only Atlanta Police Appreciation Ball in the history of Atlanta. All of these events produced amazing PR, publicity and goodwill and new business for my club. Never underestimate the value of personally produced special events. And never, and I mean never, neglect producing an annual marketing plan

and following through funding for your plan. Have you examined your marketplace to determine where you will find your new members in the coming year? Have you seriously considered targeted marketing to the obese/overweight and mature market populations in your area? Remember, you don't have to discard your other marketing. You just need to craft your marketing messages to attract the overweight and mature sets along with your normal market focus. Do you use professional marketing help? You really should.

Spoke #7- Sales. You may know a tad bit more about wheel spoke #6, marketing and promotions now. If properly executed, spoke #6, marketing and promotion, will produce thousands of new member prospects for your club to sell new memberships to each year. Now let's talk about making sales to the prospects you create. Do you have a proven, time-tested and results producing sales system? Do you have a trained and skilled sales manager? Do you have weekly sales staff meetings? Do you have a combination of salary and commissions for sales staff? Do you have a bonus system for high sales achievers? Do you look at new membership sales as a small or big part of your "Wheel"? Does your sales staff close over 60% of their opportunities? Does your sales staff understand the extremely important role that referrals play in your annual overall sales effort? Are your sales staff well trained on how to pursue member referrals? Do you use professional sales management and training help? You really should.

Spoke #8- Programming. Just like planning your marketing and promotions you should have an annual programming plan. Events in your club such as "Member Appreciation" parties, Christmas and Holiday parties, group exercise program launch events, tournaments for tennis, racquetball and squash, leagues for basketball, volleyball and the racquet sports, swim meets and depending upon your facility, the list could go on and on. Do you use professional help for your club/center program-

ming? You really should.

Spoke #9- Back office operations. Crucial to short and long-term financial success. You can have a runaway club success with more members and more new member referrals than anybody in town and if your back office is not well organized and well managed, you will be in *hot water pronto!* The importance of a well organized, managed and executed back office simply cannot possibly be over emphasized. I say again: crucial. Crucial for building and maintaining TRUST in your business, crucial for efficiently collecting what is due to your club, crucial to properly servicing all of your members and absolutely crucial to your bottom line. If I had a dime for every dollar I personally lost due to my poor back office operations during my 20-year club career, I'd be a rich fellow. But, unfortunately I had the idea I could hire one lady, then provide her with inadequate systems and assistance and get by. Well...I did just get by, but I lost mucho moola. But, you don't have to! Do you utilize professional produced systems with staff trained by professionals in your back office? You really should.

Spoke #10- Club/center operations and maintenance. At the very least the average American health/fitness club/center is a 16-hour a day operation with high daily traffic counts. Many now are 24-hour operations. This means at least two things: #1) clubs/centers get dirty fast and #2) things are going to break ... for sure. Club/center cleanliness, maintenance and timely equipment repair are three areas where a huge amount of attention are needed, yet they receive the least attention in some operations. Do you employ opening and closing checklists for your openers and closers to check off each step/procedure and sign off on all of them when done? Do you have a logbook where anything wrong with the club is written when it goes wrong and referred to by management and repair staff daily? Do you employ nightly or daily club cleaning crews? Do you have a club culture where both your staff and your members are


asked to pitch in on cleaning? Staff with the cleanliness of their areas of responsibility and members taught to towel and spray off the equipment they use? Do you have short downtimes for equipment that breaks? Do you have planned and regularly scheduled maintenance for all of your HVAC systems and other club/center mechanical apparatus? Can your maintenance man or "on-call" equipment repairman obtain parts overnight so your "down" equipment is "up" by the next day? Do you take great pride in the delivery of an excellent club/center environment all of the time, a huge part of the member experience? And, do you prevent member losses due to irritation caused by "Out of Order" equipment? You really should.

The "Wheel" Spins Round and Round


The "Wheel" spins round and round and where it stops...nobody knows. But, if you will take a yellow pad and go back through these questions I've just asked, make a list of each question, then answer each question honestly to yourself...you will be well on your way to discovering and defining the needs that will balance your wheel so your club will become profitable, or if profitable already, to make it more profitable.

If you want answers to the above questions and solutions to many "wheel" challenges that will help you perfect all of the spokes on your wheel go to page #26. There in my writing: "Use the Pros", I give you more meat. Before I go, let me remind you again: "Go back to "wheel" basics and you will win!"

(Norm Cates, Jr. is a 34-year veteran of the health, racquet and sports club industry. Cates was the Founder and is now celebrating his 15th Anniversary as the Publisher of The CLUB INSIDER News. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or email: www.clubinsidernews.com)



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Use the Pros!

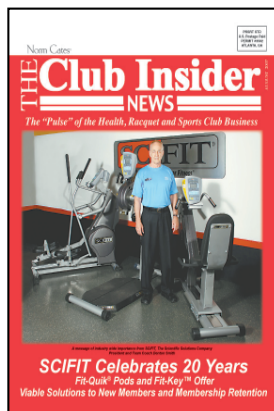
By Norm Cates, Jr.

Spoke #1- Site selection and facility design. Use the pros! Contact Rick Caro of Management Vision in New York City. Ph#: (212) 987.4300. Rick is the best individual in the business for demographic/competitive potential site studies. Contact **Rudy Fabiano** of Fabiano Designs International (See Rudy's ad on page 14 and for sure go to: www.fabianodesign.com) or **Bruce Carter** of Optimal Designs International. (www.optimaldsi.com) Both of these great guys are seasoned veterans in new club design and upgrade remodeling and their work will make a world of difference in the final result for your new or existing club(s).

Spoke #2- General management and leadership. Use the pros! Contact **Rick Caro**, of Management Vision, Inc. Caro is the best consultant in the business worldwide, the Founder of IHRSA and has been honored by twice by IHRSA and once by Club Industry with their top honors. Rick Caro's phone # is: (212) 987.4300. And, contact **Casey Conrad** of Communications Consultants (800) 725.6147. Casey is singly one of the smartest and hardest working people in our industry. Contact **IHRSA** for information on IHRSA 2008 in San Diego (See ad on page 31) and for information on the IHRSA Institute next Summer. (800) 228.4772 or go to: www.ihrsa.org The IHRSA Institute is the best single advanced General Management opportunity in the industry each year. Contact **Will Phillips** of Roundtables for Executives (REX) a terrific learning and sharing experience for all of Phillips' roundtable clients worldwide. Additionally, **Bonnie Patrick Mattalian** of The Club and Spa Synergy Group is an excellent source for general management help. (732) 236.2273.

Spoke #3- Equipment. Use the pros! **SCIFIT** and **Denton Smith** were our cover story subjects this past August. In that report Coach Smith, as I call him, articulated the need for our

industry to begin to use language in clubs that will not turn off consumers. Moreover, he explained that equipment for clubs should be all about return on investment (ROI), not about how many machines you may pack into a facility. SCIFIT rolled out their Pod Fitness with their FitKey program this year and for the money, SCIFIT offers the best cardio and strength equipment value in the industry. (See SCIFIT ad on page 11). Keep in mind that many clubs in the U.S. that are full of equipment right now are losing money and that lots and lots of equipment is simply not the solution to profitability. The RIGHT equipment, SCIFIT equipment, will go a long way toward helping your club reach and sustain profitability. If your budget will not allow investment in new equipment, but you have cardio and strength machines you would like to replace or add to your club, consider investing in refurbished equipment. Contact **Fitness Equipment Depot** and let **John Greeley** and his team provide you with pricing on their vast lineup of refurbished cardio and strength equipment. There are significant dollars to be saved. (See Fitness Equipment Depot's ad on page 33). Additionally, study your free weight layout and see what you might do to improve it for both men and women. Contact our advertisers: **InTek Strength** and **Iron Grip Barbell Company** (listed alphabetically) for whatever you might need. See the Iron Grip Ad this month on page #25 and InTek Strength in our November issue on page #13 and in our January issue.



Spoke #4 - Personal Training Department. Use the pros! The key here is your leader. Your "bell-cow" is the single leading person who leads all of your trainers, makes sure your trainers are professionally certified, schedules and manages them and sets the standard of excellence in training for your members. There are many fitness certification organizations in America. Just Google: *fitness training certification* and you'll have more resources than you ever will be able to contact. In this training realm the personal training businesses within your club business continues to present America's clubs with huge income producing opportunities. But, personal training can be a slippery slope for club owners. Look to and learn from people like **Everett Aaberg**, partner in **The Telos Fitness Center** in Dallas, Texas, whose personal training department generates \$2.6 million a year in revenues. Consider buying Aaberg's books.

Spoke #5- Group exercise department. Use the pro! One of the two single greatest profit opportunities for clubs in the world today is group exercise. The single best group exercise programming organization available in North America is **Rich Boggs' Body Training Systems**. *Body Training Systems truly is a great System*. BTS is not an organization relying on the ego-driven leadership of group exercise instructor divas. Divas who've already held your club hostage to their ways for too long. To the vast contrary, BTS teaches Group Exercise Management of their System to people, not necessarily your diva, who are willing to learn, willing to perform up to standards and willing to work hard. These are all things divas do not wish to do: learn, perform to a standard and work hard. The focus of Body Training Systems is on delivering top notch group exercise programs, excellent and legally licensed music and club marketing support graphic materials and program launches. BTS teaches that the key to club profitability is increased daily club

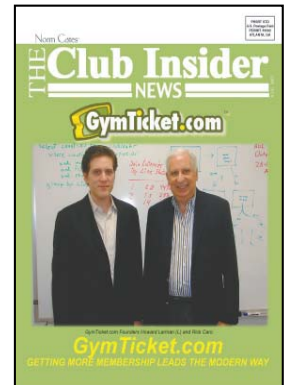
traffic, and they teach clubs how to drive daily club traffic through the roof, thus over time, increasing your revenue per square-foot in your club. Moreover, the Body Training System leaders, Boggs and BTS President Terry Brown, assign their *top priority* to excellence in group exercise for your club members. The end result is happier members, vastly increased daily traffic in your club, much higher retention rates and many new member referrals. (See the BTS ad on page 39 and call (800.729.7837 x 230. Go to: www.bodytrainingsystems.com)

Spoke #6- Marketing and Promotions. Use the pros! **GymTicket.com is huge! Also**, if you are looking for a company with experienced and caring people to help you develop a professionally produced marketing program for your club contact Susan K. Bailey Advertising. (See SKB ad on page 37) **Pat and Sue Kell** and **Chris Russo** of SKB Advertising each bring over 15 years of club marketing experience to the table. (888.349.4594 ext 61) Additionally, **Sherry Robb** and **Ron Buddo** of MarketMyClub.com provide excellent club marketing support.

Spoke #7- Sales. Use the pros! **Ray Gordon, Eddie Tock** and **Jeff Masten** of **Sales Makers** are the premier marketing and membership sales training consulting team in the industry. Sales Makers has worked with over 1,200 clubs worldwide including 206 pre-sales since 1981. Sales Makers is also the winner of the **IHRSA Associate Member of the Year Award**. See the Sales Makers ad on page #7 and call (800.428.3334). Additionally, Club Insider News Contributing Author, **Jim Thomas**, the President of **Fitness Management USA**, a Texas-based firm, offers excellent sales and management training services.

Spoke #8- Programming. Use the pros! **Daron Allen** and the folks at Visual Fitness Planner offer a program that links your sales system to their technology which provides a complete fit-

ness assessment, a member education platform, a lifestyle calculator, a health risk assessment and "Before" and "After" imaging. (See the VFP ad on page 17.) Other leading edge programs are **Donna Krech's Thin&Healthy Total Solutions®** (see Total Solutions ad on page 21) I mentioned earlier that Casey Conrad was one of the hardest working people that I know of in this industry. Well, so is Donna Krech. **Casey**



Conrad's Take It Off Weight Loss Program ad on page 32 and Take It Off is getting really good reviews from industry veterans. Last, but really the first in this industry in club programming, is **Sandy Coffman** the President of Programming for Profit. Sandy is the *Dean of Club Programming* in my book. And, she's written a terrific new book: **"101 Profitable Ideas...Successful Programs for Fitness and Health Clubs"**. (See her Programming Tip of the Month, book cover and ordering information on page #38.)

Spoke #9- Back office operations. Use the pros! Don't try this by yourself if you're new to the industry! That's all I can say to new folks. And, if you're already doing your own back office ops and find it is not all smooth sailing, please consider outsourcing and or getting help for this huge job. Three great companies in the financial management arena that can help you are: **Affiliated Acceptance Corporation, CheckFree Health and Fitness, ABC Financial**. And, I list these three great companies here in the chronological order of their arrival as advertiser. (See *Use The Pros* page 28)



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● **Who is the National Fitness Business Alliance?**

National Fitness Business Alliance was created with help from independent club owners who were looking for information and ideas that will help them reach financial success. The National Fitness Business Alliance believes you can make money ethically without the negative sales images. We can attract new members without offensive ads. We can make money by charging a fair price for the product we sell. Most importantly, we can learn to compete as independent club owners and operators against any club or chain in the country.

● **How our workshops can help you!**

The National Fitness Business Alliance and IHRSA have formed a partnership along with our elite team of industry leaders, to provide owners a variety of information, tools and products that will provide you financial success for today and the future. We can help you with almost any problem you encounter in your fitness business. Our workshops features an exhibitor showcase that will provide you the tools to overcome your staffing issues and network with other owners and managers who experience the same difficulties as you.

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*National Fitness Business Alliance reserves the right to change dates and locations as availability dictates. Workshop presenters are subject to change based on workshop subjects and dates.

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...Use The Pros

continued from page 26

tisers in The CLUB INSIDER News and I love them all for who they are as people and the hugely important job they do for this industry. I would suggest that you contact each of them to ascertain which one best fits your organization's needs. Please see the Affiliated Acceptance Corporation on page 9, the CheckFree ad on page 5, and the ABC Financial ad on page 32. They all will treat you right. Also, let me mention that another of the most important things to keep in mind about back office operations is keeping up with your club's insurance. So, this time of year I urge all club owners to contact our insurance company advertisers to obtain rate quotes to compare with your current insurer. Please check out **Ken Reinig's Association Insurance Group Inc.** (see ad on page 19 and contact **Vicki Slusher**) and **Fitness and Wellness Insurance.** (See ad on this page and ask for Susan Patten). The **Sports and Fitness Insurance** ad is on page 35 and you may contact **Jennifer Urmoston Lowe** there.

Spoke 10- Club/center operations and maintenance. Turn to **IHRSA** all kinds of training materials and resources in the area of club operations. Go to: www.ihrsa.org or call 800.228.4772 for information. For those of you seeking fast action when one of your fitness machines goes kaput, contact **Jon Webster's National Gym Supply.** This is a long standing company that will help you or your repairman diagnose any machine's problem, select the parts necessary to

repair it and overnight the parts to you so you're machine is back in action the day after it goes down, not 3 days, 4 days, 5 days or a week with the member maddening "Out-of-Order" sign on it. See National Gym Supply's ad on page #13 or go to: www.nationalgym-supply.com Trust me folks...you will be glad you did!

So folks, now you have a bit of a guide to evaluate and improve your club in The "Wheel" article and this piece. I hope each of you will really allocate the time, lock yourself in your office and unplug your phone and put a "Do not disturb" except in an emergency sign on your door. Then dig into this report, make a list of the questions I asked, then answer each question for yourself. I am sure you will find a few ways to make more profit. In no time at all, if you don't have your hub with all the spokes perfected for a balanced club/center, with hard work you will pretty soon. Thanks for reading The CLUB INSIDER News.

Warmest regards, Happy Holidays and Happy – Healthy New Year to you all!

– Norm Cates, Jr.

(Norm Cates, Jr. is a 34-year veteran of the health, racquet and sports club industry. Cates was the Founder and is now celebrating his 15th Anniversary as the Publisher of The CLUB INSIDER News. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or email:www.clubinsidernews.com)

Fabiano Designs Announces New Web Site Design

Montclair, NJ - Fabiano Designs has launched a new web site: www.fabianodesigns.com with a dynamic, clean new look showcasing their extensive library of work from the past 20 years.

Enhancements to the web site include:

- **Improved Navigation** - Web pages work in intuitive and consistent ways, making it easier for visitors to find what they are looking for and know where they are within the web site.

- **Improved Look and Feel** - Large project images and the new page layouts provide visitors with an improved user experience.

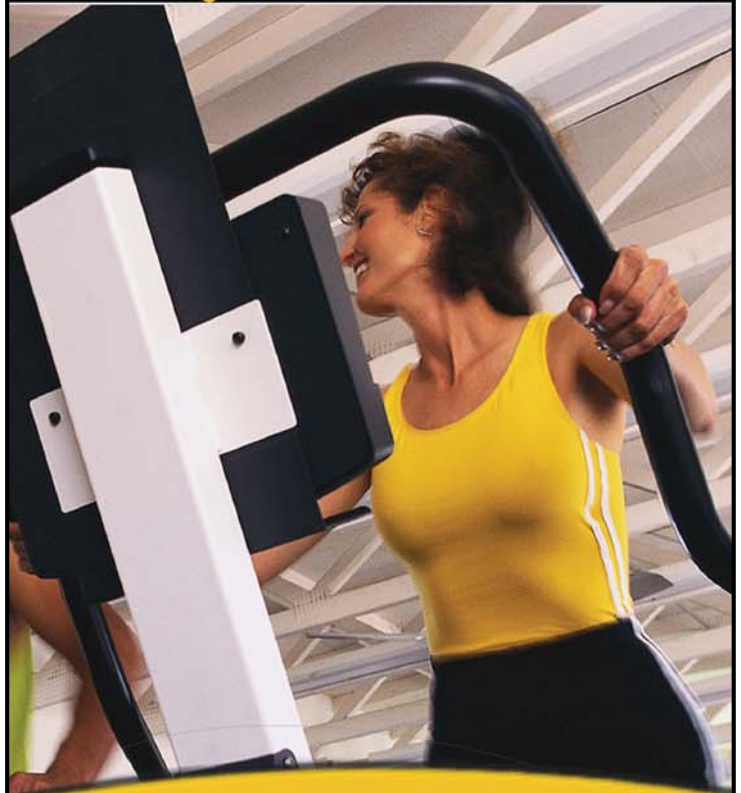
- **New Features** - New features on the web site include an extensive overview of our ongoing and completed projects presented in

a timeline structure allowing users to view work by year or by project type, synopsis of the firm and awards we have received, a detailed description of our services, news and events page with links to the events, and PDF's of our articles.

For additional information, please contact Kirsten Braddock at Fabiano Designs at (973) 746-5100 or by e-mail kirsten@fabianodesigns.com.

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Why Health Clubs are Missing the Weight Loss Opportunity!

By Casey Conrad

In my recently published article in The Club Insider, "Diversify or Die," I made the prediction that health clubs who do not begin offering a *real* weight loss solution to members will lose potential prospects who join another program or facility that has a nutritional based weight loss program. This may be in the form of a boutique weight loss/exercise program, a more traditional weight loss center or perhaps one of the many physician-based programs that are now being offered through family practice or bariatric doctor groups.

I knew that such a bold statement would not endear me to some but I was shocked to receive a flood of emotionally charged e-mails from readers; some applauded my bluntness while others argued about how their facility was offering a "real" weight loss solution and how dare I publish such a negative article. With such emotional and diabolical responses you would have thought I was discussing religion or politics!

The good news is that I got a response, something that doesn't often happen from health club articles.

To keep the discussion rolling and the subject of club weight loss programs on the top of readers' minds, I decided to make this article somewhat of a Part 2. Therefore, I will explore the details of why and how many club operators today are either totally missing the weight loss market or squandering it when they try. This, of course, is a generalized discussion. I am sure that out of the 29,000 health clubs in the US there are some doing a great job at offering a successful (both in member results and revenue generating), nutritionally based weight loss program, but they are few and far between. If your club doesn't have a formal weight loss program, perhaps you are making, what I call, one of the "4 Cardinal Sins."

The 4 Cardinal Sins

1. Not understanding "who" the weight loss customer is. According to American Sports Data, 87% of all people who join a health club cite weight loss or weight maintenance as their primary reason for joining. A lot of operators, therefore, think that they must be serving the weight loss market. Wrong. A true weight loss customer is NOT a member

who wants to lose 20 pounds because their eating and exercise habits have gotten off track. Rather, a weight loss customer is someone who would not traditionally think, "I'll join a health club" as a solution to losing weight. A typical weight loss customer has been struggling with 30 or more pounds for a decade or longer. They have done numerous diet programs—both self-administered as well as commercially based—and have most likely yo-yoed with their weight.

2. Not understanding a weight loss customer's mentality. Although many club operators don't believe me, a weight loss customer *thinks differently* than a typical health club member. Most certainly they think *totally differently* than the average health club operator, employee or fitness trainer who is often a "fitness zealot." What I mean by this is that a "fitness zealot's" passion and personal love for fitness *distorts their ability to understand* the average person who is struggling with their weight. Club operators/employees often look at overweight people with disgust and believe they are lazy and undisciplined. They think, "Hey, push away from the table, get some exercise." 8 years ago I thought this my-

self before I immersed myself in the weight loss business and surrounded myself with people struggling with their weight.

What I know now, and discuss in my book, "Winning the Struggle to Be Thin," is that most overweight people want desperately to change their habits and take control of their weight. (Notice I did not say they wanted to exercise and get fit. In their mind the two are not necessarily connected.) Food, however, is seemingly controlling them. Like alcohol, it is an addiction that is merely symptomatic to the underlying emotional problem or concern. For example, the individual is under a lot of stress and turns to food as comfort. And, even when they are conscious of their food addictions they cannot break the cycle, which causes further "dis-stress" and "dis-belief" in oneself. This, in turn, results in a reduced self-confidence (even if it is only in the area of weight), which only exacerbates the problem.

Of course, the typical weight loss customer is exercise adverse. They may have had negative experiences in school gym classes or failures of their own as an adult. Regardless, the biggest challenge now is the extra weight



is making it very difficult for them to move, let alone formally exercise. When they do, they tire easily. Trainers without experience in dealing with these types of customers can unknowingly set unrealistic expectations.

3. Not understanding that a weight loss program must have a sales emphasis. I say to club operators, "If you build it, they will come" only happens in the movies. This is really true for just about any business (except Starbucks where they line up on the opening day!) but it is especially true for an in-club weight loss program. Think about it, members pay \$49 a month for the privilege of exercising and making themselves sweat. For many people—even many of our members—exercise is torture. By adding a weight loss program to the equation you are basically making it into a "torture and deprivation" experience that the member gets the privilege of paying more money for! Like it or not, only 14% of Americans are members of health clubs. Yet, 66% of Americans are overweight or clinically obese. This is the sad reality of the perception and market penetration of our business. We have the best product in the world—one that basically guarantees a person will have greater energy, better health, a livelier, more experiential life. But, very few Americans, now 42.7 million out of the 300 million U.S. population, actually buy and use the product.

What this all means is that whether you are offering...
 (See Casey Conrad page 32)

CLUB BROKER

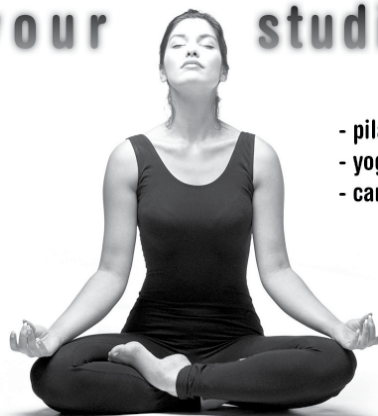
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**Other registration packages and group discounts are available. For more information, contact Nicole Johnson, nj@ihrsa.org, or call her at the numbers below.*

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 weight loss program

For more information call 401-497-4159

...Casey Conrad

continued from page 30

loss kit or a full-blown in-club program, neither will sell themselves. Operators must integrate their weight loss products and programs into the membership sales process. Therefore, if weight loss is one of a prospect's goals, a specific process should be followed: needs analysis questions should be asked to uncover past history and goals, a discussion of the clubs' weight loss program must be made during the tour and the prospect must be presented with membership options that offer the weight loss as part of the package.

Sadly, many clubs that have some sort of weight loss program wait until the new member comes back for their fitness appointment before they present the weight loss options. This is a faulty strategy for several reasons. First, up-sells are easiest in the moment that the buyer is making a purchasing decision. The salesman doesn't wait until you come back to

pick up your new suit to sell you the shirts and ties—he does it before you get to the cash register. Second, when a salesperson sells an *exercise only* membership to a weight loss customer it sends the message that they don't need a *total solution* to reach their goals. Once the customer is out of the buying mode, even when later presented with a supplemental weight loss program, most will decide to "wait and see if they'll lose it with exercise alone." By the time they realize that they won't lose the weight with exercise alone, they are deflated and less motivated. And often, do not come back to the club regularly. Finally, taking a "wait to sell" approach can be detrimental to the rapport process because some new members feel misled—i.e. why didn't they tell me about "needing" this part when I bought the membership?" All of these factors make a strong case for presenting the weight loss program or product at the point of new membership sale.

4. Not offering a program that meets the weight loss customer's needs. Talk to any doctor who specializes in weight loss (called a bariatric physician) and they will tell you there is a distinct difference between a weight loss eating plan and a healthy eating plan. Understanding this difference is critical to choosing and/or creating an in-club program that will attract the typical weight loss customer who is not currently joining our facilities. A weight loss eating plan is initially more restrictive in food choices than simply a healthy eating plan and the reason for this has to do with *satiety*, which means *feeling of fullness*. People who struggle with their weight typically get more pleasure from food than those who have never had a weight problem. For some it is emotional pleasure, others it is physical and others it is both. This means that overweight people do not like to feel deprived in either a physical sense or a gustatory sense. Therefore, the eating plan must contain foods that

have a high satiety but low calorie composition. This ensures that the individual feels full, yet is consuming foods that will still result in a caloric deficit.

Emotional satiety is the more difficult issue to deal with, making it challenging for most dieters to stay away from the high calorie sweet and savory foods. This is where weight loss products become an extremely important component of a weight loss plan. Typical weight loss customers need to have bariatric snack foods available that are lower in carbohydrates and, most importantly, portion controlled. These products come in the form of bars, shakes, drinks and snacks and satiate an individual's desire for candy and chips while allowing them to stay in control when they are craving such items. Unfortunately, many fitness professionals, and particularly trainers, are adverse to such products. Their belief is, "Why can't they use healthy snacks like nuts?" Such a comment confirms the earlier point of "not

understanding a weight loss customer's mentality" and is a perfect example of not understanding the difference between a weight loss eating plan and a healthy eating plan. My reply is blunt; "Yes, eating a single serving of nuts would be a great snack for some. But if the weight loss customer could eat just a single serving of nuts in one sitting, they wouldn't have the weight problem to begin with!"

In addition to offering an eating plan designed for weight loss, most clubs do not realize the importance of one-on-one coaching to the typical weight loss customer. Regular and consistent accountability is a must for an individual struggling with their weight. Without getting on the scale they will quickly move into a state of denial. Therefore, the in-club model must offer more than just group meetings or the occasional visit with a dietician or nutritionist. Brief weekly or bi-weekly coaching sessions are much more effective

(See Casey Conrad page 34)

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How to “Double-Close” the Health Club Membership Sale

By Jim Thomas

Getting a “Yes” from a health club guest is just the first step in benefiting from the membership sale. You need to ensure that the new member really did join and that his new membership will not only stick but also turn into a stronger member relationship. I call this the “Double-Close” for health club memberships.

We work with many health clubs across North America that do a great job of providing regular membership sales training for their sales team. Then, a problem finds its way into the membership sales process...the health club salesperson creates a disconnect with the new member. The new member has been signed-up and now the salesperson is off to the next sale.

Knowing that member referrals can be a powerful source for your next membership sale, you will do well to learn how to double-close the new membership sale and solidify the relationship with your new health club member. Here are some ideas that will make your new member a long term member who brings their friends:

1. **Congratulate your new member on his decision to join your health club.** Be genuinely happy for him and the road ahead...

and show it. Focus on him, not you. They already know you're happy for yourself. Example: “I am so happy for you, John! Congratulations on taking the most important step of all toward a healthy lifestyle.”

2. **Keep reinforcing the “down the road” results and help the new member visualize a positive future with your club.** Strengthen their decision to join your health club by pointing to his future with the club. Example: “John, with the services at our health club, I think you'll find that stress relief happens easier/better/faster for you.”

Your new member doesn't have anything to take home with him when he joins, so it's important you continue to provide hope and belief by pointing toward the future with your health club and how great it will be when he accomplishes his desired results.

3. **Ask why he joined your health club.** That's right! This is good for them to tell admit/share what made the difference in them joining. You'll learn a lot, too. Example: “John, may I ask why you chose to join our club to help you with your fitness program?” What made today the right time for you to get started on a fitness program?

You can not only use

this information to help sell your next club guest, but it can also help you create a *unique selling position.*

4. **Offer to answer additional questions for your new member.** Until now, their questions were about gathering information. Now, they are about getting results. Example: “John, now that you're part of the program here at the club, what questions can I answer for you?”

5. **Tell your new health club member what's about to happen next.** Lay out the next steps that they, you or the health club, will be taking. If they balk now, you can probably resolve it now. Example: “Great, John. I want you to...”

Direct your new member about where to buy exercise gear, introduce him to a personal trainer, schedule his first workout or introduce him to the group exercise director.

6. **Tell your new member what you are going to do for him.** This will reassure him and put you in “control.” Example: “John, there are 3 things I'm going to do for you in the next week. I'm going to arrange for...,” etc. This will provide immediate buy gratification and will reduce, if not totally eliminate, any buyer's remorse.

Let him know you are

still engaged in the process of helping him get the results he desires. It will also create some accountability for him to be sure that he is attending the health club on a regular basis.

7. **Get permission to contact your new member 3 times during the next 30 days.** This so your new member will understand that you'll be contacting him -- reinforces his decision to join your health club and opens up the door for great service. Example: John, I always ask my new members if I can call them 3 times during their first month of membership in the club to find out if I can answer any questions that come up between now and then.”

8. **Work to discover and sift out any unspoken concerns or doubts about the health club.** We ALL have them about almost everything we buy. Going the extra mile here may lose you a membership sale from time to time, but usually it improves your reputation and strengthens the membership sale and customer satisfaction level with your health club. Example: “John, do you have any concerns whatsoever about this program that I can help you with now?”

9. **Prepare your new member for reactions he may have in the next month of being in a fitness**



Jim Thomas

program at the health club. The more you can inform the new health club member about what he might experience or what might happen while he is in a fitness program, the more he will trust you and the less severe the reaction will be when/if it does occur. Example: “John, may I let you know what my other members experienced in the first month of being in the program?”

Now, go double-close your next sale.

(Jim Thomas is the President of Fitness Management, a Texas-based consulting company. Jim may be reached at: (800) 929.2898 or email: jimthomas@fmconsulting.net)

...Casey Conrad

continued from page 32

than an hour educational session. When a program combines the right eating plan, the right support products and the right accountability, it achieves tremendous weight loss success.

Having been in the health club industry now for over 25 years, 8 of which have been dedicated exclusively to commercial weight loss centers, I now know and appreciate the differences between a health club client and a weight loss client. Although they seem subtle on the surface, these “4 cardinal sins” clearly outline the significant

differences that must be accounted for when designing programs that want to reach the weight loss customer.

As an industry our goal is to grow membership. Unfortunately, over the past several years, growth of new members has not kept up with the growth of new facilities, leaving most clubs struggling to maintain their membership numbers. If clubs are to not only survive—but thrive—in current market conditions, they must do two things; one, attract new customers. Two, increase the per member revenue generation. Adding a weight loss program to your health club can accomplish both those goals and

enhance member happiness and satisfaction at the same time.

(Casey Conrad has been in the health and fitness industry for over 25 years and authored of over 20 books, audios and videos on fitness sales and marketing. She is the president of Communications Consultants, which features the Take It Off Weight Loss Program for clubs and President of Healthy Inspirations, a 130+ location franchise of women's weight loss centers. Casey may be reached at: casey@healthyinspirations.us or by phone at: 401-792-7009. For free sales training materials visit www.clubsalessecrets.com.)

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5% of New Health Club Members Came Through GymTicket.com

Internet Company proves that shopping online expands all the way into the Health & Fitness Industry

New York, NY -- December 3, 2007 - Last year saw over 17 million people joining clubs and gyms nationwide. According to the IHRSA Health Club Trend Report studies show that over 5% of all U.S. based club joins came through GymTicket.com.

GymTicket's approach to targeting online market media has created an advertising giant that clubs themselves could not do on their own. From the local

mom and pop clubs to the international titans, GymTicket's directory of businesses grows rapidly on a daily basis. "GymTicket is providing an amazing outlet for membership leads," stated Rick Caro, Chairman of GymTicket. "One of the biggest challenges that clubs face is trying to spearhead the right prospective members. With GymTicket that work is already done for them."

As the internet enters

more and more households, the days of Yellowpages advertising are coming to an end. All types of clubs and fitness facilities are finding success within GymTicket's online network. Private training studios, independently owned facilities, niche clubs, and corporate chains are all converting these referrals into members.

According to an independent third party web information company, GymTicket.com will host over 1,500,000

unique visitors in 2007. Currently 92% of GymTicket's viewers state they plan to join a workout facility within the next few months. This suggests that GymTicket.com received a visit from 1,380,000 health club joiners last year, which is more than 5% of the total US market.

"This is not just a matter of future projections" Commented Dan Deitrick General Manager for Gold's Gym in San Francisco. "I am current-

ly getting my best advertising dollars through GymTicket. I had a 1,300% Return on Investment with GymTicket the first quarter I was with them."

GymTicket.com has compiled free passes and virtual tours for over 3,000 health and fitness clubs nationwide.

For More information Contact: Sarah Main
Sarah@gymticket.com
 917-472-1892

Virgin Life Care Announces Enhancements to HealthMiles Health Rewards Program

Virgin Life Care, a member of Sir Richard Branson's world renowned Virgin Group, today announced a number of enhancements to its HealthMiles health rewards program that will reinforce the company's commitment to encouraging increased physical activity, sustain the program's unprecedented level of consumer engagement, and provide added functionality and value to both HealthMiles members and participating employers.

Name Change: The company will be changing its name from Virgin Life Care to Virgin HealthMiles in mid-November. By incorporating the flagship HealthMiles product into the company's name, Virgin HealthMiles will reinforce its commitment to increased physical activity and better health.

Enhanced Member Website: Virgin HealthMiles continues to enhance the functionality of its LifeZone website, providing a more ro-

bust interface for HealthMiles members to monitor/track activity and progress.

Expanded Activity Tracking: HealthMiles members who participate in structured workouts, such as running and biking, have asked for an easier and more accurate way to track their activity. In response, Virgin HealthMiles will introduce an expanded suite of compatible activity tracking devices in the next few months.

Desktop Health-

Zone: Employers that participate in the HealthMiles program have requested a smaller, space-saving HealthZone kiosk, which allows members to easily measure their weight, body fat and blood pressure on a regular basis. Virgin HealthMiles will offer a desktop HealthZone in the next few months.

Rebate Center: As an additional member benefit, Virgin HealthMiles will introduce a Rebate Center. Members will earn Health-

Cash rebates when they shop on line through the Rebate Center, which includes over 300 leading merchants. Rebates will be tiered so the more active and engaged members are, the higher the rebate percentage.

Contact Kara Della Vecchia at 508-361-1133 or at kara.dellavecchia@bitepr.com.

...2007 In Review

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interview in the Governor's Mansion. If Governor Mike Huckabee wins the Presidential election he will be a great President because the man is all about the people. His over 25 years as a Pastor and a politician have prepared him extremely well to serve the people. Thanks again to my long-time friend, Ron Miller of Jonesboro, Arkansas, for arranging the very interesting interview with Governor Huckabee. If you did not read Governor Mike Huckabee's CLUB INSIDER News January, 2007 cover story, I will mail that edition to you at no cost to you but postage. Just send \$2 for postage with your address to me at: P.O. Box 681241, Marietta, GA. 30068. For info: www.MikeHuckabee.com

I wrote an Insider Speaks column entitled: **"PROFIT Should Be THE Target for 2007 and Beyond!"** In that writing I focused on why you are in business and illuminated, from my viewpoint, what some of the obstacles to your profit picture actually are.

Important news stories covered in our January issue were Casey Conrad's Healthy Inspirations acquiring 130+ Slender Ladies Weight Loss Centers and converting them to Healthy Inspirations and Ed Williams and Jay Kell partnering with Japanese owner of Central Sports and former Olympian, Tadaharu Goto, to acquire the Wellbridge Company. Of course, Norm's Notes carried a ton of news. At the end of this report I will name our Contributing Authors for the year and I will express my heartfelt thanks to them and our advertisers.

February 2007



Our cover story was entitled: **"Alliance Fitness' EazyZone ... Coming On Strong!"** A follow-up to that story is that Alex Jones and his partners sold their Alliance Fitness club chain to LA Fitness and David Patchel-Evans' Goodlife Fitness Centers about six months ago. And, EazyZone Weight Loss Centers no longer operate. But Fred Elias, formerly with EazyZone, has stepped in with his new Healthy Transformations Company to serve the former EazyZone club clients.

Important news stories for February included Body Training Systems and the authors of the book "Younger Next Year", Chris Crowley and Dr. Henry S. Lodge joining forces, and the the Federal Drug Administration approving Orlistat for over-the-counter-use to fight obesity. Additionally, an "Insider Speaks" column by yours truly honored President Gerald R. Ford and spoke to the power of the mind. The article was entitled: "A Tribute to President Gerald R. Ford...The Mind of An Offensive Lineman." This writing had two purposes: 1) to remember and honor President Ford and 2) to expose you to the power of relentlessness in achieving business goals. Of course, Norm's Notes carried a bunch of news.

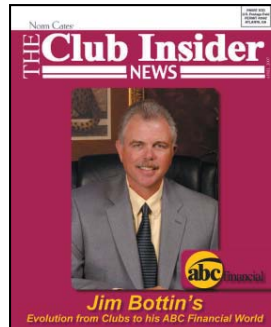
March 2007



Our March, 2007 cover story was entitled: **"Quality - The "Inside" Story On BTS"**. The cover story highlighted Body Training Systems' intense focus on quality in all they do. Important news stories covered the Federal Government's just announced projection that by 2016 health care will cost America \$4.1 trillion annually, and a Black Friday for Bally Total Fitness when the stock had dropped to 52 cents

a share, down from \$30 a share two decades ago. We published several contributing author articles and lots and lots of Norm's Notes.

April 2007



Our April cover story was entitled: **"Jim Bottin's Evolution from Clubs to his ABC Financial World"**. This was a terrific story of Jim Bottin's 25+ year involvement in the club industry, first as a fitness center owner/operator, how he became involved in the financial side of the industry and how that has become his home in our industry. Checkout the ABC Financial ad on page 23. News stories included my report on IHRSA 2007 in San Francisco, Bally Total Fitness stock receiving a notice of delisting from the New York Stock Exchange and a report on CheckFree's 3rd annual IHRSA Technology Summit held in San Francisco. Additionally, we published an IHRSA San Francisco photo collage and placed additional photos on our website. Several Contributing Authors pitched in and many news items were in Norm's Notes.

May 2007



Our cover story for May, 2007 was entitled: **"Craig Pepin-Donat Exposes THE BIG FAT Health and Fitness Lie"**. Pepin-Donat is a 25-year industry veteran who has written a book that

is a lulu of a book in which he really gets after many health related industries and exposing them for the frauds they are. The supplement industry, home exercise equipment industry and pharmaceutical industries were all targets. Beyond that, Pepin-Donat exposes his readers to many of the "spa wars" days techniques that some health/fitness clubs still employ and should stop employing. He's also built a website: www.fitadvocate.com that provides a resource for consumers to go to check out health related articles, products and services. June saw the delisting notice that Bally Total Fitness received turned into a reality, when in fact, the New York Stock Exchange delisted Bally's stock. More excellent Contributing Author articles and Norm's Notes rounded out the June issue

June 2007



Our cover story was entitled: **"GymTicket.com ... Getting More Membership Leads The Modern Way"**. GymTicket.com provides a solution to one of the most vexing problems in our industry that I've written about a lot in the last two months. That is: "Where are you going to get your new members from?" For a BIG answer, check out GymTicket's ad and press release on pages 29 and 35. A very important news story entitled: **"The REAL Greenmaple Wellness ... A Valuable Lesson** chronicled the amazing happenings when a company called Jensen Media attempted to take away the business of Greenmaple Wellness, a company Shawn Vint had founded that was forced to file for Bankruptcy. Suffice it to say, Jensen Media used some amazingly low-down moves to try to do this, but the **REAL** Greenmaple Wellness, Inc. is alive and well.

Shawn Vint now is employed by the reorganized company but does not own it. See the REAL Greenmaple Wellness, Inc. ad on page 15. We featured a page #3 piece called: **"Catching Up With The One and Only' Thomas Plummer...What Plummer thinks."** In Norm's Notes we chronicled the preparation Bally Total Fitness was doing for their projected pre-packaged Chapter 11 Bankruptcy. I wrote a piece entitled: **"Why Join IHRSA and Support the ILC?"** And, I will answer my own question right here You should join IHRSA and support the ILC (Industry Leadership Council) because it is the only link in the United States to our Federal Government and has been working on your club's behalf for years now. Bottom line is by supporting the ILC and IHRSA you will be helping your club deal with the U.S. and State Governments. Several articles by Contributing Authors and lots of Norm's Notes gave lots of other news

July 2007



Our cover story for July, 2007 was entitled: **"Brent Darden and Everett Aaberg Perfect The "TELOS Texas Turnaround."** This is a truly amazing story about how Darden and Aaberg took over a defunct 63,000 square-foot racquetball club in Dallas, Texas in August, 2003 and in four years later have grown it to a business that should be closing its books on a \$6 million year. This amazing turnaround saw the new partners lose \$70,000 their first month. Brent Darden is one of this industry's true rising super-stars. And, he gives back to the industry with work such as serving on the IHRSA Institute Faculty with industry luminaries Rich Caro, Roger Ralph, Ed Tock (See 2007 In Review page 37)

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and others. Importantly, the beautiful Telos Fitness Center generates \$2.6 million per year in personal training with Aaberg's Personal Training expertise. He is one of the leading personal training managers in America and commands \$300 per hour for his own personal training services. He also supervises 19 other full-time personal trainers whose rates range from \$75 to \$200 per hour. Amazing story. More Contributing Author articles and Norm's Notes completed the July issue.

• This concludes Part I of "2007 In Review." Part II, August thru December '07 next month.

2007 Contributing Authors

During 2007 the following wonderful industry veterans, experts all, provided articles for publication in The CLUB INSIDER News. **Rick Caro, Bonnie Patrick Mattalian, Casey Conrad, Donna Krech, Eddie Tock, Dr. Amy Hyams, Shawn Vint, Michael Scott Scudder, Will Phillips, Jim Thomas, Jeff Masten, Ray Gordon, Sandy Coffman, Sherry Robb, Bruce Carter, Ray Wilson, Pat Kell, Tom Kulp, Richard Hadden and Bill Catlette.**

If you are an industry professional who would like to become a **Contributing Author** for The CLUB INSIDER News please contact me at: 770.850.8506 or by email at: clubinsidernews@mindspring.com

2007 Past Issues Available Now

The January 2007 Governor Mike Huckabee edition is available for free. See January, 2007 summary. The February through December, 2007 issues are available for \$10 per copy as supplies last. Send an email to: clubinsidernews@mindspring.com with month, quantity, your name and mailing address, a major credit card #, exp. Date and your authorization for specific amount to be charged. Orders will be processed promptly. Thank you for our interest.

STAY TUNED for 2008! During 2007 I devoted a number of my cover stories to people who've become deeply involved in the obesity pandemic. 2007 saw only 2 cover stories focused on clubs' amazing turnarounds. These stories should give all clubs owners who want a fresh new start encouragement. In 2008 I will be going "Back to Basics" with our cover stories each month about great club operators and their successful clubs. If you feel that your career and your club is worthy of a cover-story for The CLUB INSIDER News

during 2008 I would like to hear from you. Additionally, if you are not the owner, but work for an owner whom you feel our industry can learn great things from, submit their name, club name and a brief history about them to me for consideration.

Last, I am so thrilled to report to you that this is the last cover-story I will have written while still wearing 7 publishing hats. For the past 14 years I've given the term "Chief Cook and Bottle Washer" a whole new definition. For 14 years now I have done 7 different people's jobs in this small

business. My excitement about taking off some "hats" is generated by the fact that my son Justin, now a 14-year part-time employee of The CLUB INSIDER News at age 22, will graduate from the University of Georgia Terry College of Business with a 3.6 G.P.A. on December 15, 2007. On January 1, 2008, Justin will be the first ever full-time employee, except for me, on payroll. To support his work and to provide a decent and fair compensation for him...during 2008 we are rolling out a growth plan for The CLUB INSIDER News. Moreover, we

will roll out our new electronic version of The CLUB INSIDER News. And, during 2008 we will launch a weekly electronic version of Norm's Notes. Months ago I wrote that I had better "Get with the program" electronically and folks... here we come in 2008.

I wish you all either a Merry Christmas or Happy Hanukkah or a Cool Kwanzaa. If that doesn't get it, I wish you all Happy Holidays and a Happy Healthy New Year.

God bless you all.
 - Norm Cates, Jr.



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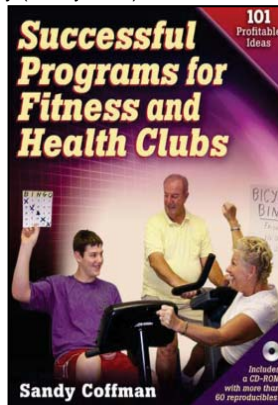
**Sandy Coffman's Programming Tip of the Month –
 A NEW BEGINNING for YOU and YOUR NEW MEMBERS**

January is almost here! Your club will experience the biggest influx of new members than in any other month of the year. The goal for January is to get your members quickly involved in a program that is easy entry (at any level), doable, enjoyable and social. The biggest commitment to exercise will come from interaction with other members. A social experience makes your new members eager to return rather than to dread the next visit. Create programs that move groups of people through exercise routines that are varied, fun, and effective – in thirty minutes. Remember, exercise isn't always fun for people. If it was, everyone would be in shape.

As you prepare your *new member programs* be sure to speak to the intimidated, misinformed, unknowledgeable or inexperienced member. Complex equipment, multipurpose environments and challenging sounding programs may turn many of your January newbies away as fast as they come in. Check out your menu of classes and compare them to who is joining your club. Are you promoting more "Power Sculpting" and "Cardio Challenges" or are you inviting them into "Get Fit, Get Firm, Have Fun", Gentle Aerobics" and "Fun and Fitness for Fifty Five Plus?" Oh yes, deliver your promise.

"101 PROFITABLE IDEAS" by Sandy Coffman

To order Sandy's great new programming book: www.humankinetics.com
 Contact Sandy: SLCoffman@aol.com or www.sandycoffman.com



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 All who have advertised, purchased subscriptions, read and pitched in as Contributing Authors. We are now on our 15th year of publication! **ALL** of you are on the "Team" that **makes CLUB INSIDER**. We will be grateful to you forever. I appreciate and LOVE 'ya!

**Very sincerely,
 Norm Cates, Jr.**

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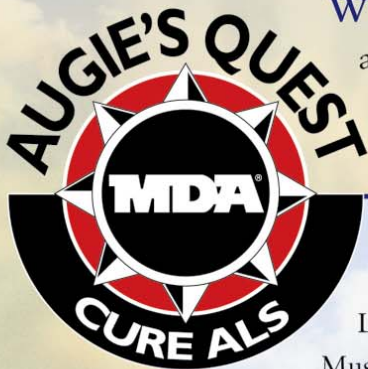
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Augie Nieto
Chief Inspirational Officer
Augie's Quest.

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