

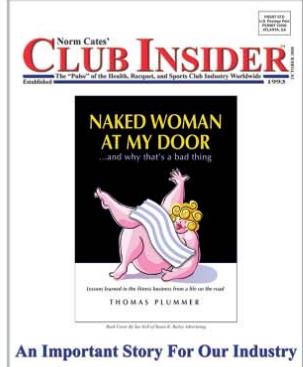
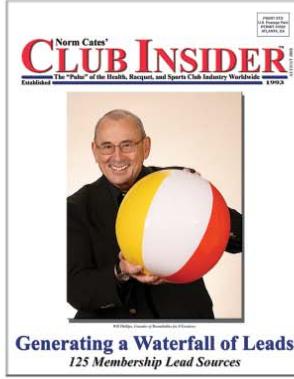
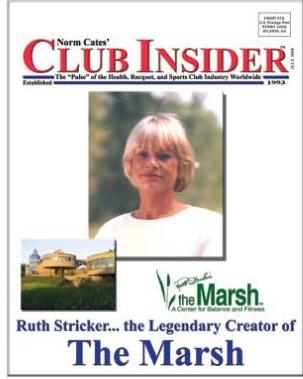
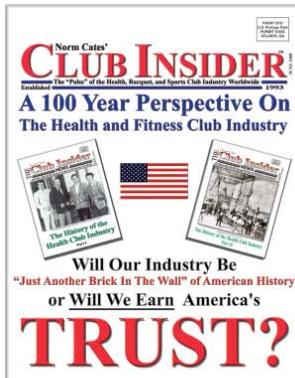
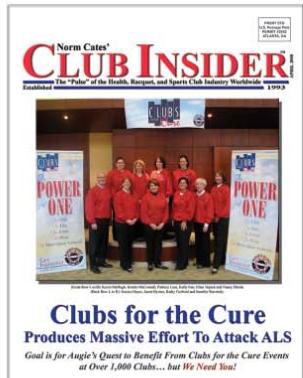
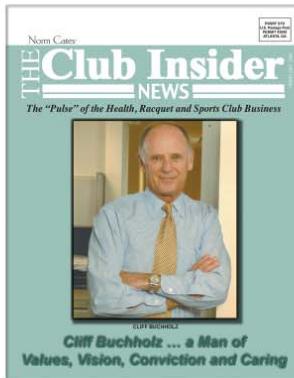
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Established 1993

2008 In Review



DECEMBER 2008

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CLUB INSIDER Special Edition

"2008 In Review"

By: Norm Cates

"2008 In Review" will, as I promised last year, appear in this single issue and will be a shorter read... as compared to the previous year-end "Dead Sea

Scrolls" of the past. This report reviews the cover story titles, the "Inside The Insider" with Contributing Author articles and Norm's Notes content, "Insider Speaks" columns and other items published by CLUB INSIDER

during this most amazing year... 2008.

During 2008, CLUB INSIDER published 412 pages, and all paid subscribers may easily access every page of each of our 2008 editions by logging in to our

website www.clubinsideronline.com (If you do not know or have your login information, email Justin@clubinsideronline.com). And, coming in 2009, paid subscribers will have access to our 2006 and 2007 editions... all

for as little as \$49. Remember, to access these features, you must be a paid subscriber and have your login information handy.

If you are not a CLUB INSIDER subscriber, go to www.clubinsideronline.com (See "2008 In Review" Page 14)

Breaking News! Bally Total Fitness Files for 2nd Bankruptcy

As Reported by Reuters

NEW YORK (Reuters) Wednesday - December 3, 2008 - Bally Total Fitness Holding Corp, which operates 347 health clubs serving more than 3.1 million

customers, filed for bankruptcy protection for the second time in 17 months, and put itself up for sale.

The Chicago-based com-

pany and more than 40 affiliates filed for Chapter 11 protection with the U.S. bankruptcy court in Manhattan on Wednesday. Bally said it has more than \$1 billion

of both assets and debts, and in excess of 100,000 creditors.

Chief Executive Michael Sheehan in a statement said, "The burden of Bally's long-

term indebtedness, coupled with the lack of refinancing options in today's constrained credit markets," left no alternative other (See *Bally Bankruptcy* Page 4)

Do You Know The Secret?

By: Mike Grondahl

I get a kick out of listening to some consultants and others in the fitness industry discuss marketing. They all talk a good game, as long as you don't

take it as gospel.

For all the bluster, there hasn't been a lot of creativity over the years when it comes to marketing health clubs to the consumer. It's all pretty much the same --selling a vision of fitness

from the perspective of the people in the industry. It's about the fit getting fitter (I heard that line from a consultant.)

Here's the fundamental problem: too many club operators view marketing as an expense, as

an afterthought. So their marketing --and their message-- doesn't get the attention it deserves.

Let's be clear on this: The dollars you spend on marketing are not a ho-hum expense. They're an investment, and until club owners can wrap their minds around that concept, they'll never see the light.

Put another way, marketing is more important than your treadmills, more important than (See *The Secret* Page 10)

Association of Quality Clubs Returns!

IHRSA To Launch New Voluntary Certification Program

Joe Moore Needs Your Help - See Norm's Notes



Blair McHaney, President of Gold's Gym Franchise Association, Comments on the Arrival of James Weaver as New Gold's Gym International CEO

Publisher's Note: Following up on our report last month about the end of the short era of David Schnabel as CEO of Gold's Gym International, we contacted Blair

McHaney, the President of the Gold's Gym Franchise Association for his early impressions on the selection of James Weaver as GGI's new CEO. In the following

months, after Mr. Weaver has had a chance to get his feet on the ground at GGI, we will reach out to him for comments on his plans as GGI's new CEO.

In an email to CLUB INSIDER on December 1, 2008, Blair McHaney wrote: Our first impressions are optimistic. Although we have been optimistic

before only to be disappointed, James seems like a guy with whom we can do business. We are looking forward to our National (See *Blair McHaney* Page 12)

Inside The Insider

- The "Insider Speaks" - Taming The Beast Called... Change - By: Andrea Sobotka
- "What This Means To You Is..." - By: Ray Gordon
- New Member Prospecting In Difficult Times - By: Jim Thomas
- What's Working Out There Right Now - By: Bonnie Patrick Mattalian

Norm's NOTES: • CLUB INSIDER Presents Great Lineup to Help Your Club! • Mike Grondahl Seeking Go Getter For World Gym International • Bonnie Patrick Mattalian Shares "Technology-based Club Success" • Norm Cates Now Offering Free Club Consulting • Donna Krech Disclosing Weight Loss Secrets on All Out Push to Attract Clubs to Weight Loss Industry! • IHRSA Board and Joe Moore Launching New Voluntary Club Certification Program • Mike Sheehan, Bally Total Fitness CEO Sued a Second Time by 24 Hour Fitness! • Bahram Akradi and Life Time Fitness in a Struggle • Todd Bright Steps Down as CEO of Lifestyle Family Fitness • Lee Guthrie and Team Launch Biodynamics Training Systems with 11-minute Video • Ibis World Predicts Good Things in 2009 for Health and Fitness Club Industry

- Marketing Through a Recessions Gives Business a Distinct Advantage - By: Chris Russo
- Comments on ECONOMIC DOWNTURNS - By: Industry Veteran, Tim Richards
- Happy New Year To All Our New Members! - By: Sandy Coffman
- Exercise In Pregnancy Linked to Fatal Raised Blood Pressure Condition



Norm's NOTES



• **Hello Everybody!** This is your CLUB INSIDER Publisher Since 1993 checking in the day after the prominent National Bureau of Economic Research (NBER) has declared that America is in a dreaded "recession" and has been since December of 2007! So, what are you going to do now? Give up? Don't do it! Think through it! Work through it! Fight through it! Defeat it! WIN!

Be sure to check out this month's "INSIDER Speaks" column on Page #6 entitled, "Taming The Beast Called... Change". In this piece, CLUB INSIDER Contributing Author, ANDREA SOBOTKA provides 10 steps that support her statement that she "refuses to give in to the current bully called "the economy". I also refuse to give in and encourage you to read Andrea's 10 steps and think about them, because if you do, it will help you prosper. Also in this issue, we feature several articles that will help you win, including two important articles on marketing, *the one single thing you and your club or business must continue to do during these hard times*. Marketing is a NECESSITY with a value to your club operation equal to electricity! Since 1992, MIKE GRONDAHL has built *Planet Fitness* into a major U.S. club power. This month, in his article on Page #3, he says that marketing should be viewed as an INVESTMENT not an EXPENSE.

Beyond the two articles on marketing in this issue (MIKE GRONDAHL's "Do You Know

The Secret?" on Page #3 and CHRIS RUSSO's "Marketing Through a Recesssion" on Page #26), 30-year industry veteran and *Sales Makers Founder, RAY GORDON*, and *JIM THOMAS, President of Fitness USA*, offer more of their vast wisdom. Gordon's article entitled, "What This Means To You Is...", appears on Page #7, and Thomas' article entitled, "New Member Prospecting in Difficult Times", appears on Page #22. Finally, we round out our help for you this month with a reprint from our February edition of a brief statement by 35+ year veteran, *TIM RICHARDS*, entitled, "Comments on ECONOMIC DOWNTURNS."

• **CheckFree Health & Fitness of Fiserv** is sponsoring a webinar called, "Minimize Cancellations: Increase Your Retention and Your Bottom Line in 30 Days". This two-part series, to be presented by KAREN WOODARD-CHAVEZ, on December 11th and 18th is sold out. For upcoming dates and topics, email Karen at karen@karenwoodard.com.

• **MIKE GRONDAHL, Founder and CEO of Planet Fitness**, tells me he had a deal to sell *World Gym International* with the people behind *Sharper Image*, but it fell through with the financial crisis that hit America this Fall. Mike also tells me he's looking for a young leader in our industry who is a real go getter to take over all operations of WGI. Additionally, Grondahl disclosed that he had

a book out on Wall Street to sell *Planet Fitness* but pulled it off the table because of the banking and Wall Street financial crisis. But, Grondahl remains quite serious about his intention to find a new leader for WGI. So, attention all of you young movers and shakers out there! You folks who think you have what it takes to take a great brand, *World Gym* (albeit it one that needs attention, new innovation and lots of dedication), and run with it, should call *Planet Fitness Headquarters* at (603) 750 - 0001 Ext. 150. Also, be sure to read Mike's article on marketing entitled, "Do You Know The Secret?" on Page #3. He has a secret in there that could change your club's life!

• Let me tell you about **BONNIE PATRICK MATTALIAN**'s article in this issue entitled, "What's Working Out There Right Now: Increasing Member Retention and Prospects/New Member Sales", in which Bonnie, *President of the Club & Spa Synergy Group Consultants*, has shared the results of the work she is doing with industry colleagues, **MARIA PARRELLA-TURCO** and **CHRIS PACIFICO**, owners of *Eclipse Fitness* and principals of *New Paradigm Partners* in New Jersey (See their ad on Page #28). They have been working on soliciting member and prospect feedback and measuring the club experience. In the article, Bonnie shares tidbits from the great story of one of her club clients in Pearl River, New York, where **ROBERT LAGANA**, the owner



Merry Christmas From Santa and His Helper!

of the one-year old "technology-based club", *Vision Fitness*, and his *General Manager, DANA DELLAVALLE*, are hitting a home run because of the market differentiating power of their new, "technology-based club". Bonnie wrote in an email to me, "They are doing some truly unique things and are wildly successful, despite the club only having been open a year!" The state of the art innovation, systems and operations at the new club are truly a glimpse into the future and a great example of what the future can be for our industry. Check out Bonnie's article on Page #24 and STAY TUNED!

• To top off all of the great help in this one edition, I have an

announcement to make that I hope will help you. *I am getting back into club consulting*, something I did in the late 1980's and early 90's. But, as you might expect, I am going to be doing it a little bit differently. This is how I am going to do it. Back in the early 1990's, I charged \$500 a day for consulting, but I had just launched CLUB INSIDER and actually took the job to help an industry friend. Now, I am offering my experience and expertise to *any one of you for FREE*. And YES, I may well suggest a specific consulting friend of mine in this industry for you to contact after we talk. But, rest very assured, *ANY referral I might make for another consultant for you will only be a referral to (See Norm's NOTES Page 10)*

Bally Bankruptcy

continued from page 3

than a bankruptcy filing, despite "marked improvement" in Bally's operating results.

Bally first filed for bankruptcy protection on July 31, 2007, and emerged two months later after receiving \$233.6 million from hedge fund Harbinger Capital Partners. It later defaulted under a credit agreement it obtained when it emerged, according to a resolution adopted by Bally's board.

The company said on Wednesday it has received "strong" interest from prospective purchasers and is in "active and advanced" talks with some lenders on an agreement to buy its assets. It said if it negotiates such an agreement, lenders

would provide it with financing to conduct day-to-day operations.

Bally said it can reorganize on its own if it is unable to arrange a sale, and that the bankruptcy process should allow it to significantly reduce debt and streamline operations.

The banking units of U.S. Bancorp and HSBC Holdings Plc are Bally's largest unsecured creditors, with respective claims of \$247.3 million and \$231.3 million, according to the bankruptcy petition.

Bally retained Houlihan, Lokey, Howard & Zukin and the law firm Kramer, Levin, Naftalis & Frankel LLP as its advisers. Harbinger was not immediately available for comment.

Reporting By: Jonathan Stempel
Editing By: Gerald McCormick and John Wallace. www.reuters.com

Thank You

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- Will Phillips - Roundtables for Executives - www.REXonline.org

in•tu•i•tion•ary *adj.*

The ability to understand something immediately without the need of conscious reasoning through simplification, causing to happen a complete or dramatic change.

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The "INSIDER SPEAKS"

Taming The Beast Called... Change

By: Andrea Sobotka

Publisher's Note: From time to time, it is good to take a moment to "Smell the Roses." What is it that makes you tick? More importantly, what makes you happy? The following article by Andrea Sobotka of Fitness Club Success and Fitness Fundraisers discusses some things each of us should think about in a time of change, not only in business, but in our personal lives as well. Given the tumultuous year 2008 has been, it is time to reassess and prepare for 2009. Every New Year brings a chance to change for the better, so what will yours be?

• • •

First of all, let's set the record straight on current affairs; although we should *NOT* act like the ostrich and bury our heads in the sand, we *SHOULD* refuse to give in to the current bully called "the economy". We attract into our lives what our most dominant thoughts are, and I don't know about you, but I'll have none of that "doom and gloom" attitude in my life! *What I really want to talk to you about is how to manage Change when it is imposed upon you through no real doing of your own.*

In my experience, an externally imposed "Change" can be the single biggest BEAST in any organization (or personal situation) to cause fear, retreat, anger, underperformance, apathy, lack of confidence, hopelessness, helplessness and just generally a state of chaotic meltdown where good decision-making skills go to the dogs. We ALL know that this shouldn't happen, yet it does unless that change is somewhat anticipated, met head on and a decision is made to **JUST DEAL**

WITH IT. And, I mean *deal with it* in a positive fashion. There are many great books on the subject; one of my favorites is "Who Moved My Cheese?" But, what they all tell you in many colorful, humorous, serious and methodical ways is that to get a handle on change, YOU must become a champion of change yourself.

Right now many companies, large and small, are reacting to the current economic situation in some very predictable ways ranging from hiring freezes to mass layoffs to location downsizing. Yes, you need to be smart about your fiscal policies, but just as important are your policies surrounding company morale and your business plan to succeed regardless of the economic climate. Here are ten pointers to help you tame the beast called Change with a dose of its own medicine... Change!

1. Be Objective: Step back and take yourself out of the picture for a moment to see if you can spot an opportunity. The Chinese symbol for "change" is made up of two characters; one means **DANGER**, and the other is **OPPORTUNITY**. Funny to think the two words could possibly go hand in hand, but some of the most brilliant ideas are born out of a necessity to simply survive or a desire to overcome a big problem. So, you can stay mired in the muck and drama and negativity of a perceived "danger", or you can choose to step back and look objectively for the opportunity this imposed change might be presenting. Maybe it is an opportunity to join forces with a complementary local business to cross-market and share some advertising expenses with or start a fun social program in your club that focuses more on retention by building relationships amongst your members rather than the usual fitness trends.

2. Be Innovative: The temptation might be great to either stubbornly cling to an old (costly) way of doing things until it drowns you, or to go around cutting this and cutting that to save precious pennies. A typical "cut" might be the subsidizing of continuing

education and the travel expenses that go along with that for your staff. But, I guarantee that you WILL throw the baby out with the bath water by doing that unless you come up with an alternate solution for training your staff. Consider taking your staff training on "in-house" by tapping into some great business and self improvement books (check out "Good to Great" and "Built to Last" by Jim Collins, and the "The Knock Your Socks Off" series), as well as internet resources for curriculum material. Fitness Club Success's **FCSUniversity.com** offers an extremely economical and *smart* solution to training your staff that is 100% web-based yet allows club operators to hold their staff 100% accountable without overtaxing time and money.

3. Avoid the "Takers": The takers are people or groups that feed off negativity, get a kick out of delivering bad news and do their darnedest to suck your energy from you in an attempt to make themselves feel better or in 'control' in some backwards way. Human nature can be so weird... Do you know the line in an old song; "Give 'em Dirty Laundry!"? Break that mold. Drop the "Takers"! As Oscar Wilde said, "Some cause happiness wherever they go; others, whenever they go." Be a Giver and surround yourself with other Givers. In a world of change, it is important to set the right foot forward each day on a positive note. Make someone smile, and make a concerted effort to speak to at least one person a day that you KNOW can make you smile! Surround yourself with good energy and people who are happy to join you and support you in taking on new challenges.

4. Give Back: I know it sounds crazy right now, but if you don't already do this, decide to give back in some way. And, if you DO already do this... don't stop! Maybe you just have to do it differently. Instead of donating money, maybe you could donate a few hours of your time each week to a cause in your community that you feel you could make a small difference in. OR, if you really want to institute a positive change

in how you touch your community, you could decide to give back in a big way through a unique marketing program called Fitness Fundraisers (check out www.fitnessfundraisers.com, and see their ad on Page #8). Either way, giving back is important karma... changing times or not. It always comes back around to you as long as your intent is honorable.

5. Be Inquisitive: One of the biggest opportunities that Change does present is the opportunity to learn something new and grow. What is it about this imposed Change that is puzzling you most? Decide to make yourself smart on the subject rather than wringing your hands and whining about the difficulty at large. It might be as simple as picking up a trade publication, such as **CLUB INSIDER**, once a week and reading at least two full articles. Limit TV time. It is a bit of a time waster. Enrich and expand your mind by challenging yourself to learn something new that will help you master and grow with your changing environment. My grandfather recently passed away at the age of 90, and right up to the moment he checked out (charmingly flirting with the nurses), his mind was sharp and he kept up with the world around him. He took up German at age 65, took a course in bread making at a community college a year later, then made travelling the world his teacher for many years. In his early 80's, he got his first computer and learned how to e-mail and "surf the net" for information on everything from holistic healing to finding great travel deals. My point is that as the world changed, instead of claiming to be "set in his ways" and letting life whizz by, he tackled change head on and kept right up with the world... enjoying every moment of it!

6. Be Grateful: When you feel like the rug is getting pulled out from under you, it might be hard to do, but start each day by reflecting on what you are grateful for. It really isn't that hard to find something; friends, family, a great team, a lovable pet, where you live, good health, a sound mind, a beautiful view out your



Andrea Sobotka

window, freedom to choose your directions, a comfortable home or even a soft comfy bed to cuddle into at night. Being truly grateful for what you have or what you are surrounded by is a key to success. You attract into your life what your most dominant thoughts are... so think about the things, big and small, that truly make you smile each day!

7. List Your Strengths: What are your strengths? Make a list of the things that you KNOW you are very good at. Now, when you are finished with that, make a list of things that your TEAM is very good at, individually and as a group. You will discover pretty quickly what and who you need, and what and who you don't. Having a solid list of strengths to draw on will provide you with the jet fuel you'll need to launch a change campaign of your own that is set up for success.

8. Make Your Own Map: Rather than letting the tail wag the dog, make a concrete plan on how you are going to deal with your changing environment so you will come out on top. Consider yourself as having reached the fork in the road and now taking the path less travelled. Throw out the old plan... it's not likely going to work now, and determine who and what you have access to that can help you along the way. Create an organized road map of what needs to be done, by whom, by when and what resources are needed to carry it out. Begin the plan with the end in mind and set several short term milestones

(See "INSIDER SPEAKS" Page 8)



Fundraising Made Simple,
 Communities Made Strong

“What This Means To You Is...”

By: Ray Gordon

Six magic words that identify a professional membership salesperson are: “What this means to you is...”

In previous articles, I have discussed the value of the proper greeting; presenting yourself as someone who is genuinely enthused to meet the prospect and is willing to help him. The non-exercising prospect has many options other than joining your club. Remember, other clubs in your area are NOT your biggest competition. What about home equipment, diets, quick weight loss centers, books, etc.? The proper attitude at the initial greeting starts the selling process, but it is just that, the start of a trusting relationship and sales process.

People love to “BUY” but hate to be “SOLD”. The core of the “Circle of Membership Success” is the non-members’ needs. Yes, he has them, and

yes, he may be very conservative about letting you know what they truly are. A series of concerned open-ended questions will assist in discovering the true needs and fears of the non-member. Remember that the “fear of failure” or “I’m too fat/old/skinny etc.” also qualifies as a need.

The information that we gather then sets the stage for giving the benefits of your club, fitness equipment and programs. This is the time to provide solutions to their needs. Let me say that again, “Use your product to propose results-oriented solutions to their problems.” Satisfied customers have purchased *solutions to problems*. The goal is to make people want to do business with us. This is crucial to the selling process. In order for people to want to change their lifestyle, begin something that is not currently a habit and pay us money for it, there must be a logical benefit for them. Are all benefits the same for everyone? Absolutely not.

That is why you must always find some portion of their needs and then give a solution or benefit for solving it.

After 30 years of consultation with over 1,200 clubs and shopping thousands of others, I still find many (most) membership sales staff conducting a PRODUCT DUMPING tour. Dumping is best described as reciting features of their exercise machines or classes without the six important words, “What this means to you is...” or “Why this is beneficial to you.” Remember that people don’t buy memberships for what they are; they buy a membership for what it will do for them.

I want to digress a little here and talk about a pet peeve of mine. Over a recent period, as I was visiting competing clubs and taking tours, I asked a simple question, “Why is your equipment better?” Responses ranged from “It’s the most expensive” to “It is brand new!” To be fair, I would

give an A+ in sales to the few that explained how the design would assist me to achieve safer and probably faster results. Why it is the preferred alternative to most home equipment and *why*?

Now that I got that off my chest, let’s get back to the product benefits.

Focus on the desired end result benefits, not just the product. Give a benefit of a machine or class, then go back to the center of the sales circle and ask an additional open-ended question. People will buy when the value to them is more than the price. You must present logical understandable proof of “Why this is important to you is...” One of the biggest mistakes membership sales people make is believing that price is the most important consideration to the prospect. Most sales staff are brainwashed into believing the ultimate importance to the customer is price. In today’s economic times, the buyer needs a justifiable value



Ray Gordon

for their hard earned money.

Surveys prove that buyers constantly look for value (although price is included in value). On the tour, you have the opportunity to explain the value of being a member of your club. “Perceived” quality and benefits is based on what the prospect “expected”. Convincing them of the benefits is the easiest way

(See Ray Gordon Page 8)

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**Ray Gordon**

[ray@salesmakers.com](mailto:ray@salesmakers.com)

**Fitness Fundraisers Can Drive Hundreds of Qualified Prospects Through Your Door At No Cost To You...Saving You Thousands!**

If you are like most fitness facility owners and operators, you are constantly striving to increase your membership base. Unless you are in a very unique and fortunate situation where you have no need to market, you are most likely spending hundreds, maybe even thousands of dollars, on marketing media such as newspaper, direct mail, radio, television and more...all in an attempt to increase your membership. While these can be effective ways to acquire new members, using traditional marketing strategies can also be extremely expensive and only targets the 12% to 14% of a market per IHRSA statistics.

**The Fitness Fundraiser program is an innovative new approach to marketing that will...**

- ★ Reduce the need to market using expensive media...saving you thousands!
- ★ Have prospects pouring through your doors...
- ★ Increase your market penetration!
- ★ Dramatically boost your bottom line, and...
- ★ Make you a hero in your community!

**Fitness Fundraisers** is a unique marketing program that drives valuable traffic to your door while at the same time, allowing you to directly support many charitable fundraising efforts in your community. The key to this unique opportunity is **SIMPLICITY!** At Fitness Fundraisers, we have made it incredibly easy for both fitness facilities and fundraising organizations, to participate in this fantastic "win-win" program. At Fitness Fundraisers we provide both participating fitness facilities and fundraising organizations with a complete turn-key system...everything that you will need to make this program a huge success.

**And there's MORE...**

In addition to providing both the participating Fitness Facilities AND the Fundraising organizations with an array of professional, full color printed materials, marketing pieces, and a wide range of web plus live support, we also provide our participating Fitness Facilities with...

- ★ A comprehensive 4 Step Sales Training and Implementation program
- ★ Front desk and new member service coaching.
- ★ A Fitness Fundraiser Area Representative to directly assist in marketing efforts to secure Fundraising Organizations.
- ★ Access to a web resource center for 24/7 training and marketing materials, PLUS...
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If you are a community minded, well run co-ed Fitness Facility, can you afford NOT to participate in the Fitness Fundraisers program? To learn more and be THE Fitness Facility in YOUR community to participate in this incredible marketing program contact us at:

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Or e-mail us at

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[www.fitnessfundraisers.com](http://www.fitnessfundraisers.com)

**...“INSIDER SPEAKS”**

continued from page 6

goals to reach that will eventually get you to the ultimate goal. Don't get overwhelmed with trying to write a big huge plan all at once, but take one month at a time and just set out a reasonable goal to reach each month; make a checklist of things that need to be done to reach the goal and take one step every day towards it.

**9. Stop Feeding Your Fear:** Sir Winston Churchill said, "If you are going through hell, keep going." Why hang around a scary place? There is **ALWAYS** light at the other end. Just keep moving

towards it by staying focused on doing what you need to get to where you need to go. Don't fall into the trap of looking backward at the uglies... the takers will be back there keeping the growling beasts company.

**10. Celebrate:** Above all, always take time out to celebrate your successes... even the small ones. When you have set out your milestone goals, decide what your little reward will be for reaching each one (besides the obvious of improved circumstances). If you can, celebrate your achievements with a friend over a beverage or a tasty snack. You could even give yourself a shiny red star sticker

on your calendar... and watch them add up! *Afford yourself the luxury of a loud "WOO HOO" to pat yourself and your team on the back for a job well done. It feels good and feeds the fire for accomplishing more successes to celebrate about.*

The only constant in the world is Change. Be up for the challenge and meet the beast head on. You'll find it's not really as cranky as it first appears. Change is here to help you learn, grow stronger, smarter and flourish into a new chapter of success if you are ready and willing to seize the opportunity.

*(Ray Gordon is the Founder of Sales Makers. Sales Makers was honored by IHRSA with a spot on its Wall of Fame as one of its Associate Members of the Year. Ray may be reached at: [rayg@salesmakers.info](mailto:rayg@salesmakers.info))*

**...Ray Gordon**

continued from page 7

to overcome any objection to buying a membership. One of the objectives of the tour is to learn your customer's buying motives and then solve that problem. On your next tour, remember the words of Chuck Noll:

*“Champions are champions not because they do anything extraordinary but because they*

*do the ordinary things better than anyone else.”*

Have a wonderful Holiday Season, and remember:

**YOU can make a difference.**



*(Andrea Sobotka, in partnership with her husband Rick, is the Co-Founder and Co-owner of Fitness Club Success and Fitness*

*Fundraisers. Andrea may be reached by phone at 866-855-5484 and by email at [Andrea@Fitnessclubsuccess.com](mailto:Andrea@Fitnessclubsuccess.com))*

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## ...Norm's NOTES

continued from page 4

*an industry person I know very well and trust to be the best at assisting clubs in your particular area of need(s). You will then be able to contact them and consider employing them to truly dig into your club business issues by visiting your clubs and working with you on a one-on-one basis.*

I will only offer my free consulting service by telephone with email follow-ups to assist you as time passes. Furthermore, if I do not suggest a referral to you for whatever the reason, I will continue to provide my consulting and referral service for free for as long as it takes for you to get your club out of danger from this "recession". So, if you're club is nose-diving and you're scared as hell and have no idea of what to do or whom to turn to, consider contacting me and tapping into my 35+ years of involvement in our industry. But, keep in mind, I am not a candidate for consulting traveling, as I have my own fish to fry with the monthly production of CLUB INSIDER. In closing this note, let

me add that the last client I ever consulted with took my 9-page write up of recommendations and did everything I suggested. And YES, he turned his club around, and about 8 years later, sold it for \$4.2 million (it should be said he sold it for the real estate value, not the value of the club business). So, I know I can help anybody out there who fears doom in the future from this recession... even if all I can do is listen, make a few suggestions, give you a much needed pep talk and then refer you to a full-time industry consultant of repute and with the best expertise for your needs. So, I am standing by at (770) 850 - 8506. Call me anytime or email me at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com), and I will make my best effort to help you.

•Word I keep getting from across the land these days is that, in some clubs, cancellations are up and new membership sales are down. So, if you are sitting around waiting for a "solution" to your club's new membership sales and cancellations, one big thing you can do is seriously look into the weight loss industry to attract

non-members from America's 260 million who don't do business with us. Check out **DONNA KRECH's Thin & Healthy Total Solution** ad on **Page #19** and make the call. You can't go wrong by providing a professional weight loss program right in your club because you'll be tapping into the weight loss industry, and their revenue is huge compared to our industry!

•**The IHRSA Board of Directors and JOE MOORE, IHRSA's President and CEO**, have led the way back to a focus on **Quality Clubs**, a mantra dropped by IHRSA about 10 years ago. This new movement toward a **Voluntary Certification Program** for **IHRSA clubs, YMCA's, JCC's** and other fitness service providers is a major, potentially industry-changing move that could open the door to medical doctors making exercise prescriptions a regular part of what they do, which according to recent studies, only happens with about 30% of U.S. doctors. The intent is clear. This is the single best upcoming opportunity for our entire industry to begin to benefit from

U.S. doctors prescribing exercise, and IHRSA and I believe this Voluntary Certification will be absolutely necessary to sway the minds of doctors who do not prescribe exercise to their patients. It is great to see that IHRSA is now reopening, through this new initiative, the door of focus on Quality Clubs by providing a Voluntary Certification Program that Quality Clubs can buy into and support. IHRSA is seeking your involvement as a commercial club owner/operator and input as they develop this new program, and I urge you to get your club involved by contacting **Joe Moore** at (800) 228 - 4772 and by attending the planned **Voluntary Certification Program Open Forum** in San Francisco at **IHRSA2009, March 16-19, 2009**.

•**MIKE SHEEHAN**, formerly a big-wig at **24 Hour Fitness** has now been sued a second time by his former employer, again alleging that Sheehan stole trade secrets from the company. The first lawsuit, asserting the same claim, was tossed from the court due to jurisdictional matters. Sheehan left 24 Hour

Fitness last year to become the new CEO of Bally Total Fitness. This is not what Bally needs to have happening! My guess is that given the barrage of legal matters Sheehan is fielding, he has had scant time to actually think and act in his new role as Bally CEO. Just now, I received a scoop that, hours ago, Bally Total Fitness filed for Chapter 11 Bankruptcy AGAIN! Check out the story on **Page #3**, first reported on our website on December 3rd. Surely, this will be another **BLACK EYE** for our industry that doesn't need one, and I can only say **STAY TUNED**, as hopefully, Bally will be bought and put into the hands of people who will 1) Clean up and keep their clubs clean 2) quit selling potentially consumer credit-damaging retail installment contracts and 3) quit hiring sales staff and workers who aren't quality people.

•**BAHRAM AKRADI's Life Time Fitness** was recently trashed by **Citron Research**, a financial organization who obviously has a dim view of Life Time Fitness and Akradi. But, I reviewed the report (*See Norm's NOTES Page 12*)

## ...The Secret

continued from page 3

your dumbbells and ellipticals, and much more important than your personal trainer. You can have the absolute best of all of these things, but if nobody knows about your club, what good are they?

I laugh when I hear people say that marketing doesn't work, and yet, I hear it all the time -from my own franchisees as well as my peers in the industry.

Marketing works. It's just a matter of getting the right message to the right people.

For Planet Fitness, that challenge never ends. One of the toughest things about being a low-price club is that our message constantly has to be reinvented. It's difficult to come up with a new pitch, but we keep working at it.

Years ago, when we had day-care and group-ex, we offered the whole thing for \$29 a month. One time, we decided to re-package that offer. We called it "The Full Monty" and pushed it for six weeks on radio and through direct mail. It was the same deal that we'd always offered, but sales exploded when we called it "The Full Monty" and put some advertising dollars behind it. The EFT at one club jumped \$22,000.

In my experience, the

fitness industry is a direct-response vehicle, but a lot of our competitors concentrate on brand-awareness ads --the approach used by banks and insurance companies. That's a very difficult and very expensive way to market. Effective health club marketing requires the right combination of brand-awareness coupled with direct-response.

Since 1998, we've been on the radio every month in New Hampshire. We basically own the state's biggest Top 40 station. It's to the point that even when our competitors run ads, people come into our clubs. That's because we own their minds.

Consistency is the key. Good marketing is a great asset, and even bad marketing, if it's done consistently, still works. But great marketing, done inconsistently, never works.

So, in times like this, as the weaklings cut back on marketing, the strong do the opposite. I just increased the Planet Fitness marketing budget by 30 percent and plan to ride that horse until I'm the last man standing, and I'm willing to bet that in a fair number of markets, that'll be the case.

(Michael Grondahl is the CEO of Planet Fitness)

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### THE COLLARS

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- Will not scratch or damage the bar

### THE 10 KG SIDE RACK

- Durable powder-coated steel construction
- Holds up to 8 of the 10 kg weights

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## ...Norm's NOTES

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from a link I received about Life Time Fitness with a grain of salt because of the disclaimer on their very own website. When I searched for Citron Research on Google, it said, "Citron does not guarantee in any way that it is providing all of the information that may be available. We recommend that you do your own due diligence."

Nonetheless, they wrote, "Citron receives email every day from investors asking us what to look for in companies to avoid. It is our opinion that, in the current economic climate, any company that is highly debt-leveraged with high fixed costs that depend on the US consumer will have big problems. Add into the equation a business model that NO ONE has ever proven successful, and we have Lifetime Fitness." Then, the writer predicted doom for Life Time Fitness and made three additional assertions I disagree with: 1) they blamed the downturn in U.S. Membership on the economy when the last report we have is from 2007, well before the big financial crisis hit America, 2) They suggested monthly dues payers on an open-ended basis were a huge weakness and 3) They asserted that no business model, such as Life Time's, had

ever succeeded.

Well... I guess they didn't speak to **ED WILLIAMS** and **JAY KELL** of **Wellbridge**; **JIM GERBER** of **Western Athletic Clubs** and **TOM LYNEIS**, Founder of two new upscale clubs, **Villa Sports Club** in Colorado Springs, Colorado and another mega-club coming to Texas. With all this said, let me comment on Bahram Akradi. If one were to believe Citron, they may be led to think this great American success story may be headed South. Bahram Akradi started off as a 17-year old Iranian immigrant to America who was washing dishes for a living. Along the way, he has built what I view to be and have described as "The 900-Pound Gorilla" in our industry; a chain of 110,000 square-foot, mega-facilities that offer the best family club value I have seen in the industry. Sure, he's going through tough times now, and so is Life Time Fitness (which recently announced they had to lay off 100 employees), but I would bet, they will work through their challenges. On top of all else, Akradi has been a long-time supporter and leader of the IHRSA Industry Leadership Council.

• **TODD BRIGHT** has stepped down as **CEO** of **Lifestyle Family Fitness** to do Missionary work. *God bless him.*

• Veteran **LEE GUTHRIE** is the **President** of **bioDensity™ Isometric Strength Technology**, a comprehensive approach to improve, measure and track functional strength and has involved a group of veterans including **ED TRAINOR**, **ROGER RALPH** and **LEE HILLMAN**. I spoke with Ed today, and he's raving about the new system. Lee sent me a video, and I highly recommend that you watch it, too. **ROGER RALPH**, Co-Founder with **BOB CARPENTER** of the new and spectacular **Hockessin Athletic Club**, has created an organization called **STAND STRONG Clinics** that are intended to revolutionize how people 55+ are able to get strong and live healthier, even as they age. View the video at <http://www.longridgevideo.com/clients/biodensity/biodensity.html>, and I think you may want to get in the front of the line to acquire the system for your club. To reach Lee Guthrie, email him at [lee@biodensity.com](mailto:lee@biodensity.com) or call him at (707) 332 - 0423.

• On a positive note to end this amazing year of 2008, this straight from **MARC ONIGMAN'S Stone Hearth Newsletter** on November 24th, via a link from Financial News. Researcher, **Ibis World's MATTHEW SCOTT**, states his predictions for the U.S. in an

article entitled, "Recession's top winners, losers - The lowdown on which sectors will prosper in 2009 and which will suffer." In this article, Scott lays out 10 industries most likely to prosper in 2009, and guess what! #5 is **Health and Fitness Clubs!** The article states, "With more people focusing on achieving healthier lifestyles, this industry is expected to increase 2.2% in 2009. As Baby Boomers pass through their 40s and 50s, health-care costs are forecast to rise dramatically, creating an incentive for insurers to promote

preventive practices, like hitting the gym. Corporate fitness programs are also expected to become more popular, further driving growth in the sector, Ibis says."

• **Merry Christmas, Happy Hannukah, and Happy Holidays to all and Happy New Year!**

• **God Bless America!** And, **God Bless You, Your Family and Your Club(s)!**

(Norm Cates may be reached at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com))



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## ...Blair McHaney

continued from page 3



Franchise Council meeting the first week of January in Dallas. The council is made up of James Weaver, Keith Albright and Joel Tallman on the franchisor side, and Mike Epstein, Gordon Johnson and myself on the franchisee side. James has already demonstrated a willingness to help franchisees do business in ways that prior leadership would not. I think it is important for us to give this leadership a chance to succeed.

We do not necessarily need someone from the fitness industry to lead this brand. As has been demonstrated time and time again, leadership can come from outside an industry and provide effective leadership; both IBM and Fiat come to mind. However, the heart and soul of the Gold's Gym brand is within the people who have their heart and soul in fitness. Without the franchisees who embrace fitness as a core value, we would have no authenticity. James seems to recognize that authenticity is vital to both his leadership and for our brand to be a leader. For that to happen, franchisees need to

thrive. We have been standing by waiting for GGI to engage with the GGFA in a more meaningful way. James seems highly aware of the contribution franchising makes to the brand and has easily engaged franchisees in discussions right out of the gate. He seems genuinely interested in the issues that we are facing and how we might resolve those issues in a collaborative manner. If we each see the other's value, discuss issues with an open mind, and agree on our objectives, we will have progress where in the past we had dissension.

Norm, thank you for asking!

Blair C. McHaney  
 President of GGFA

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## ...“2008 In Review”

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### God Bless Our Troops, Airmen, Sailors and Marines “Over There”

Before I move forward with this “2008 In Review” report, I want to comment on our American servicemen and women as we approach the Holiday Season.

Because I am writing this during Thanksgiving week, I want to share with you what I am thankful for when it comes to our Troops, Airmen, Sailors and Marines. I am thankful and mighty glad to be an American. I love and am thankful for our great country. I am thankful for her because we are free. I am thankful for her because we each have a vote. I am thankful for her because she gives you and I

a chance to achieve whatever our work ethics and talents will allow us to achieve. But most of all, I am thankful to our servicemen and women and their families for the sacrifices they all make for us.

Our blessings as Americans have come at a high cost during our country's 232-year history. Each night, when I retire to bed, I thank God above for: 1) Being an American, 2) Being alive, 3) ALL of my blessings, especially my wonderful family here and my extended family... all of you. I thank God and pray for our troops “over there” to win the wars in Iraq and Afghanistan and come home with the honor of victory. And, I pray for full recovery of our troops injured in combat and for great lives ahead for them. I pray a lot for the families of our servicemen... I pray for them to have strength when dealing with the fear of their doorbell ringing, when the doorbell ringer is bringing terrible news about their loved one. I empathize with the agony they endure hour by hour as these families must endure the fear of that doorbell ringing, only to open the door to a military official bringing the awful news... the news that they have lost a loved one... “over there”. I pray for the people I know that are sick or injured. I pray for forgiveness for my sins. And, I pray for strength from the good Lord to be able to keep on doing what I love and am

dedicated with all of my heart and soul to do... deliver a valuable and helpful **CLUB INSIDER** to you, my extended family members, each and every month.

### God Bless All of You Who've Suffered From Mother Nature's Wrath

God bless all of you and your families and your members and their families if your community has suffered from hurricanes, tornadoes, floods, forest fires or any other disaster, natural or other during 2008. I know some of you have had your clubs and/or your homes damaged, and I sincerely hope your business and/or homes have been repaired and are now doing well.

### The Greats

**CLUB INSIDER** features the greats in our industry in our monthly cover stories. Our mission is to provide you with these reports so you may learn, and yes, copy what some of these greats have done in their clubs to get where they are today. During our first 15 years, we've delivered amazing stories of trials and tribulations, hard work and dedication, innovation and creation, and love and caring.

This year, we've chronicled the struggles and successes of greats like Mike Grondahl and Planet Fitness; Cliff Buchholz

and Miramont Fitness Clubs; Maria Parella-Turco, Ray Coassin and Chris Pacifico and Eclipse Fitness New Paradigm Partners and fitRewards!; John and Jan Doyle and The Belmont Athletic Club; and Ruth Stricker and The Marsh. Additionally, we produced cover stories on other greats in our industry, such as Pat Laus and The Clubs for the Cure Movement; Will Phillips, who produced “Generating a Waterfall of Leads... 125 Membership Lead Sources”; Rick Caro's 12th Annual Financial Panel in “What The Guys With The Money Think”; Thomas Plummer and his new book, “Naked Woman At My Door and why that's a bad thing”; and last month, our November cover story honored our competitors and friends at Club Industry/Fitness Business Pro and featured greats, Dr. Kenneth Cooper; Rick Caro's Chicago Panel; Mike Minton and his Minton Sportsplex Team; and Steve Datte and his Apex Fitness Team.

In June, I also wrote and published a cover story that if you have not read it... and you want to make a profit in your club year in and year out... you should. It was entitled, “A 100-Year Perspective On The Health and Fitness Club Industry... Will Our Industry Be ‘Just Another Brick In The Wall’ of American History or Will We Earn America's TRUST?”

Remember, all of these cover stories and much, much

more are available online. If you are a paid subscriber, log in today! And, if not, you may subscribe by going to [www.clubinsideronline.com](http://www.clubinsideronline.com) and clicking **Subscribe**.

### Thank You

**CLUB INSIDER** wishes to thank all of our Advertising Team Members, our Contributing Author Team, all of you who've read **CLUB INSIDER** and all of you who've provided news items and tips, for your support and help during 2008. **CLUB INSIDER** is here to stay, and we want you to realize how much we care about and want to help each and every one of you be the best you can be in this business. **CLUB INSIDER** seeks your news items, photos, tips on excellence and any bit of information you feel might benefit the industry with your sharing. Sharing... That's what this all boils down to. The truth is we are all in this together. Together, we can help millions of Americans, Canadians and people around the world. Together we can make a difference. Is that a great concept or what?

Thank you for the choice that you have made to make your living in our wonderful industry, and thank you for reading **CLUB INSIDER**.

### And Now,

## “2008 In Review”

### January 2008

Veteran, Ben Midgley •“2007 In Review” - Part II •Body Training Systems' Side of the Story •Most Commercial Chains Trashed by Consumer Reports.org Survey Report!

### Inside The Insider

•The “Insider Speaks” - The Season of Change - By: Justin Cates •Club Owner's Beliefs In This Changing Business Environment - By: Ed Tock •“Three Ways to Make A Million Dollars in 2008” - By: Donna Krech •4 Keys To Retention: Understanding Your Members - By: Bonnie Patrick Mattalian •Letter to the Editor - Cecil Spearman Weighs In on Bad Idea •Club H Fitness' New Murray Hill Location in Manhattan •Clubs for the Cure Rally the Industry •ACE 2008 Fitness Trend Predicts Fun Fitness •CheckFree Joins Gold's Gym National Vendors

### Norm's NOTES

•Stay the Course...Charm the Media! •Book IHRSA 2008 Now! •An Apology to Rick Quinn •Tom Lyneis Back in the Saddle! •Galiani's Sell Gold's in North Carolina •Casey Conrad Launches Teleconference Supporting: [www.askmethowtoloseweight.com](http://www.askmethowtoloseweight.com) •Brian Evans' AAF Gives to Community •Life Fitness Honored By MFA •PA Clubs & IHRSA Fighting Sales Tax! •Four Healthy Lifestyles Add 14 Years! •NY Sports Clubs and Snapple Spin •Mick Cornett, Oklahoma City Mayor Challenges Fat City to Lose a Million Pounds!

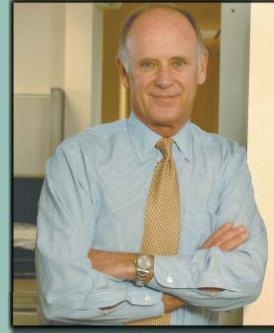
## The Planet Fitness Juggernaut!

### Page 3 Article Headlines

•Ben Midgley...A Special Talent Joins Planet Fitness and World Gym - An Update Interview with the 18-Year

### February 2008

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**Cliff Buchholz ... a Man of Values, Vision, Conviction and Caring**

### Page 3 Article Headlines:

•VFP Achieves 500 Club Milestone - An Interview With (See “2008 In Review” Page 16)



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## We Can Help

Another year is soon drawing to a close and many club operators are, rightfully, concerned about the struggling economy and how it will impact their business in the coming year. Those that choose to disregard these changing circumstances will do so at their peril.

Going forward will require a change of strategy, but an easily accomplished change in terms of both implementation and the budget savings it will bring. It's a strategy of getting back to basics, with worn out phrases like service, education, and communication coming once again to the fore.

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## ... "2008 In Review"

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CEO Daron Allen •Ray Wilson weighs in on Mark Mastrov's Departure

### Inside The Insider

•Remember Mr. Smith Goes to Washington? - By: Randy Ivey •What To Do When You Don't Have the Ball! - By: Jeff Masten •Maximizing New Years' Revenue Opportunities - Casey Conrad •Walking The Talk - By: Shawn Vint •Strategic Thinking For The Big Chill - By: Will Phillips •IHRSA Announces 4th Annual Technology Summit •Sales Makers Presents Webinars for BTS Clubs •Retention Management Strong in 2007 •Tim Richards' On ECONOMIC DOWNTURNS •IHRSA Clubs Performing Well

### Norm's NOTES

•Thanks to This Month's Contributors! •Happy Birthday to Ray Wilson Now 80! •IHRSA 2008! •IHRSA Legislative Alerts! •YMCA Target Overweight and Obese! •Exercise Keeps Body Cells Young! •Geoff Dyer Continues at Lifestyle •Denis O'Leary Joins Fiserv Board •Body Training Systems Signs Alaska Clubs! •MFA Honors High Achievers! •Congratulations Justin Cates on 4.0 finish!

### March 2008

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**Hard Work Pays Off for the Eclipse Fitness Team!**  
 An Interview with Maria Parrella - Turco, Eclipse Partner



### Page 3 Article Headlines

•The "One for All" Became One to Remember •Augie's Quest Beach Bash In San Diego, California •Strive Spirit...The STAR of the IHRSA Trade Show!

### Inside The Insider

•Attitude - Key To Your Success - By: Ed Tock •Turning Your Most Difficult Employee Into Your Most Productive - By: Donna Krech •Building Relationships - By: Shawn Vint •Getting Your Members Involved - By: Tom Kulp •Motivation Through Mission - By: Bill Catlette and Richard Hadden •New! clubinsideronline.com - By: Justin Cates •Spring Break at Your Club - By: Sandy Coffman •Jerry Noyce, President's Council Member, Announces President's Challenge •Club Spa and Fitness Association founded •REX Going Green! •Polar and NESTA Partner

to Offer a New Personal Training Certification

### Norm's NOTES

•Augie's Quest Has Raised \$13,730,525 in 27 Months! •CheckFree Summit Speaker Jeff Skeen Was Excellent •CLUB INSIDER Welcomes 3 New Advertisers! •Geoffrey Dyer Honored by IHRSA with DALE DIBBLE Distinguished Service Award •Western Athletic Club Sold for Second Time... Jim Gerber Stays On! •North Castle Partners Acquire World Health Club Chain •Joey Blue Offers GymChatter.com to Industry! •Michael Levy Moves From IHRSA Chair to Industry Leadership Council Chair •Ed Williams, Lloyd Gainsboro, Mike Motta and Julie Main End IHRSA Board Service •Gene LaMott New Incoming IHRSA Chairman •LA Fitness Squabble Over Money Damages Industry in Oregon

### April 2008

**Norm Cates' THE Club Insider NEWS**  
 The "Pulse" of the Health, Racquet and Sports Club Business

**Clubs for the Cure**  
 Produces Massive Effort To Attack ALS  
 Goal is for Augie's Quest to Benefit From Clubs for the Cure Events at Over 1,000 Clubs... but We Need You!



(From Row L to R) Kristie McHugh, Kristie McConnell, Patricia Lane, Kelly Fait, Ellen Veprek and Nancy Davis  
 (Back Row L to R) Kristie McHugh, Kristie McConnell, Patricia Lane, Kelly Fait, Ellen Veprek and Jennifer Sterkoff

### Page 3 Article Headlines

•Total U.S. Membership Grows About 3% (**Publisher Note:** This headline became inaccurate as figures provided by IHRSA through American Sports Data were later revised downward showing a decline in membership during 2007) •Fitness Formula Oak Park Receives Oak Park Nicholas Award! •Dangerous Industry Germ Loose In Australia! •Grondahl's Planet Fitness Continues to Hit Home Runs! •Free Online Trial!

### Inside The Insider

•The "Insider Speaks" - A Recession in Our Minds - By: Norm Cates •Prospecting - By: Ed Tock •Profit Per Member Increase with Life Coaching - By: Donna Krech •Professional Development for Club Owners and Managers - By: Will Phillips •Fairfax Racquet Club Launches New Teaching Center - By: Norm Cates •Steroid Use Among American Youth Alarms Health Professionals •Julian Illingworth Wins U.S. Miller Zell Squash Championship •Industry Growth

### Norm's NOTES

•Ray Wilson Celebrates 80th Birthday on Two Continents •Jim Rowley Leaves 24 Hour Fitness •IHRSA Releases: "The Healing Power of Exercise: 50 Groundbreaking Studies" •Belly Fat in Middle Age Could Cause Dementia

Later On •Atlanta Journal Constitution Launches "My Favorite Workout" Features in Better Health Weekly •Eli Manning Campaigns for President's Challenge •Pete Brown Taking Athletic Business Conference to San Antonio •Angel Banos Announces New Gold's Gym Services Headquarters •Walgreens Moves Deeper into Childhood Obesity Fight •Consumer Trend: Low Prices in Retail •Women with Excess Waist Fat Subject to Greater Cancer Risk •A Bit of Trouble at IHRSA

### May 2008

**Norm Cates' THE Club Insider NEWS**  
 The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide 1993

**Belmont Athletic Club...**  
 Created by John and Jan Doyle  
 And Embraced By The Belmont Shore Community



From Row L to R) Mac Hickey, Hector Garcia, John Ties, John Doyle, Linda Drake-Cross, Jeff Count, Gloria Devereux, Patty Smith and Rosemary Ryan

### Page 3 Article Headlines

•Don't Miss "Insider Speaks" •Senator John McCain Suggests that Americans Join Health Clubs!

### Inside The Insider

•The "Insider Speaks" - Lifestyle Change Teaching Skills Necessary for Club Success... - By: Norm Cates, Jr. •Fighting the Fears of Sales People - By: Jeffrey Masten •EWOT: Train Low for Club Profit - By: Dr. Craig Wenborg •Who Has the Advantage? Building Value In Independent Clubs - By: Jeffrey Keller •Symmetrical Fitness Introduced - By: Dr. Jack Scammahorn •Use a Proven System in Membership Sales - By: Jim Thomas •Summer Programming for Retention - By: Sandy Coffman •Polar and Virgin HealthMiles Announce Partnership •Fiserv Wins Gold Award •Lifestyle Family Fitness Continues to Combat Teen Obesity Epidemic

### Norm's NOTES

•Let's Start With IHRSA •Why Don't They Believe Us? •"Spark"... The Revolutionary New Science of Exercise and The Brain •"A Hundred Year Perspective on the Health/ Fitness Club Industry" •GymTicket.com in Over 4,000 Clubs! •Bill Kazmaier to be Honored With NFTJ's Lifetime Achievement Award •Tony Dahmen's Cornerstone Fitness Clubs Celebrates 10th Anniversary •Gold's Gym International Promoting New Franchises •Paul Grymkowski Launches Health Engineering Group, LLC •Donna Krech's Thin and Healthy Client Featured in Women's World Magazine •20th Annual IHRSA Institute Coming in August •Expresso Fitness Receives \$12 Million Investment!

(See "2008 In Review" Page 18)

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*Mark and Karen Steinfield*

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**Association Insurance Group**

... "2008 In Review"

continued from page 16

June 2008

**Norm Cates' CLUB INSIDER™**  
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**A 100 Year Perspective On The Health and Fitness Club Industry**



**Will Our Industry Be "Just Another Brick In The Wall" of American History or Will We Earn America's TRUST?**

**Page 3 Article Headlines**

•BTS Announces The Retention People's Revolutionary Software Coming to U.S. Clubs! •IHRSA Releases 2008 IHRSA Global Report: The State of the Health Club Industry - Total U.S. Membership Drops to 2004 Levels - Revenue Per Member Increases

**Inside The Insider**

•Referrals! Referrals!! Referrals!!! - By: Ray Gordon  
 •How Passion, Focus & Responsibility Can Empower You - By: Ed Tock •Recession-Proof Your Business With Cash Magnets! - By: Donna Krech •Helping When Disaster Strikes - By: Shawn Vint •Preparing for the Downturn - By: Will Phillips •A True Story - By: Dr. Jack Scammahorn •Creating Independent Club Value - By: Jeffrey Keller, M.S. M.B.A. •5 Steps to Planning a Media Event - By: Brent Sampson •I Love A Parade! - By: Sandy Coffman •Let the Games Begin!

**Norm's NOTES**

•Pat Laus and Kevin McHugh Taking Clubs for the Cure to New Territory! Judi Sheppard Missett's Jazercise, JCC's of America and YMCA's to Help •Ken Reinig's Association Insurance Group Merges with Thomco Insurance Enterprises •Raymond Long Sells Personal Best Lifestyle Club •Industry Veteran Ed Shelby Launches Robotic Waist Reducer •Snap Fitness Takes in Minority Investor •CDC Says Childhood Obesity Leveling Off •Dr. Ian Smith Joins with Patti LaBelle and Ebony/Jet Magazines to Fight Childhood Obesity •"Treating Obesity as Taboo is Unhealthy" •Brian Evans' American Family Fitness Centers Continue to Help Community •"IT" is the Solution to the Rising Gas Cost Crisis •An "Oasis In The Summer" is a Terrific Way to Describe Your Club During the Hot Weather that is Now Upon Us!

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July 2008

**Norm Cates' CLUB INSIDER™**  
 Established The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide 1993



**Ruth Stricker... the Legendary Creator of The Marsh**

**Page 3 Article Headlines**

•Gym Members Hire Own Lawyer to Fight Settlement  
 •Fitness Business News Suspends Publication

**Inside The Insider**

•A Tribute to Tim Russert - By: Norm Cates and *A Lesson From Dr. John A. McDougall* •Membership Responsibilities Make The Difference - By: Ray Gordon •Driving Growth and Profit - By: Will Phillips •Re-package, Re-brand and Re-launch? - By: Ed Tock •Sustaining Independent Value - By: Jeffrey Keller, M.S. M.B.A. •Make Your Club the Centerpiece of the Community - By: Bonnie Patrick Mattalian •Supersizing Your Membership Market Share - By: Andrea Sobotka and Lehni Garza •Symmetrical Fitness - By: Dr. Jack Scammahorn and Jim Scammahorn •The Program Director! - By: Sandy Coffman •The Clubs for the Cure Complete First Six Months •International Fitness Buys Club Fit Chain •The Thoreau Club/Camp Honored

**Norm's NOTES**

•Gold's Gym Franchise Association Begins Revolution  
 •Ray Gordon and Ed Tock of Sales Makers Have Parted Ways •CheckFree's Ron Poliseno to Speak at Fit Life •Joe Cirulli To Be Profiled in INC. Magazine •TechnoGym Sells 40% Stake to Candover •Les Mills NE Region Rep Bill Austin Provides False Flier to NEHRSA Members •Tony deLeede Stepping Down at Fitness First Australia •Mike Sheehan Named Bally Total Fitness CEO... What He Should Do •24 Hour Fitness Soon to Open Derek Jeter 24 Hour Fitness Center in New York City •Thomas Plummer's NFBASays: "Make Fitness Less Complicated!" •Weekend Memberships a New Opportunity! •Andy Graham Joins ABC Financial •Nestor Fernandez Rises at WAC •John Agoglia New GM at Equilibrium •Adam Feit and John Metzger Win Scholarships

**Make It Fun In 2009!**

August 2008

**Norm Cates' CLUB INSIDER™**  
 Established The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide 1993



**Will Phillips, Founder of Avondale for Education**

**Generating a Waterfall of Leads 125 Membership Lead Sources**

**Page 3 Article Headlines**

•Industry Veteran Chuck Leve to Leave IHRSA •A Mid-Year Analysis of the U.S. Health Club Industry

**Inside The Insider**

•Where Does Your Team Need Help? - By: Ray Gordon  
 •"What It Takes To Be #1" In Customer Service - By: Jeffrey Keller, M.S. M.B.A. •Economics and Positioning Fitness Facilities - By: Andrea Sobotka •Your Health Club Sales Staff Won't Change Unless You Change - By: Jim Thomas •Sales is 90% Preparation and 10% Presentation - By: Ed Tock •Oxygenate Your Studio - By: Dr. Craig Wenborg •Back to Basics... Make it Fun! - By: Sandy Coffman •A Letter From Royle Berry •Fitness First Australia Founder, Tony deLeede Steps Aside... •ALS Fight Intensifies!

**Norm's NOTES**

•Will Phillips Steps Up! •Chuck Leve Leaves IHRSA After 27 Years! •Joe Cirulli Honored With Outstanding INC Magazine August Cover Story! •Mike Grondahl's Planet Fitness to Open 42 Locations by End of 2008! •CheckFree's Ron Poliseno to Present Data Security Measures for Clubs With Legal Expert Jonathan Rubens •BTS Announces New Clients: The Alaska Clubs and MVP Sports Clubs •WOW! Work Out World, Brick, New Jersey, Suffers Bad Fire! •IHRSA Board Changes Guard •Joe Bommarito's HEX Tanning Joins CLUB INSIDER Advertising Team •IHRSA Club Business Entrepreneur Conference/National Fitness Business Trade Show Convenes in Las Vegas - September 8-11 •Club Industry Chicago Convenes October 15-18 •Tim Richards Shares News About Human-powered Clubs! •Joe Hollingsworth Criticizes Court South Settlement •Michael McDonald Wins John McCarthy Merit Scholarship •Colin Milner's ICAA Conducts Successive Surveys •Former About Family Fitness in Coral Springs, Florida, Turned Body Mechanics, Now Acquired by LA Fitness •Harold Morgan, Formerly VP at Bally Lands at IDEX Corporation •Childhood Obesity Hearing Held in U.S. Congress •Downtown Athletic Club in Miami Emphasizes Cleanliness as Club Approaches 25th Anniversary

(See "2008 In Review" Page 20)

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Super Fitness

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Beth Delegrange  
Contours Express



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Shaun Fisher  
Anytime Fitness

**From never taking a paycheck to never going without one again!**

Lisa Vermillion  
Get Fit/Bee Fit



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Carrie Covington,  
Rachel Crabtree  
PromatX

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Mike Deigan  
Temecula Valley Fitness



**From losing money for 20 years to making a profit with zero turnover!**

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Super Fitness

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## ... "2008 In Review"

continued from page 18

September 2008

**What The Guys With The Money Think**

**Page 3 Article Headlines**

- CheckFree Continues Data Security Focus In Chicago
- Creating A Waterfall of Leads - 125 Membership Lead Sources - Part II - By: Will Phillips

**Inside The Insider**

- The "Insider Speaks" - Halftime - By: Justin Cates
- Is Selling Dead? - By: Jeff Masten
- Your Best Program Needs Your Best Promotions! - By: Sandy Coffman
- Want To Increase Retention? Want More Referrals? - By: Ed Tock
- Apex Fitness' bodybugg - By: Justin Cates
- The Color of Leadership - By: Andrea Sobotka
- Planet Fitness Makes The Inc. 5000
- Clubs For The Cure!
- Five Forks Sportsclub Another Outstanding Fabiano Designs Creation!
- Over 150 Clubs Make Move From Good To Great At BTS Summit!

**Norm's NOTES**

- Justin Cates Named President of CLUB INSIDER
- Augie Nieto and Family Appears on Jerry Lewis' Labor Day Telethon
- Disaster On The Way... Music Taxation Jumps The Big Pond From Australia to Canada! What's next?
- Bill Kazmaier and Others To Be Honored in Las Vegas!
- Rick Caro Letter Published in INC Magazine
- Gold's Gym Franchise Association Waiting for Change at GGI!
- Alan Schwartz and Others To Be Inducted into the USTA Mid-west Hall of Fame!
- Maria Parrella-Turco Announces Addition of Rachel O'Holla to fitRewards! Team
- Ron Poliseno and Jonathan Rubens to Speak on Data Security at Club Industry
- Correction! Downtown Athletic Club in Miami Celebrates 24th Anniversary!
- PTA Seeking Community Relations Partners to Promote Exercise and Proper Nutrition to Students Nationwide
- Weight-based Bias in the Workplace is a Big Problem!
- Atlanta-area YMCAs Announce Cost Cut Target of 4-5% on Their \$100 Million Annual Revenue!
- IHRSA European Congress to Convene October 23-26th

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October 2008

**NAKED WOMAN AT MY DOOR**  
...and why that's a bad thing

Lessons learned in the fitness business from a life on the road  
THOMAS PLUMMER

**An Important Story For Our Industry**

**Page 3 Article Headlines**

- IHRSA To Focus On Quality Clubs Again!
- Happy Birthday To JACK LaLANNE...Now 94!
- The Atlantic Clubs' Owner Pat Laus Honored With The Lou Gehrig Humanitarian Award

**Inside The Insider**

- The "Insider Speaks" - Hey... How Weak is Our Economy... Really? - By: Norm Cates
- Membership Opportunities - By: Ray Gordon
- Maximum Money in Minimum Time - By: Donna Krech
- Incentivize for Success - By: Jeffrey Keller
- Now Is The Time - By: Shawn Vint
- Tools for Predicting Your Program and Profit Center Success - By: Laurie Cingle
- Why The Right Health Club Interior Sells More Memberships - By: Bruce Carter
- Training For Good Customer Service Must Be Done Over And Over Again - By: Sandy Coffman
- Fitser's CheckFree Compete Adds Innovative Features To Enhance Health Club Operations
- Fitness Fundraiser's Innovative New Program Connect Clubs

**Norms NOTES**

- CLUB INSIDER Now 16 and Counting!
- We the people 1) Vote and 2) Pray for our country
- The Naked Truth
- World Gym International Under Contract
- IHRSA Returns to Quality Clubs Idea
- Pat Laus Honored
- Laurie Cingle Joins Contributing Author Team
- Ed Connors Honored
- LVAC's Prospering
- Boyko's Move National Fitness Trade Show
- Donna Krech Teams Up With Dr. Denis Waitley
- Red and Emma Lerille Approach 46th Club Anniversary!
- Virgin HealthMiles Rolls Out in Commonwealth of Kentucky
- Raphael Lima New Midtown Weston Aquatics Director
- Weight-based Bias in Workplace a Big Problem

November 2008

**Dr. Kenneth Cooper Honored at Club Industry**

**Rick Caro's Club Industry Panel**

**Dr. Kenneth Cooper, Inc. Father of Aerobics**

**John B. Rick Caro's Club Industry Panel**

**Minton's Sportsplex Among Best of the Best**

**Apex Fitness Surges In Chicago!**

**Club Industry/Fitness Business Pro Celebrates 25 years!**

**Page 3 Article Headlines**

- Dr. Kenneth Cooper Honored at Club Industry
- Rick Caro's Club Industry Panel
- Minton's Sportsplex Among Best of the Best
- Apex Fitness Surges In Chicago!
- HHA Announces Physical Activity Guidelines for Americans
- Breaking News! Gold's Gym CEO, David Schnabel, leaves company
- Are you PCI Compliant? Do You Know What it Means?
- Summit Sports Club Celebrates 20th Anniversary - Staff Members Attend Club Industry Chicago

**Inside The Insider**

- Make It Happen, SELL More!!!
- Breaking Down the Gym Walls Through Phone Coaching
- Dr. Edward M. Slover
- A "Creepy" Business
- Jeffrey Keller
- Love Thy Business Partner
- Andrea Sobotka
- Tools for Predicting Program and Profit Center Success
- Laurie Cingle
- Need Employment Insurance?
- Master Your Own Brand
- Brenda Bence
- Twelve Days of Fitness
- Sandy Coffman
- A World of Opportunity Awaits
- Expectations Surpassed, Records Broken!

**Norm's NOTES**

- Congratulations to Club Industry/Fitness Business Pro on 25 years!
- David Schnabel Leaves Gold's Gym International CEO Post
- 2008 Physical Activity Guidelines Released!
- Summit Sports Club Team Hits Club Industry for First Time
- Chuck Leve Bid Farewell by IHRSA
- bioDensity™ Isometric Strength Technology Launched!
- Wally and Meshelle Boyko Move NFTJ Conference and Trade Show
- Clubs For The Cure Gears Up for 2009!
- Welcome Back to Vitabot!
- American Family Fitness honored!
- Telos Fitness Center Honored!
- Larry Gurney Providing Rush Staff with Personal Financial Education
- Forbes Magazine Highlights Mike Grondahl's Planet Fitness
- Custom Mystery Shopper and Mystery Member Programs Available
- What's Your Brand?
- A.G. in Maryland Busts 11 Clubs!
- Make Your Club a FUNOASIS!

To close this "2008 In Review", I just want to say, "Thank You for reading CLUB INSIDER!" Always know, we want to hear from you anytime about how your club is doing and what you're doing to make it better. **STAY TUNED for 2009!** [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com) - (770) 850-8506

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# New Member Prospecting in Difficult Times

By: Jim Thomas

How is traffic in your health club? Better or worse than it was 12 months ago?

In clubs that we have been working with across the USA, we are finding that traffic flow is down... and it's not for the reasons you might think.

In every health club I have walked into, traffic flow is down because everyone is sitting around and wondering where all the guest traffic has gone. Health clubs that have a prospecting plan of action are not only seeing good results, but the membership acquisition costs are way down as well.

Here are 4 quick tips to get you jump-started with your health club prospecting:

1. Step out of your comfort zone. It's called a comfort zone because it's safe and familiar. But, if you stay where you've always been and do what you've always done, you'll get what you've always gotten.

2. Project a winning attitude. If you're positive and enthusiastic, people will enjoy being around you. A great attitude will also give you a motivational boost and encourage others to share your enthusiasm.
3. Follow the outgoing call script. Get yourself a script and stick with it.
4. Write, yes write, a prospecting plan of action. For purposes of this article, prospecting can also mean marketing or even advertising if it's done properly.

Let's kick off your prospecting plan of action with some ideas that can make a difference in the success of your health club:

your business without much, if any, cost, but you have to work them. I suggest a minimum of 30 minutes each day.

2. Write articles for local or internet publications. Everyone is looking for content. You'll become an expert in your field, and it's a no-cost way of getting the word out about your health club.

3. Once a month, conduct a dinner workshop in your health club. These have proven to be a very successful way to improve traffic and sell memberships. Come up with a topic (e.g. losing weight during the holidays), cater in some food and then promote your event.

4. Speak at local events. There are a variety of local businesses and companies that would welcome you to speak, and this is another no-cost way to promote your health club.

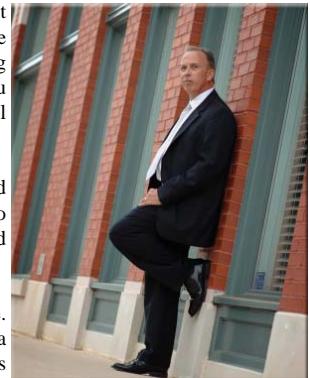
5. Send out a press release. Let the community know what

you are doing by sending out periodic press releases. I have seen situations where strong relationships are formed, and you become the first person they call to be interviewed.

Now, let's look at some old standbys when it comes to successful health club lead production:

1. Get 3 referrals at point of sale. I was doing a sales training call a while back, and one of the sales reps said 3 referrals wasn't very good... that he was getting 10 referrals from every new member. I asked him how. He said he would ask his new member to pull out their cell phone and "let's scroll down the list of names and see who you would like to give a pass to."

2. Have each person on staff collect 10 business cards each day. Each business card will have a fax number, an email address, a street address and a phone number. Since it's a business, you'll have



**Jim Thomas**

4 great ways to deliver a message. This can really add up in a hurry.

There are 2 things to remember about prospecting for a health club. It's a never ending process... and you must be consistent. The only time I can guarantee your results is when you stop prospecting. Now, go do some prospecting!

*(Jim Thomas is the President of FitnessManagementUSA and may be reached at: (800) 929 - 2898)*

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A club in Canada reports – “Fitness Managers are averaging PT packages of \$3,500-\$6,000 per PT deal.”

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# What's Working Out There Right Now: *Increasing Member Retention and Prospects/New Member Sales*

By: Bonnie Patrick Mattalian

In our work with clients around the country, we are thrilled to see many successes despite the economic downturn. Don't get me wrong, October and November were pretty tough, even dismal for many clubs, but those who are using a hands-on and strategic approach to increasing retention and increasing prospect traffic and membership sales are reaping positive results. Below is a sampling of some innovative ideas that are working right now.

## Impacting Member Retention

Are you able to articu-

late your retention strategy with measurable outcomes? And, can your staff articulate the same including their specific role in the club's retention equation? If the answer is no, take a step back and put a plan together.

Components should include:

**1. Identifying Your Member Experience** - Look at your club department by department and list all of the outcomes that will deliver the desired experience.

For example, at the reception desk, what are the standards and expectations for every encounter with a member? List these in detail, such as

answering the phone within 3 rings, the specific script for answering the phone, is the phone answered with a smile and is every member greeted with a smile, a "hello" and their name?

## 2. Staff Development and Training

Now that the experience you seek to deliver to your members and your expectations are set, identify the competencies needed and train your staff for success. Role-play every single question a member may have or scenarios of problems that could arise. Any scenario not scripted is then open to chance, so it's important to define the way to handle conflict and turn those into moments of magic.

How often do you give your staff feedback? How do you communicate individually and collectively with the team? And, when something is wrong, how is that communicated back to you and to the people who need to know?

One of our clients with an IT background in an amazingly successful new club has developed some unbelievable automated processes. He's been unhappy with the software applications for club operations, so he has developed many back-of-the-house systems himself. For example, if a piece of equipment goes down, any staff member can type in the information into a template. That information is then sent via a text message to 2-4 individuals who are charged with following up on the issue. A tracking record is also in place for ongoing issues with that equipment and where they are in the resolution process. This enables the staff to report the item right away. A staff member can also look at any time to see the process of the resolution.

80% of the problems with club operations are related to old, inefficient or ineffective processes. As part of your strategic plan for next year, have your department leaders do a fine-tooth comb review of your department's processes, measures and desired outcomes. If these aren't working, and if they don't contribute positively to the desired member experience, it's time for a change.

**Feedback, and Measure The Experience** - Is it easy for your members to give formal and informal feedback? Online surveys, members-only blogs with club oversight/editing capabilities, and advisory groups broken out by demographic and area of focus in the club (i.e. group exercise participants, aquatics participants, child or teen members, etc.), and face-to-face conversations between your staff and members are examples of feedback opportunities.

And, what about the prospects who come in but don't join? How do you know what really happened to impact that joining decision?

I have been working on a long-term project with my associates Maria Parrella-Turco and Chris Pacifico of New Paradigm Partners. We instituted a tracking system for incoming calls from marketing pieces and the ability to listen to each of the incoming calls. This has served as a fabulous training tool for the staff.

In addition, Chris sent out an online survey to all of the prospects who did not join. It was a short survey, and in return for filling out the survey, the prospect receives a free, 30-day membership. Some highlights from the survey respondents include:

- 75% thought the membership was a good value
- 85% were still interested in joining
- 69% had not been contacted since their initial visit.

Yikes! That helped us to go back to the membership team to follow up on each of those prospects. And, the respondents who took advantage of the 30-day membership were able to try the club and were more likely to join.

We've also provided Mystery Shopper and Mystery Member services for clubs for an objective, measurable view of the membership process and new member integration. This information is critical for owners and managers to identify any holes where the experience delivered does not match the club's promise.

I've been in the market for a personal trainer for myself for a while now. So I've shopped many of the clubs in



**Bonnie Patrick Mattalian**

Northern New Jersey. And, do you know, not one single person has followed up with me? I'm willing to pay extra for personal training, yet because of poor processes, no one has my business yet.

## Technology-based Clubs

The technology - based club we referenced above has had very good success since it opened last year despite a number of competitors in their area.

Some of the components and successes for this family-oriented, 38,000 square-foot club include:

1. \$12k+ per month in juice bar sales --that's beverages only.
2. 8000 square feet of sports specific training space, with 50 current participants.
3. 5000 square feet of training area for children only, with child specific exercise equipment and entertainment games. 500 children are members of this program.
4. A hugely popular cardio cinema room.
5. Members swipe their cards to enter group exercise classes, and therefore tracking for the classes (fee and non-fee based) is accurate. New classes are targeted to specific members who are participating in current classes.
6. All fee-based programming is completely automated. For example, a member signs up for personal training. A text message is sent to the member and trainer's phones one hour before the session (See **Bonnie Mattalian Page 26**)

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# Marketing Through a Recession Gives Businesses a Distinct Advantage!

By: Chris Russo

Everywhere we look, recession is in the headlines. That doesn't mean we need to run away and hide until we hear it's over. Do that, and you might as well lock your doors now, give the competition all your members and watch them emerge over the next few years with the lion's share of the market.

Good operators will survive. It is not going to be easy. Businesses will need to tighten their belts and reevaluate the systems that are in place. However, one area that no business can afford to eliminate is the marketing budget. Stop marketing, and you can lose any power influence you may have gained in the marketplace.

Read this quote from an article by Matt Semansky in Marketing Magazine (March 24, 2008), entitled, *NO TIME TO PANIC - In a recession, smart marketing executives don't run and hide. They tell their bosses to raise the ad budget:*

"[A McGraw-Hill Research study examined] the activity of hundreds of U.S. companies during the recessions of 1974 and 1981. Companies that maintained or boosted spending during the for-

mer enjoyed 132% growth by 1978, compared to 79% for those that cut advertising. Marketers who got more aggressive during the 1981 downturn were rewarded with 275% sales growth by 1985, while growth for companies that decreased spending averaged just 19%."

There is no quick fix, but developing a workable marketing plan that maintains top-of-mind awareness in the marketplace will reward smart club businesses with a steady flow of leads who become the new members a club needs to succeed during tough economic times.

There are many ways to attract new members. One of the best is to get back to basics with a sensible approach. Designing and implementing a club marketing plan is similar to developing a fitness program for a new member. You discuss their goals and reasons for wanting to join. You would never recommend that they simply pick one piece of equipment and stick with it for the rest of their lives! Instead, you evaluate their needs, make recommendations and constantly monitor progress in order to ensure a successful outcome. The same process can be applied to marketing. These can help you can fill in any

## ...Bonnie Mattalian

continued from page 24

as a reminder. As the member completes the session, that information is automatically tied to a back-of-the-house payroll report. An automated message is also sent to the member thanking her or him and reminding them of their next session and any fitness ideas.

7. The Managers can see at anytime what staff person is in the club, their schedule and productivity for the day, week or month.

8. Every child in the training area or in the childcare area has a barcode on him while in the facility. If, by chance, he leaves the area where he is, an alarm sounds and the software can tell exactly who the child is and where he/she is. As a parent, that

peace of mind is invaluable.

9. The yoga-only room is spectacularly designed by Dan Henkel, with a fireplace and materials on the wall for sound attenuation.

10. Group exercise instructors download their playlists for the class onto an automated system, and it is ready for their class when they begin.

And, there's much more, which will be highlighted in future articles.

### The Hundreds of Prospects Day

A few weeks ago, the club sponsored an open house, and they did a small direct mailing to residents in the area to promote the event.

**Set a Budget** - This is one of the most critical things you should do, but many clubs fail to budget sufficient resources to marketing. The two most common ways to calculate a marketing budget are 5% to 8% of total revenue, or 10% of expenses. This may be more than your business can afford, so set a figure your club can manage and consider it spent. The money you allocate needs to be used strategically with the sole purpose of getting prospects 'through the door'. Remember, marketing is cumulative and its effectiveness builds over time. People need to see you many times in many places before they take action.

**Make Your Plan and Work Your Plan** - Once you have set the overall budget, you need to put your "big picture" marketing plan in place. Take the calendar and enter initiatives to spend your marketing dollars on efforts that make the most sense at certain times of the year, for example, back-to-school and New Year's promotions. Remember to go back through each month to see what special marketing opportunities might exist, such as member appreciation parties, open houses and tie-ins to community events. These can help you can fill in any

Fifteen vendors were then invited to participate in the open house. They were allowed to advertise themselves, their products and services to the members and guests. They were also expected to give samples, freebies and demos, and to give one large item for a raffle for attendees. In return, those vendors were given 250 postcards promoting the event to distribute to their customers.

Physicians were also invited to speak on an educational topic. They were invited two weeks prior to the event to tour the facility and to get an understanding of the club's programs and services. When the physicians did their presentation, they explained how the services at the club could benefit the attendees.

Members received information about the event via email, which included numerous events

'holes' in the year.

**Guerrilla Marketing** - This is marketing 101 for your club, unconventional marketing techniques intended to get maximum results from minimal resources. It uses effective 'guerrilla' tactics to give people an opportunity to put a face on your club, while allowing you to build relationships in the community. There are literally hundreds of opportunities for you to get your message out. These could be door hangers, take-ones, complimentary passes, payroll stuffers, etc., and they are all waiting right outside your front door!

**Mix It Up** - Direct mail, newspaper ads, guerilla marketing, billboards, radio and other media are all vehicles used to drive your message out to the public that can be used individually or in conjunction. Time, budget, saturation, competition and effectiveness are all factors used to tailor a marketing campaign to fit your demographic and media mix.

**Be Consistent** - A common mistake many clubs make is to change a marketing campaign too quickly. Growing bored with the look, or not seeing immediate results the first time out, a club

for them and their guests and children.

The result was **1000 attendees**, the majority were guests and prospects, and the rest were happy members.

Why did they succeed? They had a solid plan that was well executed. They are staying true to their target market, and tirelessly seek to do things better

and to help their staff be the best they can be. Their programs and services are clear. Their members expect the best and get it. And,

they are willing to pay just a few extra bucks over the club down the street for what they want. This club has continued to see 160-200 new members per month, despite the economic downturn.

### Take Time To Plan Now

It's the perfect time to choose your priorities and



**Chris Russo**

changes the design, the message and even the medium midstream before the campaign has time to make an impact --and before the marketplace has time to get to know you and trust your message.

Committing to a consistent message for an extended period of time is one of the hardest things for any business to do. Developing a recognition factor is vital to gaining market share and credibility. Repeating the message will also save money by simplifying the design process, mass producing print material and eliminating the need to re-educate your audience.

**Update Your Website** - Approximate  
(See *Chris Russo* Page 27)

work with your teams on your facility's strategies for success. Outline measurable goals and hold yourself and your team accountable for the results and your member's success. Don't forget to celebrate along the way, and stop and regroup when you get off track.

**You're the leader. Make every tomorrow better than today through your actions and direction.**

*(Bonnie Patrick Mattalian is President of the Club & Spa Synergy Group Consultants, a nationally recognized group of industry specialists helping to improve performance of fitness centers and day spas around the world. Call 732-236-2273, email [info@clubsynergygroup.com](mailto:info@clubsynergygroup.com) or go to [www.clubsynergygroup.com](http://www.clubsynergygroup.com) for more information.)*

**...Chris Russo**

continued from page 26

mately 60-70% of all prospects will visit your website before they ever call or come in to the club. It is critical that your site makes the right first impression and has the ability to work for you by capturing visitor information to provide new leads. Your web site is not just an Internet billboard, it is the way people find you and make buying decisions. Don't underestimate its value and influence it has in your market mix.

**Invest In Your Members** - It is more cost-effective to keep an existing member than to try and acquire a new one. So dedicate some of your marketing budget to them. Members should be your club's best ambassadors. Show them your appreciation by holding parties, special events and creating programs that reward them for referring their friends. Happy members will bring in more members, spend more money, and most importantly, they will stay. Communicate with your members regularly. E-mails, newsletters and signs around the club are simple to create, relatively inexpensive and extremely effective.

**Great Service** - Never underestimate the power of your staff as one of your primary marketing tools. There are literally hundreds of opportunities throughout the day for your staff to "market" the club. Every visit should be memorable for all the right reasons, and it starts with your staff. Develop a service-oriented culture and work on it every day to make your staff producers.

Getting noticed is easier than you think, even in a recession! Take the time to make a plan, assign your budget and set some goals. When you are ready to work the plan, hire a professional marketing company that can help you develop a long-term, branded look for your club business that will last over time and carry your club forward to a successful future.

(Chris Russo is the General Manager of Susan K. Bailey Advertising, an agency with over 25 years of experience in the fitness industry. Visit [www.clubads.com](http://www.clubads.com) or call 888-349-4594)



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"For our ten years, I have worked with New Paradigm Partners, which has helped us turn a struggling gym into a state-of-the art successful fitness facility. We have adapted new systems that allow us to give our members great service and, in turn, set a platform for increased membership and profits. It is an evolving and changing process that keeps us three steps ahead of our competitors."

Barry Field - Club Owner, Gold's Gym, Pawtucket and East Greenwich, Rhode Island

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- Staff Development & Training
- Membership Sales Training
- Marketing Plans
- Programming Services
- Member Services & Retention

## Exercise in Pregnancy Linked to Fatal Raised Blood Pressure Condition

*As Seen in Marc Onigman's  
Stonehearth Newsletter - December 3rd*

The results of a study involving more than 85,000 pregnant women surprised researchers as it was thought exercise would have a beneficial effect.

Pregnant women are recommended to take 30 minutes of moderate intensity exercise per day, and the latest data suggests that exceeding that by even a small amount was linked to pre-eclampsia.

The condition affects 1 in 14 women to some extent, but in approximately 1 in 100 pregnancies, it develops into a serious complication, and the baby must be delivered as quickly as possible. Pre-eclampsia causes the deaths of up to 10 mothers a year in the UK and 1,000 babies.

Danish and Norwegian researchers looked at medical data of thousands of women in Denmark who were pregnant between 1996 and 2002.

Jogging for more than 1 hour and 15 minutes a week more than doubled the risk of pre-eclampsia and this meant 7% of women who did this much exercise developed the condition.

Women with high levels of physical activity, 4.5 to 7 hours a week,

were 65% more likely to have severe pre-eclampsia.

This means 18% of women who do this much exercise will develop the condition.

Women who did more than 7 hours a week of exercise were 78% more likely to have the condition, meaning 29% of women who do this much exercise will develop severe pre-eclampsia.

Senior author, Dr Sjurdur Olsen, from the Statens Serum Institute in Copenhagen, Denmark and Adjunct Professor of Nutrition at the Harvard School of Public Health in Boston, USA said, "Recommendations have been issued in several countries that pregnant women should exercise at least 30 minutes each day. An important underlying contention is that this can reduce the risk of pre-eclampsia. In our study, we were unable to substantiate that physical activity in early pregnancy has a protective effect against pre-eclampsia".

The findings were published in the *British Journal of Obstetrics and Gynecology*.

## Comments on ECONOMIC DOWNTURNS

**By:** Industry Veteran, Tim Richards

**Publisher's Note:** We ran the following comments from industry veteran, Tim Richards, in our February, 2008 edition, but given the economic times, we felt it prudent to publish Tim's wisdom again, just in case you missed the original article.

• • •

Based upon thirty-five years in business, and having "survived" several (some severe) economic downturns in the local and general economy, management strongly believes multi-purpose "family" oriented athletic clubs, like our Orchard Hills Athletic Club (OHAC), are "resistant" to such slowdowns. Management attributes this phenomenon to the following four factors:

1. During economic hard times, management believes people tend to cut back first on expensive vacations, second homes/condominiums, country clubs, etc. before eliminating their memberships in a multi-purpose, family-oriented athletic club such as OHAC.

It is a literal truth that the cost of a seven to ten-day vacation on the beach in the Caribbean, for example, for a family... especially with children... will cover the cost of membership for that same family for two whole years at OHAC and still have money left over! Furthermore, as members, they can use OHAC every single day of each year.

2. In management's opinion, a large percentage of people who have lost their jobs, or sense that they are about to be laid off, etc., exercise because they want to look and feel their best when they go out and interview.

3. In stressful times, people who exercise regularly not only feel better physically but also have the sense of maintaining a greater degree of control over their daily lives, sleeping habits and professional/personal relationships. There is now considerable peer-reviewed, supporting documentation in the medical literature.

4. So many medical studies (with new ones being announced every week) are proving that regular exercise help people lead healthier and more productive lives and also reduce health care costs. In fact, the evidence is now "overwhelming" in the opinion of health professionals.

Consequently, more and more "enlightened" employers are taking this pro-active approach helping employees and their families improve morale, absenteeism and lower cost of health care. Health insurance companies are offering more and more incentives. Legislation is now being proposed/introduced to offer tax incentives.

In the case of the Orchard Hill Athletic Club, this fourth factor is an important reason why we are committed to playing a greater role in the North Central Massachusetts region's medical community.



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• **How our workshops can help you!**

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# Programming Tip of the Month:

*Happy New Year To All Our New Members! - Profitable Programming Ideas for YOU*

By: Sandy Coffman

Yes, along with the New Year comes our largest influx of new members for the whole year. In fact, some say that 40% of your total annual membership joins on or around January 1st. While the usual focus is on new member sales, I'd like to suggest that the most productive focus should be on *programming* and *retention* strategies for all those new mem-

bers. It's easy to get caught up with seeing all the new members and even the many existing members who are coming back out of guilt, but remember, the drop-out rate is not only significant right after January, but the majority of attrition --people who quit or quit using-- actually comes from new members who *never got started!* Yes, you can bet that without the right programs, over half the people who come into your club in January will quit by the end of March.

One of the most important programs that must be put in place right now is your *introductory* program. A well designed *introductory program* must be made available in your cycling classes, group exercise classes, weight lifting classes, aquatics classes, yoga, dance, and racquet sports. Concentrate on your in-house marketing techniques aimed at your newest members, and you will eliminate that dreaded March drop-off.

One of the most popular programs that clubs use for new members is often called "Around the Club in 30 Days." In theory, it's a terrific concept. It is usually incentive-based and designed to get the new member into the club five or six times in the first month by experiencing five or six different activity areas. Each time the member comes in to the club, he or she must get a card signed or punched by a staff member indicating attendance in that class or exercise area. This is a seemingly easy program to entice the new member into the club, but frankly, it fails too often for several reasons.

Members are made up of many niches with various interests, skill levels, schedules, ages, and personalities. Dropping into an existing class or program could easily be intimidating or boring, depending on the nuances of the new member. Most certainly, some of the activities will be unfamiliar and done with reluctance at best. All too often, a one-time or first-time, drop-in member never gets that "sense of belonging" feeling that is so important to ensure a return visit. The program is often abandoned before completion, and that member will undoubtedly become one of your February drop outs. Lastly, let's face it, the staff may not be trained properly to communicate professionally with the new member, introduce him to others in a comfortable manner or successfully promote theirs or other programs in the club.

This example of a new

member program isn't all bad. It's a good idea that needs proper preparation and a good follow-up plan to ensure its success. "Always use one program to promote another." Even if you run this program, it should be in addition to separate introductory programs in all your activity areas. Here are some basic rules to follow and points to consider when setting up your very important *introductory programs*.

"Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas" explains retention in depth using the "Wheel of Logical Progression." The "Wheel" offers a full year of programming strategies ranging from the integration stage to the acceptance stage to the commitment stage. The six phases of programming techniques that follow begins with the introduction phase of programming and outlines the necessary keys to success as well as offering many different programs to add to your club immediately.

The introduction "spoke in the wheel" is the most important of all six spokes and usually the most poorly implemented. The biggest mistake made in the introduction program is that an instructor typically tries to give too much information! Think of the words that are important here--integration, orientation, introduction, a new beginning. They all mean getting new information; learning or trying something for the first time. Do not try to teach too much too soon.

There are three objectives for the participant within the introduction phase:

- Have Fun!
- Develop a new interest
- Experience some success

The introduction spoke

might consist of a one-on-one orientation, an introductory class, a new member party, a beginners' clinic, or some combination of these types of activities. The best advice here is to remember the KISS method --"Keep it simple, Simon." This is definitely not the time to show off, try to impress anyone with an enormous amount of knowledge or expertise or rattle on with unfamiliar or technical terms. The participant already has your attention and appreciates your knowledge. The goal of the introduction spoke is to create an environment that makes the participant eager to come back and learn more.

The member should feel confident, educated, and accomplished. An introduction program must leave the participant feeling at least somewhat successful. Don't confuse him, don't overwhelm him, but do compliment him and find a reason to applaud his efforts.

Once you have your new member introductory programs in place, it is time to use them in your marketing. These programs have an intangible value to prospects as well as existing members because happy new members will bring in 60-80% of your new business with referrals. By marketing your stellar programming, you will have a leading edge over your competitors every time. I guarantee that the work and effort of doing it right will pay off. Have a happy and prosperous New Year!

(To order Sandy's great new programming book, "[Successful Programs for Fitness and Health Clubs](#) 101 Profitable Ideas go to: [www.human kinetics.com](http://www.human kinetics.com) Contact Sandy: [SLCoffman@aol.com](mailto:SLCoffman@aol.com) or [www.sandycoffman.com](http://www.sandycoffman.com))



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| <input type="checkbox"/> Planet Fitness - Pg 2                      | <a href="http://www.planetfitness.com">www.planetfitness.com</a>             |
| <input type="checkbox"/> 2009 IHRSA Convention & Trade Show - Pg 34 | <a href="http://www.ihrsa.org">www.ihrsa.org</a>                             |
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