

# Norm Cates' CLUB INSIDER™

The "Pulse" of the Health, Racquet, and Sports Club Industry

Established 1993

2010 In Review

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

Lloyd and Roberta Gainsboro's Dedham Health and Athletic Complex...  
*A Jewel In New England*

**JANUARY 2010**  
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bodytraining systems

Stephen K. Shaw  
John Decker  
COURTHOUSE  
EDGE FITNESS CENTER

**Body Training Systems**  
*Built to Build Your Club Business*

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Phil Wendel and ACAC in a Top 5% Category  
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CLUB INSIDER

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PrairieLife 25th Anniversary  
FITNESS

**Prairie Life Fitness**  
*A Smart Balance of Fitness and Fun*

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NEWTOWN ATHLETIC CLUB  
NAC

**The Newtown Athletic Club**  
*A True Community Within a Community*

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Simon Meredith Celebrates 30 Years with East Bank Club

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Dr. Art Curtis Shares His Vision as New IHRSA Chairman

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COURTHOUSE ATHLETIC CLUB

**Courthouse Athletic Clubs' Fitness Coach Program**  
*Meeting At-Risk Members Head-on*

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shape Up Sisters®

**Linda Fondren**  
*Instituting The Local Shape Up*

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**18th Anniversary Special Edition!**

**Curt Beusman**  
*One of a Kind!*

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**2010 In Review**

**200th Edition!**

**DECEMBER 2010**  
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## DECEMBER 2010

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**Median Earnings Before Taxes:  
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America's fastest growing fitness franchise, with more than 700 units sold, invites you to begin your journey towards success and profitability. For information visit [www.planetfitness.com](http://www.planetfitness.com) or contact Mark Christie at [mark.christie@planetfitness.com](mailto:mark.christie@planetfitness.com) or 603-750-0001, ext 104.

\*Figures obtained from the median performing corporate store with more than 12 months of operating activity as published in Item 19 of our 2009 Franchise Disclosure Document (FDD), and as adjusted for audited financials completed after filing of the FDD. A new franchisee's results may differ from the represented performance. There is no assurance that you will do as well, and you must accept that risk.

# Norm Cates' CLUB INSIDER™

The "Pulse" of the Health, Racquet, and Sports Club Industry

Established 1993

## CLUB INSIDER Special Edition

### "2010 In Review"

By: Justin Cates

It feels like it was yesterday that I wrote, "Another year has flown by," in our 2009 In Review report. Well, now, it's the end of 2010, and it's time to review everything covered in CLUB INSIDER this year. As always, we worked very hard to produce a set of valuable cover stories, featuring amazing and successful individuals within the industry whose stories can help others in the industry. Our growing team of Contributing Authors presented many great articles on a variety of topics, any one of which can help your club business thrive and grow. We reported industry news as it happened, and of course, Norm Cates provided

another full volume of Norm's Notes, reporting the inside scoop on news affecting the industry, offering commentary and opinions, as well as honoring those that our industry and this world lost in 2010.

#### A Summary of Our 2010 Cover Stories

In January, we featured **Lloyd and Roberta Gainsboro's Dedham Health and Athletic Complex**. Coined "A Jewel In New England" by Norm Cates, this facility is a very unique sight to behold, and like **Phil Wendel's Atlantic Coast Athletic Clubs (ACAC)** chain, they have had great success in the area of Medical Fitness. Lloyd

and Roberta, along with Phil Wendel, were awarded the **John McCarthy Visionary of the Year Award** in March at IHRSA 2010.

In February, we featured five clubs owners and operators who have seen great success with Body Training Systems. They included **John Miller, President of Courthouse Athletic Club** in Salem, Oregon; **Stephen S. Roma, Chief Operating WoWzer of WoW Work Out World** in New Jersey; **John Bonica, Co-owner of Global Fitness Center** in Massachusetts; **Jason West, Co-owner of Gold's Gym Elite** and **Manager of Gold's Gym Max** in Columbus, Georgia; and **Mike Silva, Owner of The Edge** in Ramsey, New Jersey.

Following IHRSA 2010

in March, our March Edition presented interviews with and acceptance speech excerpts from award winners **Phil Wendel** and **Lloyd and Roberta Gainsboro** (John McCarthy Visionary of the Year Award) and **Mike Motta** (Dale S. Dibble Distinguished Service Award). Other award winners included **Pat Laus** (Award for Outstanding Community Service), **Jasmin Kirstein** (Julie Main Emerging Woman Leader Scholarship) and **Balanced Body Pilates** (Associate Member of the Year).

**Prairie Life Fitness**, offering a "Smart Balance of Fitness and Fun," was the cover subject of our April Edition. Sadly, in that edition, we also announced that Norman L. Cates,

Sr., father of CLUB INSIDER Founder and Publisher, Norm Cates, Jr. passed away at the age of 92 (Please see our **Memorial Tribute** to those who passed away in 2010 on **Page #6**).

In May, we featured **Jim Worthington's Newtown Athletic Club**, a great community-based club in Newtown, Pennsylvania and our June Edition celebrated **Simon Meredith's** 30th year with **East Bank Club**. Looking to the future in July, **Dr. Art Curtis** shared his vision of IHRSA as the new Chairman. Also in that edition, we were very sad to announce the passing of **Rudy Smith** (Please see our **Memorial Tribute** to those who passed away in 2010 on **Page #6**). (See "2010 In Review" Page 10)

## Planet Fitness Drops Personal Training!

By: Norm Cates

Big news just hit the industry, and it will alter the competitive environment of the health and fitness club industry for some time to come. Planet Fitness Co-founders Mike and Marc Grondahl and Chris Rondeau, have announced that the company will be dropping personal training as a service in all locations nationwide, in both corporately- and franchisee-

owned centers.

The Planet Fitness Team established a December 15th deadline for their corporately-owned centers to make the move and have informed Planet Fitness franchise owners that their deadline for the change is the end of the 1st Quarter of 2011.

This decision follows previous decisions that Planet Fitness leaders have made in shaping the Planet Fitness model over the years into what it has

become today, a blockbuster organization that's making it tough on competing health and fitness club operators everywhere Planet Fitness lands.

Those decisions included dropping child care and group fitness classes from the menu of early Planet Fitness Centers. Grondahl commented on those decisions, "You know what, Norm, if you really think about it, when we got rid of child care, we lost \$2,000 off of our EFT, but

we also dropped \$2,500 off our payroll (per PF location). When we got rid of group exercise, we lost \$4,000 off our EFT, but we also dropped \$6,000 off our payroll. Now, we're looking at it this way... We have personal trainers who are coming into our club making a ton of money, and they're always asking our members, "Will you buy a package? Will you buy a package? Will you buy a package?" I really (See *Planet Fitness* Page 7)



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# Norm's Notes



•**Hello Everybody!** This is your **CLUB INSIDER Publisher** and **Tribal Leader Since 1993** checking in! Glad to be here pounding this keyboard for you... on the *first issue* of our **18th year!** Merry Christmas, Happy Holidays and Happy New Year to you all! For the past 17 years, **CLUB INSIDER** has strived to give you the latest industry news first, and usually, our printed monthly editions contain reports and stories that will not be covered by our glossy friends until at least a month later. This month, our **Special 2010 In Review** was written by my son, **JUSTIN CATES**. Also included this month is **WILL PHILLIPS'** final article in his 15-part series, **Fifteen Steps To Paradise**. We also have articles by **Contributing Authors KAREN WOODARD-CHAVEZ, Dr. CARY WING** and **CASEY CONRAD**. Also, **MICHAEL SENA** of **Visual Fitness Planner** has provided **Part III** of his 3-part series, **3 Guaranteed Ways To Make Sure Your PT Department Makes Money!**

•Is America a great country or what!? Mmm... Mmm... Mmm! **Fantabulous** is a great new word that I learned from my friend in California, **SHANNEN CAMARENA** of **Apex Fitness**,

as she just emailed a *Fantabulous* New Year wish. Thanks Shannen! So, I'm going to pass that new word, and my wish for you, forward by wishing y'all a **Fantabulous New Year, too!** And, I'm going to tell you why I think 2011 is going to be a great New Year. In my opinion, 2011 is going to be a great New Year for America and our industry because "We, the people" have gotten the attention of our elected representatives in Washington D.C. and that's going to result in an increased degree of fiscal responsibility and more citizen-focused legislation by the Federal Government, which will in turn lead to more jobs and a better business climate for everyone. So, I urge you to prepare for better times!

•**IHRSA30**, the **30th Anniversary IHRSA Convention and Trade Show** is scheduled for **March 16-19th** in **San Francisco**. If you've never been to an IHRSA Convention and Trade Show, and you make your living in this industry, I urge you to go in March. The key reasons why are:

1. **Networking** with other club owners from across North America and around the world. Nowhere else will you find a greater

opportunity to meet and learn from other club owner/operators. The **Networking ALONE** is worth the cost of the conference, airfare and hotels, etc.

2. **An amazing educational schedule** provides you with the benefit of **200** or so industry experts who share their knowledge in seminars.

3. **The Keynote speakers** are always terrific, and this year is no different with **DANIEL PINK, PATRICK LENCIONI, TONY HSIEH** and **PHIL KEOGHAN**. By attending **IHRSA30**, you will better prepare yourself to lead your business into a revived economy and take advantage of the opportunities that come your way.

4. **The World Class IHRSA Trade Show** will provide you with two days of Trade Show, with seven hours each to research and buy the newest products and services in the industry from several hundred IHRSA Exhibitors.

Call **(800) 228 - 4772** to register for the convention and to **join IHRSA** or go to **www.ihrsa.org** for information. In the mean time, **work smart and hard, stay positive and stay tuned!**

•According to **IHRSA's JAY ABLONDI**, the **IHRSA30 Yearbook deadline** has been extended to **Friday, December 17, 2010**. It takes only a few minutes at **www.ihrsa.org/yearbook** to submit your photo and comments. Club owners/operators, industry suppliers and manufacturing professionals are all encouraged to participate. It's fast, fun and FREE!

•About five years ago, I was contacted by a West Coast publication for comment on **AUGIE NIETO's** impact on the fitness world. The most honest thing I could tell the reporter then was that, in my opinion, Augie Nieto was the **"Henry Ford of the fitness industry."** That's *still* my opinion. I can add one thing, though. Back in the early 1980s, I was one of **RAY WILSON's (the Founder of Lifecycle)** and Augie Nieto's early customers when I acquired **66 Lifecycles** for my two clubs in Atlanta. I can say for sure that those yellow, blue, red and

white Lifecycles energized my clubs, and my members just loved them. Today, it's amazing to look back on the story of how Augie Nieto, as a college kid with a great entrepreneurial spirit, took the opportunity of working with Ray Wilson on Lifecycle to go on and hit a true home run in the fitness industry worldwide, a homerun now called **Life Fitness**. Way to go, Augie! We love you! Please see **John McCarthy's Note Below** and the **Bash for Augie's Quest Ad** on the **Opposite Page**.

•**JOHNNY KEEL** was a longtime health and fitness club industry veteran and friend whom I've enjoyed seeing at **IHRSA Conventions** over the past 29 years. He was a longtime IHRSA member and supporter. He met his wife, **PEGGY**, at the **IHRSA Convention** in 1990, sold his clubs, **Johnny's Keel's Northwest Fitness Centers** in Austin, Texas and moved to Lebanon, Tennessee to help her with her club, **Sports Village Fitness**. I'm very sad to report that Johnny passed away on **November 25th** after a tough 10-year battle with colon cancer. His photo and obituary are on **Page #6**.



**Norm Cates**

•**Star Trac** has announced that they've filed what is called an **"Assignment for the Benefit of Creditors"** to provide them with the ability to move on in business efficiently. Contrary to industry gossip, Star Trac has not filed for bankruptcy; however, observers say this is not a clear situation. More to follow. Check out the **Press Release on Page #29**.

•**CLUB INSIDER's** October cover story subject, **LINDA FONDREN**, the owner of the **Shape Up Sisters** ladies-only health club in Vicksburg, (See *Norm's Notes* Page 8)

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**18 Years and Counting - Edition #204**

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Hi Norm,

I want to thank you for your past support of the BASH and for your generosity to Augie and his Quest. You have made it possible for Augie and his team to change the landscape of ALS drug development. Norm, your support of the Bash in **CLUB INSIDER** has been nothing short of magnificent...

Thanks to Augie, and to you, and to other fitness industry leaders, we have now been able to:

Develop a drug that *significantly slows* the paralysis in animal models and create a therapeutic delivery system for the drug.

Augie and MDA are now negotiating with a large biopharmaceutical company in order to bring this drug to human clinical trials. They believe that we are now on the brink of making an announcement which will be medical history in the making!

**With your support, it is our hope that, in 2011, people like Augie will be able to participate in one of the most exciting human trials in the history of ALS research.**

We expect that his year's BASH on March 18, 2011 in San Francisco will be a magical evening in which we will announce the most exciting breakthrough in ALS research in many years. For information on this year's BASH, please visit **www.augiequest.org/bash**.

Best Regards, and I hope to see you there!

John McCarthy

# Save the Date – March 18, 2011!

## 6th Annual BASH for Augie's Quest

### San Francisco Marriott

I spent my whole life  
helping people build muscles  
and now I'm fighting my own  
battle against muscle disease.

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strength behind MDA  
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**AUGIE & LYNNE NIETO**  
MDA's ALS Division Co-Chairs  
MDA's Augie's Quest Chief Inspirational Officers



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# Johnny Keel

## 1949 - 2010

John Robert "Johnny" Keel, age 61, passed away on November 25th, 2010 after a courageous decade-long fight against colon cancer. A native of Ballinger, Texas, he was born on August 1, 1949 to Gene and Nell Reynolds Keel.

Johnny was an inspiration to all, but he was a better friend. While battling cancer, he took time to help others who found themselves in similar circumstances. Even when he was feeling bad, his positive attitude toward life inspired everyone around him to be positive as well. All who knew Johnny were

motivated by his bravery and strength. He will be greatly missed.

He is survived by his wife, Peggy Keel, who was his friend, soul mate and the love of his life. He described her as a wonderful quarterback during his illness and wanted her to know how grateful he felt for her fighting by his side. "I thank her from the bottom of my heart for all she did to keep me alive."

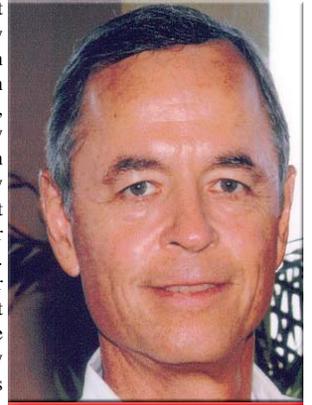
He is also survived by his son, Todd Keel, of Dallas, Texas and sister, Genie (Mike) Vogler, of Georgetown, Texas. His surviving stepchildren are Jeff (Nicole) McMillen

of Lebanon, Tennessee and Laura Jill (Andrew) Trantum of Hendersonville, Tennessee. Surviving grandchildren are Gavin and Liam McMillen and Rylee Laine Trantum.

Johnny graduated from the University of Texas in 1972 and opened Johnny Keel's Northwest Fitness Centers in 1979. The longest serving fitness centers in Austin, Texas, he owned the successful business until 1999. After selling his business, he worked for many years with his wife at Sports Village in Lebanon, Tennessee, serving as Co-owner and General Manager.

An avid golfer for most of his life, Johnny played briefly for the University of Texas. As an accomplished amateur, he won the prestigious Devlin Trophy, finished second in the Harvey Penick Invitational, ranked in the Top 5 of the Austin City Championship three straight years and was Five Oaks Senior Champion in 2005, 2006 and 2007.

Johnny was a member of the First United Methodist Church in Lebanon, Tennessee and was a member of the Rotary Club of Lebanon, in which he was honored as a Paul Harris Fellow.



Johnny Keel

## In Memory of Those Who Passed In 2010

By: Norm Cates

The year 2010 was one in which our industry lost several wonderful friends. It was also a year in which I lost my Dad, two of my 1967 North Carolina State football teammates and a good friend here in Atlanta.

**Rudy Smith** was a true industry icon who had been a pioneer in our industry all the way back to the 1950s. Later in life, he took a single Las Vegas Athletic Club from a "hanging on" status to a dominant 6-club chain. Rudy and his lovely wife, Virginia, were wonderful people to know and will be missed by all who knew them.



Rudy and Virginia Smith

**Leroy Merritt** was a high-powered real estate man in the Baltimore area, and his ten Merritt Athletic Clubs now occupy a prominent standing in the Baltimore market. He passed away on January 25, leaving behind a legacy as one of the most respected developers in the region. He was 79 years old and died due to complications from cancer. Merritt founded Merritt Properties LLC in 1967 and later expanded the company to operate Merritt Athletic Clubs, a string of fitness centers in Greater Baltimore. Leroy's son, Robb, carries on with the Merritt family enterprises and the Merritt Athletic Clubs now.

**Tony Nowak** was well known in the bodybuilding world and played himself as "Big Tony" in the landmark film, *Pumping Iron*, released in 1977. He was a former training partner of Arnold Schwarzenegger and later became known as the creator of the famous "Arnold jackets." He passed away from a heart attack while vacationing in Italy with his son.

**Dennis Tinerino** was a 4-time Mr. Universe, Mr. America, and Hall of Fame Bodybuilder who went on to become a Christian evangelist with a worldwide ministry. He passed away at the age of 64.

**Jane Beusman** was the wife of Dr. Curtis Beusman, Founder of the Saw Mill Club in Mount Kisco, New York and the Mother of Rick Beusman. Jane was a wonderful lady who was a true thinker, just like her husband, Dr. Curtis Beusman.

**Charles Tartella** was a longtime industry veteran who had retired to Lakeway, Texas. He passed away on August 27th after a long illness. Charles was a great guy and a true industry pioneer as one of Ray Wilson's top operators in the 1950s and 60s.

**Norman Cates, Sr.** my Dad, passed away at the age of 92. He battled for life for nine weeks after suffering severe burns to the top of his right leg. Ultimately, being unable to sit

upright led to his contracting of pneumonia. He died at 10:27 AM on April 6, 2010, and I was by his side when he drew his last breath. My Dad was a child of the Great Depression and entered the U.S. Army at age 17. He served in World War II on the island of New Guinea and served during the Korean War while based on the formerly Japanese island of Okinawa. After spending 21 years in the Army and the Air Force, he worked for Pratt and Whitney Aircraft, a Division of United Technologies for 27 years.

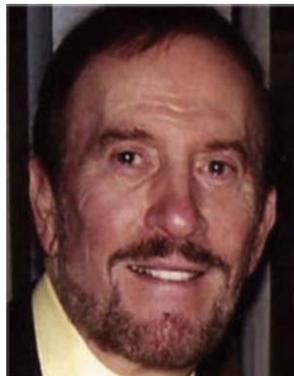
**Lloyd Spangler** and **Dennis Byrd** were football teammates of mine at North Carolina State University. Lloyd and I played on the offensive line for the 1967 N.C. State Football Team that had a 9-2 record and defeated



Norman L. Cates, Sr.

the University of Georgia in the 1967 Liberty Bowl. At 6' 5" and 270 pounds, Dennis Byrd was a 2-time All American defensive tackle and 3-time 1st Team All Atlantic Coast Conference Team selection. Our 1967 football team missed winning the 1967 National Championship by just one foot when a 4th down and one foot to go play at the goal line at Penn State failed.

**John Hunsinger** passed away on October 24th from Alzheimer's Disease. John was a star football player at Brown High School in Atlanta and the Valedictorian of his Senior Class. He was also a star football player at running back for Georgia Tech and played on Coach Bobby Dodd's undefeated (See In Memory Page 19)



Charles Tartella

## ...Planet Fitness

continued from page 3

think that, when we kick the personal trainers out, our members are just going to fall further in love with us."

Mike Grondahl and his team have a track record to prove that they know their business model well and they do make moves that could be described as daring, i.e. dropping child care and group exercise.

CLUB INSIDER reached out to one industry veteran who has just recently taken the dive into the franchising world. He's taking his business in the direction of the low-cost model that's been so successful for Planet Fitness,

and this operator's club group has already succeeded for a long time with the Judgment Free Zone style membership presentation that has stood so well for Planet Fitness. This organization's brand boasts of "No Judgments," and the owner/operator is Mark Mastrov of 24 Hour Fitness fame. The brand is Crunch Fitness, and they recently announced their new franchise program. They will also be going after the low-cost model for their Crunch Fitness franchise operations.

Mike Grondahl, when reached by CLUB INSIDER a few months back for comment on Mastrov's latest moves with Crunch Fitness said, "I hope the industry is paying attention.

There is a train coming, and the conductor is Mark Mastrov!" We contacted Mark Mastrov on November 15th for a comment on the Planet Fitness' move of dropping personal training, and he said, "Mike's a smart guy and knows his brand best. His decision must have been predicated on removing PT to better support his brand's workout experience."

Indeed. We caught up by phone with Mike Grondahl, while he and his team were on the road visiting clubs in Connecticut. He said this about personal training in their clubs, "It just does not make sense. We just looked at it and said to ourselves it doesn't make sense." Grondahl added, "I think one of the bigger reactions will be from our franchisees because a fair amount of them have built up substantial personal training business."

CLUB INSIDER attempted to contact several of the biggest Planet Fitness franchise owners for comment. We called and left messages for Joe Pepe, Bill Whitmore and Gerald Kennedy asking for a return phone call, but none of them returned the multiple phone calls. An email response was received from Jerry Mastrangelo, the owner of five Planet Fitness locations in Connecticut who wrote, "Dear Norm, I would rather not comment on this subject at this time. Thank you for your time, Jerry Mastrangelo."

However, we did speak to Pat Catino, who owns two Planet Fitness locations in Tewksbury and Somerville, Massachusetts and Bob Viani of Poughkeepsie, New York, one of the earliest Planet Fitness franchisees who started in July of 2004. Viani has five operational facilities and three new locations coming online starting in January 2011.

Pat Catino, when asked his opinion of Planet Fitness' decision to drop personal training, said, "Well, you know as far as buying into the franchise and taking the decision with open arms, I have to go with the corporate decision. Our personal training is minimal anyway. Plus, we offer the PE@PF training program for our members. If the PE@PF program is applied properly, our members will be happy. I realize it was a corporate decision. What are you going to do? If I owned a McDonald's, and they decided to pull cheeseburgers, then I'd pull them. I go with the corporate decisions. I just own two single gyms, and

they have close to 400 locations, so it probably behooves me to listen to them. What do I know? I think that's the consensus for most of us. For some of the guys who own 15-20 locations, I don't know how that will affect them. For me it doesn't make sense to complain about it."

Bob Viani said, "It doesn't affect me whatsoever because we don't sell personal training. The upside of this is we're going to give more service to our members by offering more free training, including free weights. This will also provide us with a "feeder system" for the Manager and Assistant Manager more so than the independent kind of feeling we have now. The biggest factor is that none of your members get hammered by personal trainers. In our gyms, I would guess that only about 1% of our members even want personal training. Plus, personal trainers hammering members is a big negative in a lot of clubs. You have the clubs that offer the two free sessions of training to start, but really, all that is happening is that they are *disguised* and are going to try to sell you personal training. So, I look at this move as a positive."

Thanks Pat and Bob for your time on the phone.

### Clean, Simple and Much Less Intimidating

One of the things that has kept Planet Fitness rolling along and dominating their marketplaces, in addition to their \$10 month dues, is that their model is simple and focused on (a) keeping clubs friendly and clean and (b) creating a place... an environment where people are comfortable going. Planet Fitness has produced record-setting membership numbers, reportedly 2.3 million now.

Intimidation by meat-headed lunks who're screaming with each repetition is one of the most significant anti-health club factors in the industry, according to a 2005 IHRSA Study. Planet Fitness faced the problem head-on long ago. In fact, each Planet Fitness has what they call their "Lunk Alarm," which is sounded loudly by Management whenever a meathead slams a barbell or dumbbells onto the floor or is causing a commotion that makes it obvious that his primary objective is for people to notice him.

The other thing that has kept the Planet Fitness

model rolling is that Grondahl's Team has kept the operation simple for both the franchisees and the consumers. This move to no personal training further simplifies the operation, and it will immediately provide Planet Fitness members everywhere with a much more hassle-free health club environment because personal trainers will not be lurking and repeatedly saying over and over, "Will you buy a package?" That can get old fast, and my bet is that it was old in many Planet Fitness Centers already and is old in clubs across America.

Importantly, Planet Fitness provides all of its members with *FREE fitness training* with group sessions they call PE at Planet Fitness. A glance at the schedule of these PE classes shows that the Planet Fitness members will not be lacking for fitness training due to this move to drop the personal training. I agree with Grondahl in his assessment that the "average Planet Fitness member" is going to love them for dropping PT in their facilities because the "PT Hustle" will be gone. My bet is that *millions of members* in health clubs of all kind across America would welcome a PT-free environment in their clubs for the same reason Grondahl predicts his 2.3 million Planet Fitness members will love them for making this change!

In a time when club operators across America are trying to figure out what new things to do to survive the Great Recession, as it lingers on in America, Mike Grondahl and his Team have made a major chess move that will make waves across our industry in America because the move was made to make their facilities more comfortable for their members.

### Stay Tuned!

*(Norm Cates, Jr. is a 36-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 18th year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at (770) 850 - 8506 or email at Norm@clubinsideronline.com)*

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## ...Norm's Notes

continued from page 4

Mississippi was **one of only ten people** who were picked as finalists from **10,000** contestants for **CNN's 2010 HERO of the Year Award**. On Thanksgiving evening, the **2010 CNN Hero** was announced. The winner of the contest was **ANURADHA KIORALA** of **Napal**, and we congratulate her! I also want to congratulate Linda again for her honor of being in the top 10 and extend best wishes to her and her Shape Up Sisters Club in Vicksburg!

• **WOW!** When I learned that **ROYCE PULLIAM's Urban Active had closed not one, but several of its locations in Ohio**, I was really wondering what the heck was going on up there. Recently searching "**Urban Active**" on **Google** again, I was stunned at the write-ups and review by *former Urban Active members/customers*. **Talk about a lack of TRUST in the community!** Because of space limitations, I can't cover those posts, but you can find them on your own via a Google search. These very angry and nasty member comments really don't bode well for Pulliam and his Urban Active organization. I also understand the Better Business Bureau has an opinion on Urban Active, as well. Stay tuned for news on that!

• **Arkansas-based ABC Financial**, one of the country's largest providers of health club billing services, announced the launch of **ABC Merchant Services (ABCMS)**, a subsidiary of **ABC Financial Services, Inc.** ABCMS is a direct payment processor providing businesses both inside and outside of the fitness industry with the ability to accept most forms of electronic payments. **KEITH TRAWICK**, Senior Vice President of ABC Financial, will take over the position of President of the new company. Check out the **Press Release on Page #21**.

• **Get the Recognition You Deserve!** IHRSA annually offers both the **Julie Main Woman Leader Scholarship** and the **Outstanding Community Service Award** to recognize excellence and to discover and share industry best practices. Get the recognition you deserve, and help others emulate your success. Apply now at [www.ihrsa.org/awards](http://www.ihrsa.org/awards).

The **deadline for applications is December 31st**.

• **Breaking news out of Portugal** where **PEDRO RUIZ, CEO of Vivafit**, the country's largest chain of health clubs, has warned that up to a third of the health clubs in the country could be forced to close due to the government's decision to increase the Value Added Tax (VAT) on fitness services from 5% to 23%! Speaking to **Health Club Management Magazine**, Ruiz accused the government of "persecuting" the fitness sector. "Since the government's announcement of the increase in tax, the number of membership cancellations at clubs has skyrocketed to levels never seen before," he said. "As a result, hundreds of fitness clubs are already closing doors, and I expect at least 30% of fitness clubs to close doors during 2011." **Stay tuned!**

• **JOE MOORE, IHRSA's CEO and President**, will be attending a **White House Briefing** on childhood obesity to share ideas on how the private sector can come together to help young people be more active physically. **ROBINS SCHEPPER, Executive Director of Let's Move**, will present the briefing with other senior officials. "I look forward to the briefing and discussing how health clubs are an important resource," says Moore. "Today, health clubs serve more than 4.8 million members under the age of 18, including 1 million between 6 and 12 years old, and just over 3 million between 13 and 17. So, health clubs have an important role to play in the fight against childhood obesity."

• **More late breaking news from IHRSA** as it was invited to attend the launch of **Healthy People 2020** on **Thursday, December 2nd** in **Washington, D.C.** **IHRSA's Senior Public Policy Manager, TOM RICHARDS**, will be attending representing IHRSA. The **Healthy People 2020** objectives are aimed at reducing the nation's most significant and preventable threats to national health. IHRSA took part in reviewing and providing recommendations on the draft version of the objectives last year. "I'm very much looking forward to the launch and implementation of Healthy People 2020. Clearly, IHRSA clubs are poised to play an even more vital role in the health of our nation over the

next decade," says Richards. The program will include remarks from senior HHS officials and members of the Secretary's Advisory Committee on National Health Promotion and Disease Prevention Objectives for 2020. There will be an introduction and orientation to the **Healthy People 2020** website and objectives, followed by a panel discussion about the uses of **Healthy People 2020**. For more information on the date and time of the event, visit [www.healthypeople.gov](http://www.healthypeople.gov).

• **XSport Fitness** has announced four new locations coming in 2011 in **Arlington and Fairfax, Virginia; Massapequa, New York (Long Island) and Chicago, Illinois**. Check out the **Press Release on Page #26**.

• **LARRY GURNEY, Founder of Rush Fitness** in Knoxville has announced the upcoming opening of a new 20,000 square-foot **Rush Fitness Complex** in Lenoir City, Tennessee. This will be the 22nd Rush Fitness location, and it is scheduled to open in **January, 2011**.

• **Retro Fitness** in downtown **Allentown, PA** has closed its doors. A call to the club phone number was answered by a voicemail message saying the mailbox was full. Allentown is also served by two **Planet Fitness** locations that have 15,000 members.

• **The Medical Fitness Association (MFA)** recently announced that **Mike Dupuis, MA., CCM, VP/Executive Director for HealthWorks Fitness Center** in El Dorado, Arkansas, has been elected **President and Chairman of the Board of Directors** for 2011 and **KEN GERMANO** has been named **Executive Director**. **Congratulations** to both of my longtime industry friends! Mike Dupuis, a 35-year industry veteran, served on the MFA Board of Directors since 2004. Mike was awarded the **MFA Distinguished Director Award** in 2004 for his work at **HealthWorks Fitness Center** in El Dorado, a town of 20,000 residents. Remarkably, HFC serves nearly 5,000 members! Dupuis is also one of a handful of qualified individuals around the country that certify medically-integrated fitness facilities using **MFA's "Standards & Guidelines."** The MFA is located in Richmond Virginia and is made up of over

1,000 professionals representing 400+ medically-based health and fitness centers throughout the United States. Ken Germano, former pro baseball player and 30-year industry veteran, was formerly the **President at ACE**. Best wishes to Mike and Ken and their **MFA Team** as they move forward in 2011!

• **Folks, the year 2010** went by in record time for me! Reflecting back, my son, **JUSTIN**, and I visited my **Dad in Springhill, Louisiana** for his **92nd Birthday on December 27, 2009**. During our visit, I asked Dad if time seemed to fly by to him at his age. He said yes and that it seemed the older he got the faster it went by each year. We enjoyed our visit with Dad, and we looked forward to seeing him again soon. Then, just a few days later, my Dad had a terrible accident when he set his right leg on fire accidentally while building a fire in his wood burning stove... something he loved to do and had done safely thousands of times. But, as he described to me what had happened on the fateful night of January 31st, not long after I had spoken to him on the phone that evening, Dad discovered he had run out of kerosene, a safe liquid he routinely used to dip his kindling wood into to build his wood fires. So, making a blunder that cost him his wonderful life, he went to the garage and poured a little bit of gasoline into a small jar. As he told me later on, "Apparently I got some of the gas on my right pants leg when I was dipping the kindling sticks, and when I fired the lighter up to light the fire in the stove, the spark jumped and my right leg lit up, too. I was jumping around the living room trying like hell to put that damned fire out." Well, Dad was able to put the fire out, but he experienced severe third degree burns on the entire top side of his right leg.

Over a period of nine weeks, Dad was in and out of the LSU Burn Center in Shreveport, Louisiana two times and had two skin grafts. Then, he was in a local rehab place for a while. We then put Dad on a charter jet ambulance so he would be here in Atlanta, and we could visit him more during his recovery. But, he was not recovering well. He lost over 40 pounds and just would not eat. He spent two weeks in a rehab center here in Atlanta before he was moved to the St. Joseph's Hospital, a place

with truly amazing and wonderful people, where Dad passed away two weeks later from pneumonia at 10:27 AM on April 6, 2010. I was right by his side when he went to Heaven.

Losing my beloved Dad in this manner was the most sad and horrendously emotionally painful experience of my entire life, and I'm not sure if I will ever get over it. If I am different when I see you at IHRSA San Francisco, please forgive me. But, because I consider all of you friends of great importance in my life, I just felt I could not go on without telling you what happened to my Dad. I want to thank all of you who communicated with my family and I after Dad passed away. He was a great American, a veteran of World War II and the Korean War, and he was tough as hell. He taught me how and why I should be an American patriot, and he taught me to love America and our troops with all my heart.

It's with tears streaming down my face right now as I write these words remembering my Dad. For me, these are very important words from deep in my heart to you, and I ask you all to join in with me right now to say a prayer for our troops over in Afghanistan and Iraq and around the world that they are safe and that they come home to their families without injury as soon as possible. Please join me in this prayer by remembering that it is these troops that protect our rights and the liberties we all enjoy as Americans, so please do remember them this Christmas and New Year time of year. And, if you are at any airport and encounter any of our troops during the Holidays, please pat anyone of them you can on the back and say "Thanks for serving our country." Every time I do that at an airport, you can see the deep appreciation in their eyes. **God bless our troops, airmen and sailors that are at war and serving America around the world.**

• **God bless you and your family and may 2011 be a surging and winning year for you and your clubs.**

(Norm Cates, Jr. may be reached by phone at (770) 850 - 8506 or email at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com))

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...**"2010 In Review"**  
 continued from page 3

In August, **CLUB INSIDER** celebrated its **200th Edition** milestone, and plans for the future of the publication were shared by **Norm Cates** and this author. Our September Edition featured a more in-depth focus on **John Miller** and his **Courthouse Athletic Clubs' Fitness Coach Program**. In October, we featured an inspiring story about **Linda Fondren**, who is "Instituting the Local Shape Up" in Vicksburg, Mississippi with her **Shape Up Sisters** club and was honored as a Top 10 Nominee for this year's CNN HERO of the Year Award.

Finally, in November, we featured an in-depth feature on the one-of-a-kind **Dr. Curt Beusman**, who shared his amazing career, including his experience as Co-Founder of a company called Curtis Instruments that developed instruments used on the Apollo Lunar Lander, the opening of his Saw Mill Club in Mt. Kisco, New York, its expansive growth over the years and successfully completing a family transition of the business, putting the now 3-club operation under the direction of his son, Rick Beusman.

What a story to end the year!

**Thank You**

First, we want to thank you for reading **CLUB INSIDER**. Our Mission Statement is "To help the owners and operators of health, racquet, and sports clubs professionalize their clubs and gain the trust and business of their community." We appreciate the opportunity to serve you. Additionally, we would like to thank our **Advertising Team** and **Contributing Author Team** because, without them, **CLUB INSIDER** would truly cease to exist. Our industry has a need for learning, sharing and knowledge advancement, and this publication's sole purpose is to help fill that need. We never forget our challenge and are thankful for it every day.

**A Note About Subscriptions**

Before we move forward, let me mention our **Paid Subscription** options. Some of you reading this are doing so on a complimentary basis via a promotional copy. If the words "PROMOTIONAL COPY" appear above your address on the front cover, you are not

reaping the full benefit of a **Paid Subscription** to **CLUB INSIDER**. One thing to think about when considering a subscription investment to **CLUB INSIDER** is that for just **\$49**, you will receive twelve months of printed and online editions **plus** six years of online archived editions! Or, for **\$89**, you will receive two years of printed and online editions **plus** six years of online archived issues. By the way, our online archives will continue to increase in 2011, as we will be adding more and more previous editions, each with great stories and valuable articles that can help your club business be more successful heading forward in 2011 and beyond. So, your value will continue to increase every month. While reading this note and this edition, please remember that you may not receive a promotional copy next month or the month after because we alternate our promotional copy mailings frequently. So, we urge you to go to [www.clubinsideronline.com](http://www.clubinsideronline.com)/subscribe today. It only takes a couple of minutes to subscribe securely through our website, and you will have a wealth of industry information at your fingertips!

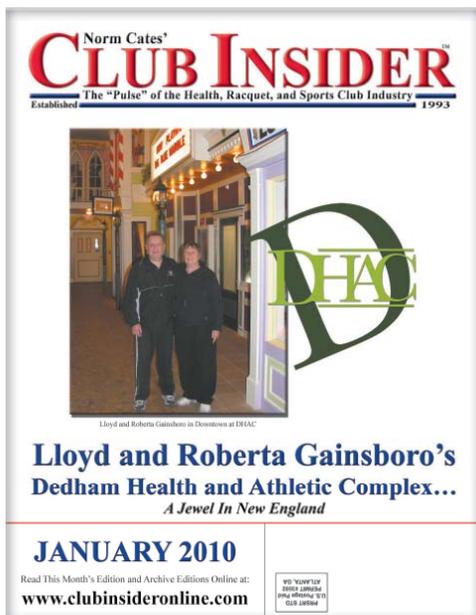
**And Now, 2010 In Review:**

By: Jeffrey Keller •Why We Train - By: Shawn Vint •Programming for Children - By: Sandy Coffman •Apex Introduces New Fat Loss Products •World Gym Names Getmembers.Com as New Direct Marketing Partner

**Norm's Notes**

•Happy and Healthy New Year •Jane Beusman Passes •Happy 92nd Birthday Dad •CatesFit Media Launched, and Happy 25th Birthday Justin •Planet Fitness Holding Another Discovery Day •New Jersey Legislation Stopped, For Now... •Happy 48th Anniversary to Red's Lerille's Health and Fitness Club (Now known as Red's) •Happy 82nd Birthday Ray Wilson •New Year Message From IHRSA's Joe Moore •The Importance of IHRSA Public Policy •Potential Sales Tax on Services Bill in Kentucky •Welcome Back to Previous Advertiser, World Gym •Welcome to New Advertiser, NFPT •First UFC Gym to Open January 23rd •Jeff Klinger Leaves Anytime Fitness •Welcome to ABC Financial's Paul Sage •Apex Fitness Launches Fat Loss Product Line •Golf Legend Greg Norman Endorses Cybex Products •Phil Wendel Reports Great 2009 Results •Henry Polesky's Fitness World Chain Sold to NBA Star Steve Nash •The Riverbend Club Celebrates 30 Years •Chuck Leve Becomes Executive Director of AFIRM •MLB's Joe Mauer to Appear in Anytime Fitness Advertisements •Bianca Boone Joins iGo Figure •Rick Caro Joins Motionsoft's Board of Directors •Stairmaster and Schwinn Among Commercial Division Sold By Nautilus •Six Spa Lady Clubs Sold to The World Clubs •Stay Strong in 2010!

**January 2010**



**Front Page Article Headlines**

•Jeff Klinger Leaves Anytime Fitness •A New Year's Message from Joe Moore, IHRSA's Esteemed CEO/President

**Insider the Insider**

•Advertising: Don't Spend Good Money on Bad Ads - By: Derek Barton •Key Performance Indicators - By: Will Phillips •Community Giving: Is It the Secret to Success? -



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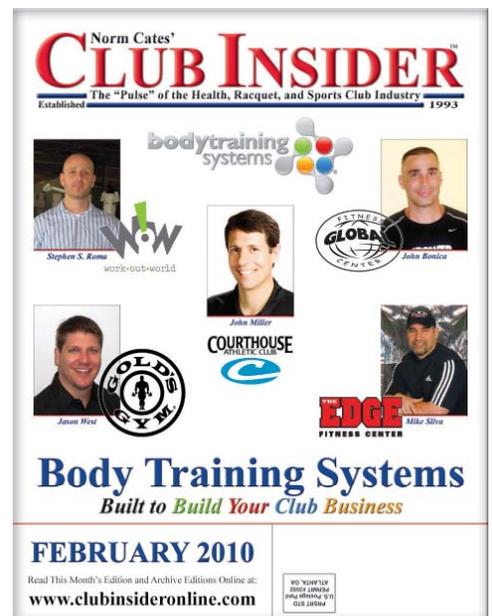
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(See "2010 In Review" Page 12)

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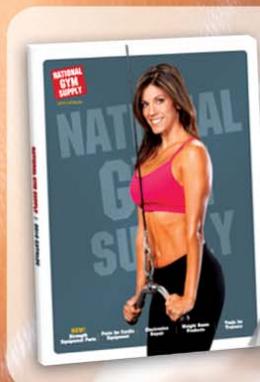
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... "2010 In Review"

continued from page 10

February 2010

Front Page Article Headlines

●Trustmark Mutual Company Acquires Health Fitness Corporation ●IHRSA Heartily Applauds First Lady's "Let's Move" Initiative and Vows Support

Inside the Insider

●Monthly Management Meetings That Pay For Themselves - By: Will Phillips ●Uncertainty or Stability for 2010? - By: Karen Woodard-Chavez ●Yoga Bears! - By: Sandy Coffman ●Larry Gulko Joins Cybex As Chief Marketing Officer

Norm's Notes

●Get Well Soon Dad! ●Condolences to the Merritt Family ●"Oh Canada!" ●Body Training Systems ●Big John McCarthy Chairs Augie's Quest Bash Committee Again ●Congratulation to Incoming IHRSA Board Members ●LifeTime Fitness Launches Life Power ●Welcome to New Advertiser iGo Figure ●Michelle Obama's "Let's Move" Campaign ●Shane Franklin Still At Large ●Rick Caro's 14th Annual Financial Panel ●Michael Levy Launches eMbody ●Congratulations to Tim Richards ●Equinox Completes \$425 Million Refinance ●Sport&Health Opens 24th location ●Spa Chakra Files For Chapter 11 Bankruptcy ●PowerPlate North America Beefs Up Management Team ●ICAA Names 2009 Innovators Award Winners ●Join IHRSA Today!

March 2010

Norm Cates' **CLUB INSIDER**  
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**CLUB INSIDER**  
 Phil Wendel and ACAC in a Top 5% Category  
 APRIL 2009

**CLUB INSIDER**  
 Lloyd and Roberta Galambos's Business Health and Athletic Complex  
 MAY 2010

**CLUB INSIDER**  
 Success By Association  
 MIKE MOTTA  
 Plus One In The Big Apple!

**CLUB INSIDER**  
 Clubs for the Cure  
 Producers Massive Effort To Attack ALS  
 MAY 2010

**The 2010 IHRSA Awards**

**MARCH 2010**

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NO QUANTITY DISCOUNTS FOR ORDERS OF 500 CLUBS

Inside the Insider

●Killing the Goose That Laid the Golden Egg - By: Norm Cates ●Avoid "Commoditizing" Your Club's Product and Service Offerings - By: Dr. Edward M. Slover ●Market Well To Sell Easier - By: Will Phillips ●We Are Bad At Retention - By: Thomas Plummer ●A Club Within Your Club - By: Sandy Coffman ●Music Tariffs in Australia and Canada Likely to Expand to the United States and Other Countries ●MFA Announces Second Annual Medical Fitness Institute ●ABC Financial Product to Offer Online Enrollment ●24 Hour Fitness Commemorates Historic El Cajon Club

Norm's Notes

●Coverage of the 29th IHRSA Conference and Trade Show

in Sunny San Diego ●Coming Next Month: "Imagine Our Industry Without IHRSA?" ●\$940,000 Raised for Augie's Quest! ●And the Winner is... ●Joe "Guitar Hero" Moore ●Herb Lipsman Joins Houston Oaks Country Club ●The Continued Importance of IHRSA Public Policy ●iGo Figure Enjoys IHRSA Show Success ●Music Tariffs in the United States ●Thanks to Karen Woodard-Chavez ●Elite Sports Clubs Named 2009 Milwaukee Best of Business Award Winner by SBCA ●Industry Injuries ●Ted Torcivia Enjoys "Promised Land" ●Peter Moore Launches Integrity Square ●Congratulations Dennis Holcom and Nikki Layke ●Congratulations to IHRSA Team

April 2010

Norm Cates' **CLUB INSIDER**  
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**PrairieLife Fitness 25 YEARS STRONG**

**PrairieLife Fitness**  
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**APRIL 2010**

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NO QUANTITY DISCOUNTS FOR ORDERS OF 500 CLUBS

Front Page Article Headline

●Norman L. Cates, Sr., Father of Club Insider Founder and Publisher, Norm Cates, Jr., Passes Away at 92 - December 27, 1917 - April 6, 2010

Inside the Insider

●The Right Team - By: Will Phillips ●Launch A Summer Referral Promotion Now! - By: Chris Russo ●Becoming an "Inclusive" Industry - By: Sandy Coffman ●Apex Fitness Introduces bodybugg mobile! ●Orchard Hills Athletic Club Receives 2010 Business of the Year Award

Norm's Notes

●Anytime Fitness Opens 1,300th Location ●Where in the World is Shane Franklin? ●Robert Giardina (re) Named President and CEO of Town Sports International ●Thomas Plummer Releases New Book ●Thank You To IHRSA2010 Exhibitors ●Apex Fitness Launches bodybugg mobile ●Visual Fitness Planner Remains Strong ●Club Industry East - May 5-7 in New York City ●Green Valley Athletic and Tennis Club Honored ●Congratulations to Randy Hedrick ●Sandy Coffman on NuStep ●Congratulations To Tim Richards ●Colin Milner Continues Innovation At The International Council on Active Aging ●Wally Boyko's NFTJ Conference and Trade Show - August 19-21 in Reno ●John Stransky Resigns From Life Fitness ●Low-Price Clubs ●"How to Produce Boot Camps" ●Best Wishes to Dale Dibble

May 2010

Front Page Article Headline

●IHRSA Expresses Its Ardent Support of America's

First-Ever National Physical Activity Plan

Inside the Insider

●Industry Embarrassment Shane Franklin Hired By American Club Systems - By: Norm Cates, Jr. ●Culture: The Hidden Advantage - By: Will Phillips ●Fitness Boot Camps Prove to Be An Investment With BIG Returns - By: Bonnie Pfister ●30 Tips for a Profitable Party! - By: Karen Woodard-Chavez ●Health Care Reform: Employer Requirements - By: T.J. Carter ●Former Gulf Oil CFO, Jayne Conway, Jumps to Planet Fitness ●World Gym Selects Body Training Systems As Group Fitness Provider ●IHRSA Summit Urging Congress to Pass Anti-Obesity Legislation

Norm's Notes

●May Tony Nowak Rest In Peace ●Congratulations to Ruth Stricker on The Marsh's 25th Anniversary ●Fiserv Announced as a World Gym International Preferred Vendor ●Bonnie Pfister's Guide to Boot Camps ●Welcome to Returning Advertiser Hervey Lavoie and Ohlson-Lavoie Collaborative ●Jeffries' Good News About Life Time Fitness ●CFO of Gulf Oil, Jayne Conway, Joins Planet Fitness ●The New IHRSA Research Portal ●Tim McCarthy Named Life Fitness' Vice President for the Americas ●Body Training Systems Announced as Preferred Vendor for World Gym International ●T.J. Carter on HR Issues Related to Health Care ●IHRSA Public Policy ●World Gym International Strong in Taiwan ●Fiserv Announces Partnership with First Credit Services ●Congratulations to Club Industry

June 2010

Front Page Article Headlines

●Mike Grondahl Comments on Missed Deal ●Health Clubs Down Under Take Big Economic Hit On Music Fees!

Inside the Insider

●Imagine The Evolution of the Health Club Industry Without IHRSA! - By: Norm Cates ●Got Milk? Yes. Got Fitness? No. - By: Derek Barton ●Managing People Productively - By: Will Phillips ●How to Attract the Overweight Population - Part I - By: Donna Krech ●Sprechen Sie "Fun?" - By: Sandy Coffman ●New York Health & Racquet Club And ABC Financial Join Forces

(See "2010 In Review" Page 14)

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**NEWTOWN ATHLETIC CLUB**

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**MAY 2010**

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... "2010 In Review"

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Norm Cates' **CLUB INSIDER**  
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**Simon Meredith Celebrates 30 Years with East Bank Club**

**JUNE 2010**

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**Dr. Art Curtis Shares His Vision as New IHRSA Chairman**

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**200th Edition!**

**AUGUST 2010**

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**Norm's Notes**

- The Importance of IHRSA •Congratulations To Dr. Curt Beusman •NFTJ Announces 2010 award Winners •Planet Fitness Raises \$215,000 for Breast Cancer Research •Music Tariffs Increase Hits Australia •David Patchel-Evans is Canada's Venture Capital Private Equity Association's 2010 Entrepreneur of the Year •IHRSA's Global Report Released •IHRSA Announces Adjustments to 2011 Trade Show •Fitness 4U Trouble •Anytime Fitness Expands Into Europe •Mike Leveque New Star Trac President •Rush Fitness Opens Two New Locations •24 Hour Fitness Raises \$675 Million •New York Health and Racquet Clubs Bring in ABC Financial •Welcome to New Advertiser, Gym Wipes by 2XL Corporation •Cybex Launches Second Annual Pink Treadmill Campaign •Charlottesville Area Fitness Club Owners' Association Sues Albemarle County and City of Charlottesville, Virginia •Sports&Health Fitness Opens New Club •Congratulations To Ruth Stricker •Blair McHaney and Gordon Johnson Step Down From The GGFA Board •Jazzercise Has Strong 1st Quarter •Equinox Offering Free Fitness •NASM Bought By ATI •Spectrum Clubs Sells Minority Interest To LLM Capital Partners •Bob Giardina Focuses TSI On Sales & Marketing •Another Shane Franklin Report

**July 2010**

**Front Page Article Headlines**

•Rudy Smith Passes Away At 85 •Club One Announces CEO Leadership Change

**Inside the Insider**

•Imagine The Evolution of The Health Club Industry Without IHRSA! - Part II - By: Norm Cates •How To Attract and Keep Health Club Members - By: Jim Thomas •Leading Is Not Managing - By: Will Phillips •Being Real in the Club Industry - By: Jeffrey Keller •How To Attract The Overweight Population - Part II - By: Donna Krech •Judging the Best Programs... What Makes A Winner? - By: Sandy Coffman •ABC Financial Launches New Logo, Marketing Campaign and Website •ABC Financial to Unveil Self-Service Kiosk •Cybex Wins Big With "Biggest Loser" Partnership •Gold's Gym Partners with BTS to Introduce Branded Group

Exercise Programs •The Medical Fitness Association (MFA) Announces Winners of National Programs

**Norm's Notes**

- Rudy Smith Passes Away •Club Insider Celebrates 200th Edition in August! •Star Trac Has Been Sold •Jim Mizes Departs Club One •Mike Grondahl Adds to June Comments •Tony deLeede's Australian Body Works 10th Anniversary Reunion •Wally Boyko's National Fitness Trade Show •Club Industry Conference and Trade Show •Correction To AFIRM Notice •Augie Nieto's New Book •Support IHRSA Public Policy •Father's Day Gift at Rush Fitness •ABC Financial News •Cybex Lands Biggest Loser Equipment Sponsorship •Medical Fitness Association Announces Winners of Two National Programs •Body Training Systems Partners With Gold's Gym International •IHRSA's Public Policy Machine is Rolling! •Colin Milner's ICAA Invited To World Economic Forum's Network of Global Agenda Councils •Medicare is Changing! •Obesity on the Rise •Lex Kessler Reorganizes Sports and Wellness Sports •LifeTime Fitness Acquires QLS Family Fitness Club •The New 10% Tanning Tax •Best Wishes To Ron and Sandy Franco

**August 2010**

**Inside the Insider**

•The Evolution and Succession Of Club Insider - By: Norm and Justin Cates •A Tribute to Rudy Smith - By: Norm Cates •Defining the Experience - By: Karen Woodard-Chavez •Accelerating Out of a Slow Growth Economy - By: Will Phillips •How to Attract the Overweight Population - Part III - By: Donna Krech •Club Certification - By: Angie Pattengale •Specialty Programs... Ladies Luncheons - By: Sandy Coffman •REX Roundtables For Executives #2

**Norm's Notes**

- 200th Edition Celebration! •Club Industry Show •IHRSA's 30th Anniversary Yearbook •WSJ Article: Curves Closes Clubs As Stamina Runs Out •10th Anniversary Australian Body Works Reunion A Success! •Equinox Launches Blink Fitness •Crunch Fitness Going low-Priced •Mike Grondahl Comments on Low-Price Segment •St. Paul LifeTime Fitness to Close •SmarTrend Ranks Cybex International Very Favorably •The Pink Ribbon Run •IHRSA Continues Public Policy Victories •ABC Financial Launches Software Update •Congratulations To iGo Figure •Mike

Balfour To Be Honored at NFTJ Show •WSJ Article: Employer Wellness Initiatives Grow, But Effectiveness Varies Widely •The "Y" Drops Men's Christian Association From Name •Dr. Cary Wing Leaves Medical Fitness Association •Chris Clawson Returns to Life Fitness as President •Dr. Neil Sol •A Personal Note

**September 2010**

Norm Cates' **CLUB INSIDER**  
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**COURTHOUSE ATHLETIC CLUBS'**  
**Fitness Coach Program**  
 Meeting At-Risk Members Head-on

**SEPTEMBER 2010**

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**Front Page Article Headlines**

•Co-founder Marc Grondahl Named Chairman of Planet Fitness •Visual Fitness Planner Launches Sales Fusion!

**Inside the Insider**

•Visual Fitness Planner Launches VFP Sales Fusion System - By: Norm Cates •Health Club Sales Management Mistakes to Avoid - By: Jim Thomas •Club Members Winning the Weight Loss Battle - By: Donna Krech •Enabling Staff - By: Will Phillips •The Industry Shift: How Middle-Priced Models Can Succeed Now - By: Bonnie Patrick Mattalian •Take Care of Your New Members with Group Cycling Programs for Beginners - (See "2010 In Review" Page 19)

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# Hiring: The Foundation

## Step Fifteen in the Series: Fifteen Steps to Paradise

By: Will Phillips

*Hire for attitude and train for skills to avoid the normal employee ills.*

Your business success depends on your organization being smart and healthy. Patrick Lencioni, a keynote speaker at IHRSA 2011 says being smart means you are knowledgeable about marketing, sales, numbers, personnel operations and make good decisions in these areas. This is the traditional business school curriculum; hardnosed, practical and focused on results. A healthy organization, on the other hand, has a meaningful and transformative organizational culture. The acronym TACTILE (Trust, Authenticity, Caring, Transparency, Integrity, Learning and Empowerment) is used to describe the culture of a Conscious Business by Raj Sisodia. REX believes that the way for you to deliver distinctive and engaging customer service, the way for you to drive innovation and profits, the way to recruit and keep the very best staff all depend on the culture the leader(s) support. Building a healthy organization is not taught in business schools, and consultants have little idea how to build one. It is soft and scary, which is what makes it so difficult for business leaders. Why? It confronts the leaders

to be TACTILE, which is ultimately based on intimacy and reveals who you really are in the struggle to be who you want to become. This takes courage, and it is uncomfortable, so it is not done easily.

Since choosing my career as a management consultant some forty years ago, I have sensed a huge opportunity for businesses to explore a new business model, especially service businesses, which invariably adopted the manufacturing model to a service environment. This leads to what Len Schlesinger and James Heskitt of the Harvard Business School have called the *Cycle of Service Failure*. They point out that service businesses do not have the inherent leverage of a manufacturing business model with its dramatically higher margins. Thus, service businesses, where labor is the largest cost, end up economizing here and undermining the service. Even if service businesses spent lots more on labor, they would not break through. In using a manufacturing model of labor, the service industry creates its own problems, which cannot be solved. It is like driving your car engine faster and faster without switching to a higher gear. You burn huge amounts of energy and only go a little faster and never reach top speed.

Patrick Lencioni (introduced to REX Mastermind Groups in 2000) articulates this:

Traditional management principles --regarded as virtually sacrosanct-- simply do not do the job well enough. All too often, by focusing intensely on such things as marketing, sales, strict personnel policies and the bottom line, companies end up with employees who are miserable and unimpressive financial results.

There is a distinct disconnect between most people's personal lives, where they enjoy a relative amount of freedom and satisfaction and their professional lives, where they feel out of place and unhappy because they are constrained by politics, rules, regulations, conflicting egos and management's expectations. Real success is more about hiring and retaining good people than it is about business management.

These statements are anathema to the hardnosed business owner. Yet, we are seeing emerging evidence that supports the human talent view. In 1999, REX Mastermind Groups were introduced to the twelve questions in *First, Break the Rules* by Marcus Buckingham and Curt Coffman. This may be the most extensive research on good management ever conducted. The result stated quite simply that the highest productivity and the highest morale came from how managers treated their staff; not training, not accountability, not job descriptions, not performance reviews, but rather clarity of expectations, recognition, care and having a best friend at work. It's a lot of soft stuff. Several years later, this work is combined with customer loyalty research into a magnum opus on 21st century management, *Human Sigma*, which elucidates how to select, train and coach your staff to maximum performance while simultaneously engaging your customers at the highest level (highest retention). Although REX introduced this work to all its members over three years ago, only one a health club owner has had the courage to seriously use

this model to great effect.

Bo Burlingham's insightful book *Small Giants: Companies that Choose to Be GREAT Instead of Big* clearly reports on the practical benefits of leading a business where human talent is nurtured along with community commitment. And finally, we have the research of Raj Sisodia in *Firms of Endearment* where businesses take their customers to heart and end up outperforming the Great Businesses in Jim Collins *Good to Great* by three times. This soft management approach drives huge profitability, it seems.

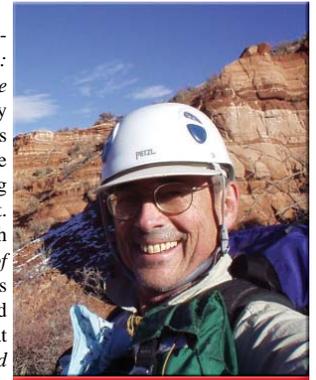
### Hiring

Step One to building a healthy business is to be crystal clear on the values or attitudes you as the leader want and need to achieve your business vision and goals. TACTILE is a good start, but this is not a cookbook approach. To be of any value, there must be the leaders. Public companies rarely have values of any impact because the average tenure of the CEO is only three years.

Jack Welch, voted best CEO in the world for many years running as CEO of GE, said there are two chief areas to evaluate every employee. Are they producing results? Are they following the GE values? If results were not strong and the values were, he coached them. On the other hand if the results were strong, and the values were weak, he fired them.

Your challenge is to first articulate your values. Then, test them for accuracy by gathering evidence of when you made tough decisions to see if your values actually guided those decisions. If not, they were only paper values. When you have honestly identified your values, you now design ways to hire for them. Many businesses have done this in both conversational and behavioral interviews.

Share your values with the prospect, then ask them to tell an actual experience in their life when they showed each value. You will learn to identify those who truly hold your values.



Will Phillips

Behavioral tests are often very easy to use and extremely telling. REX Mastermind groups have developed many of these. For instance, if a club value is team work, meaning you expect everyone to sacrifice personal needs, goals, comfort and objectives to help others achieve the organization's goals, then use the chair test. When the applicant is brought into the interviewing room, let them sit down and then casually announce, "I just remembered there will be a meeting next door and they may need some extra chairs." Then, start moving chairs into the hallway. Move three at most and observe what the applicant does. You will know if they are a team player in ten seconds. Do you have a value of giving 100% all the time? Use the circuit test. Put the applicant on a circuit. Encourage them. How hard do they work when it gets hard on the 12th rep?

Nick's Pizza and Pub, where REX recently held a workshop, allows receptionists to make the first cut on all job applicants. When someone asks if they are hiring, the receptionist gives them a sheet with the company's twelve values. After reading them, the receptionist asks, "So what's your reaction?" "Way cool, particularly the third one!" gets you an application form.

What will you do to hire the right people? It will take you three years to design values, a hiring system and build a value driven staff. Are you up for that?

(See Will Phillips Page 19)

## Mastermind Groups

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...**"2010 In Review"**

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By: Sandy Coffman ●World Gym Expansion Continues ●Tanning Tax Guidance from the IRS ●Steve Ayers Joins ABC Financial as VP of Sales ●iGo Figure Club Management Software Now Available in Chinese ●The RUSH Fitness Complex Grand Opening Celebration!

**Norm's Notes**

●Are You Ready For Some Football? Teamwork is Key ●Get Out And Vote! ●Rest In Peace Charles Tartella ●CORRECTION! ●Planet Fitness Receives Honors ●Welcome Back to World Gym International ●IRS Tanning Tax Guidelines ●Bill Pearl's New Book ●Kerry Campbell Named Executive Director of MACMA ●Paul Richards Reports From New Zealand ●Visual Fitness Planner Launches Sales Fusion System ●Dr. Cary Wing Joins Contributing Author Team ●Congratulations to Phil Wendel ●Johnson Health Tech Names Nathan Pyles President of Matrix ●Donna Krech Shares Success Testimonials ●Med-Fit Systems Purchases Nautilus' Manufacturing Plant and Campus ●The Sports Club/LA – Boston Teams Up With Girls Scouts of Eastern Massachusetts ●Tom Butler Retires ●The Invasion of Germs... ●Attend Club Industry Chicago in October ●Jackson Hole Health and Fitness Implements Compete by Fiserv ●In-Shape Fitness to Build Second Location in Manteca, CA ●iGo Figure Now Offered in Mandarin and Chinese ●Never Forget

**October 2010**

**Inside the Insider**

●3 Guaranteed Ways To Make Sure Your PT Department Makes Money! - By: Michael A. Sena ●Execution - By: Will Phillips ●Retention Starts at the Start: The Factor 6 Sequence to Improve Member Retention - By: Jeffrey Keller ●Increase Health Club Sales (Starting) Today! - By: Jim Thomas ●Club Members Winning the Weight Loss Battle - By: Donna Krech ●Get On-Line Or Get-Out of Business! - By: Casey Conrad ●Professional Communicators or Fitness Center Sentries? - By: Sandy Coffman ●World Gym Buys Fitness Chain ●Insider Rewind - October 2000

**Norm's Notes**

●Club Industry 2010 A Success ●Congratulations To Curt Beusman ●ALS Progress Through Augie's Quest ●GE Capital Extends Planet Fitness \$50 Million Credit

Line ●Richard Simmons Wows Crowd ●IHRSA's 30th Anniversary Yearbook ●Congratulations To Alan, Ronnie and Steve Schwartz ●Congratulations To John and Jan Doyle ●The San Francisco Tennis Club ●TRUST ●Get Well Phyllis Scudder ●ACAC Adds New Facility ●Congratulations to Club Industry 2010 Best of the Best Award Winners ●Mike Motta's Plus One Once Again Recognized By Inc. Magazine ●Sports&Health Acquires Club Golf Performance ●Busy Time in Chicago ●The Obesity Battle ●The Vast Untapped Market ●Introducing Virtual Active ●Introducing Resolute PhysioSport ●Congratulations to Rudy Fabiano ●Rush Fitness Opens 21st Location ●Google: Urban Active Cincinnati Closing ●Athletic Business Conference and Trade Show, December 2nd-4th ●October Is National Breast Cancer Awareness Month ●Club Industry 2010 Slide Show

**November 2010**

**Front Page Article Headline**

●Commentary: Time for Doctors to Prescribe Exercise

**Insider the Insider**

●Debriefing: Can You Learn? - By: Will Phillips ●Club Members Standing Out From The Rest - By: Donna Krech ●Why Health Club Salespeople Fail - By: Jim Thomas ●The Medical Fitness Model: Defining the Difference - By: Dr. Cary Wing ●Critical Website Strategies Every Club Needs - By: Casey Conrad ●3 Guaranteed Ways To Make Sure Your PT Department Makes Money! - Part II - By: Michael A. Sena ●Specialty Programs... A Must for December and January - By: Sandy Coffman ●Harvard Study Claims Obesity Is Contagious ●Introducing the NEW bodybuggSP ●ABC Financial On The Move! ●IHRSA Celebrates Three Decades of Excellence in Industry Education ●Clubsourc Announces New Partnership ●The 2011 Industry Defense Campaign ●Insider Rewind - November 2000

**Norm's Notes**

●18 Years and Counting! ●Congratulations to Lynne and Victor Brick ●Congratulations to Daron "Rocketman" Allen ●IHRSA30 is Coming! ●San Francisco Franchisee to Leave Gold's Gym International ●ABC Financial On The Move ●Fitness First Sells 57 Locations ●Lorcaserin Marketing Not Approved by FDA ●Congratulations to Edison Pena ●Vote For Linda Fondren ●Important CPR Changes ●Ron Polisen and ZX Fitness ●Mastrov and Madonna To Open Hard Candy Gyms

●Another Contract Black Eye ●Michael Sheehan Doing Well At Bally ●Rest In Piece John Hunsinger

● ● ●

Thank you for reading **CLUB INSIDER** in 2010, and we look forward to bringing you more great industry stories and news in 2011! Merry Christmas or Happy Holidays to you and yours and Happy New Year!

*(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health, racquet and sports club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home which doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 25 years, since his own day one. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin may be reached by phone at (770) 595 - 6086 or email at Justin@clubinsideronline.com)*

...**In Memory**

continued from page 6

1952 team that won the National Championship. John earned his Master's Degree in Industrial Engineering. He was a prominent Atlanta realtor and one of the most active people in the city when it came to the community, serving in over 60 organizations in roles such President and Chairman of the Atlanta Union Mission, leader of the Atlanta Touchdown Club and prominent contributor to the Georgia Tech Alumni Association. Gene Asher, in his book Legends, *Georgians who Lived Impossible Dreams*, described Johnny Hunsinger as "Athlete, Musician, Dancer, Family Man, Champion of Charitable Causes, Civic-minded citizen, successful businessman and host with the most on the ball."

We wish all of the families and friends of those who lost loved ones this year a Merry Christmas and a Happy New Year. And, we remember all of these wonderful people in our hearts. May They Rest In Peace.

*(Norm Cates, Jr. is a 36-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 18th year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at (770) 850 - 8506 or email at Norm@clubinsideronline.com)*

...**Will Phillips**

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**Resources:**

*Driving Your Organizations with Values* by Will Phillips

*Firms of Endearment* by Raj Sisodia

*Hiring Smart! How to Predict Winners and Losers in the Incredibly Expensive People-Reading Game* by Pierre Mornell

*(Will Phillips is the President of REX Roundtables for Executives. REX chairs eighteen club owner Roundtables in the U.S., Australia, New Zealand, Brazil and Italy. The insights in this article are derived from the best practices of some 125 club owners in REX. Your comments and inquires are welcome at will@rexroundtables.com.)*

# Medical Fitness Facility Certification

By: Dr. Cary Wing

Several years ago, the health and fitness industry began to acknowledge and embrace the concept of medical fitness facility certification. The importance and significance of providing programs and services that are held to a higher set of standards and guidelines is fundamental in eliciting trust and confidence within the healthcare system, as well as members of the community. Integrating a medical fitness model into your club and achieving facility certification may just be the catalyst needed to separate your programs and services from the competition down the street, as well as encourage referrals from physicians and other healthcare providers. Of particular note, no longer is medical integration a sidebar. It is now a trend. In November, the *Worldwide Survey of Fitness Trends for 2011* identified clinical integration/medical fitness as 18th in the top 20 list. Since the inception of the trends report five years ago, this is the first time that medical fitness made the top 20 list. The future is now.

## Medical Fitness Association (MFA) Facility Certification

There has been a mechanism in place since July of 2008 for all health and fitness centers to benchmark their programs and services against standards and guidelines designed specifically for medically-integrated fitness facilities. The development of the *MFA Medical Fitness Facility Certification* has assisted in ensuring that facilities provide the quality and safety necessary to meet the vital role of medical fitness facilities within the industry.

As defined by MFA, a number of factors distinguish a certified medical fitness facility from other fitness centers. The following are some general aspects of the certification (contact MFA for details):

- A facility demonstrates a relationship with a local healthcare system and participates in the local continuum of care.

- There is active and regular medical oversight, i.e., a medical director and/or medical advisory board with ongoing staff meetings.

- A facility hires qualified staff who have degrees, certifications or credentials that are specific to the population served. A certification from an organization that is accredited by the National Commission for Certifying Agencies (NCCA) is a key component in the professional staffing standards and guidelines.

- A facility provides disease management and prevention programs for members, and others, to reduce health risks and improve the health of the community.

- A facility develops and institutes written policies and procedures including safety and emergency response procedures.

- There is a pre-activity screening (Health Risk Assessment) and testing process to determine the appropriate level of activity for an individual before starting an exercise program and the possible need for medical clearance from a healthcare professional prior to exercise participation.

- A facility tracks outcomes with measureable data to determine the effectiveness of programs and services, as well as operational procedures.

The MFA facility certification process involves the completion of a comprehensive application and checklist. The checklist is based on the MFA's *Standards & Guidelines for Medical Fitness Center Facilities*. There are a number of standards that are required, such as providing easily accessible automatic external defibrillators (AEDs) and having written emergency plans for all areas of the facility. In addition, a site visit by trained examiners is essential for initial certification and recertification. The site visit is an opportunity for the examiners to meet staff and members and review all documents for accuracy and detail. Facility certification should be an educational process for all involved and should serve as a baseline for the future growth

and development of the center.

Once a facility is approved, the certification is valid for three years with annual reports required during this period. Recertification is voluntary, but essential, if a facility wants to maintain the MFA certification seal and active status in the system. As of this writing, there are many MFA-certified facilities across the country.

## NSF National Certification for Fitness Centers

In addition to the *MFA Medical Fitness Facility Certification*, a nationally-represented group consisting of various segments of the fitness industry has been hard at work to develop a broad set of voluntary standards for all health and fitness centers. NSF International, an independent, nonprofit organization, oversees the NSF Joint Committee on Health Fitness Facilities Standards. The committee, that includes organizations such as the American College of Sports Medicine (ACSM), the American Council on Exercise (ACE), IHRSA, the YMCA and MFA, is assisting with the development of standards that will lead to a national certification. The *Worldwide Survey of Fitness Trends for 2011* reports that these

standards will most likely be adopted by the Joint Committee within the next year with a voluntary certification program to follow at a later date.

## Summary

Defining standards and guidelines for health and fitness centers is critical if health club leaders want to instill a level of service and trust that is vital to lending credibility to the industry. Once a facility is certified, healthcare referrals and physician involvement in your club's programs can increase significantly. Make a commitment to your members and the community to provide safe, effective and relevant programs. Explore the opportunities and options available through facility certification to set your club apart from the competition.

## Resources:

NSF International: [www.nsf.org](http://www.nsf.org)

MFA's Standards & Guidelines for Medical Fitness Center Facilities. Monterey, CA: Healthy Learning; 2009: [www.healthylearning.com](http://www.healthylearning.com)

Worldwide Survey of Fitness Trends for 2011, Walter R. Thompson, PhD, FACSM, FAACVPR. ACSM's Health & Fitness Journal.



Dr. Cary Wing

VOL. 14/No. 6; Philadelphia, PA: Lippincott Williams & Wilkins, November 2010.

Medical Fitness Association (MFA): [www.medicalfitness.org](http://www.medicalfitness.org)

National Commission for Certifying Agencies (NCCA): [www.credentialingexcellence.org](http://www.credentialingexcellence.org)

(Cary Wing, EdD, has been a leader in the medical fitness industry for over 25 years and most recently served as Executive Director of the Medical Fitness Association (MFA). Currently she is actively involved in uniting healthcare and fitness throughout the industry. Questions and comments are welcome: [caryhwing@aol.com](mailto:caryhwing@aol.com))

## ICAA Honors Innovative Active-Aging Programs and Concepts

**VANCOUVER, BC** - The International Council on Active Aging (ICAA), an association that leads, connects and defines the active-aging industry, has selected the winners of its Eighth Annual ICAA Innovators Awards. Recognizing creativity and excellence in active aging, this annual awards program honors innovations that are leading the way, setting new standards and making a difference in the lives of older adults. The recipients of the 2010 ICAA Innovators Award are:

- Camp VIVA! (Pathway Senior Living, Des Plaines, Illinois)
- African drumming circle (Willamette Oaks Retirement Community, Eugene, Oregon)
- 20in10: 20 Tips to Wellness You Can Do in 10 Minutes (Touchmark, Beaverton, Oregon)

- WALK! with Aegis Therapies (Aegis Therapies, Delafield, Wisconsin)
- The Summit at Central Park (City of Grand Prairie Parks and Recreation Department, Grand Prairie, Texas)

These efforts support healthier, more vital aging by targeting any or all of the seven dimensions of wellness (i.e., social, emotional, vocational, spiritual, intellectual, physical and environmental).

"Active aging is all about living life as fully as possible," says Colin Milner, ICAA's Founder and CEO. "With the right opportunities and supportive environments, people of all ages can strive towards better health and well-being, enjoy new challenges and continue to

learn and grow. Active-aging professionals and organizations are dedicated to providing those opportunities and environments." Milner adds, "Just as today's older adults are redefining aging by defying society's stereotypes, the active-aging industry is redefining how to support these individuals by rethinking programs, environments and even concepts of aging services."

The 2010 ICAA Innovators exemplify the industry's drive to enhance wellness and support more active, vital living. "This year's award-winners have engaged the older adults they serve through their creative approaches," Milner states. "They have encouraged individuals to get on board and try new things to improve health and well-being,

(See ICAA Page 21)



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- Rachel Cosgrove  
 Co-owner of Results Fitness  
[www.results-fitness.com](http://www.results-fitness.com)

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- A Sample Marketing Plan

### ...ICAA

continued from page 20

thereby enriching their lives. On behalf of ICAA, I congratulate the professionals and organizations behind these award-winning efforts and thank everyone who entered this year's competition."

Each ICAA Innovator will receive a crystal award of recognition to display. In addition, in-depth profiles of individual award recipients will appear in ICAA's flagship publication, the Journal on Active Aging, in 2011. In the meantime, snapshots of the 2010 ICAA Innovators are available on the ICAA website at [www.icaa.cc/awards/pressreleases.htm](http://www.icaa.cc/awards/pressreleases.htm).

### ABC Financial Expands Offerings

LITTLE ROCK, AR - Arkansas-based ABC Financial, one of the country's largest providers of health club billing services, announced the launch of ABC Merchant Services (ABCMS), a subsidiary of ABC Financial Services, Inc. ABCMS is a direct payment processor providing businesses both inside and outside of the fitness industry with the ability to accept most forms of electronic payments. Keith Trawick, Senior Vice President of ABC Financial, will take over the position of president of the new company.

ABCMS offers secure payment solutions to small and medium retailers, multichannel merchants, non-profit organizations and recurring billers. Clients of the company will be able to process Visa, MasterCard, Discover and American Express credit cards, as well as debit cards, eChecks and multiple other forms of electronic payments. The ABCMS payment platform is faster and more automated than most and includes significant workflow flexibility. ABCMS is fully compliant and certified according to the Payment Card Industry Data Security Standard (PCI DSS).



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# Turning "Traditional" into Internet Marketing

By: Casey Conrad

## Part III

In the previous two parts of this article series, we discussed both the goals and theories behind internet marketing as well as giving you specific web strategies to utilize. This article will discuss how you can (and must) turn every "traditional" marketing effort into one that leverages the power of the internet.

Before we get to the specifics, let's start out by making one thing clear. No matter how important internet marketing is, as of the writing of this article, it would be both naïve and wrong to say that a club can succeed with internet marketing alone. That may become a reality sometime in the future, but for now, traditional marketing efforts and materials still need to be used because such materials and mediums are still being used by consumers. Therefore, it is perhaps more accurate to say that, in addition to website strategies, internet marketing should augment all traditional marketing.

Let's start out with a review. A successful, well-rounded marketing plan should consist of six distinct categories of activities:

**External marketing** consists of large-ticket, large-reach items such as newspaper, direct mail, television, radio, flyer drops, inserts and coupon mailers.

**Internal marketing** consists of things like referral programs, alumni, missed-guest and prospect mailers and in-house specials.

**Guerrilla marketing** includes all grass-roots efforts like lead boxes, take-ones, door hangars, flyer handouts and joint marketing efforts with local businesses.

**Corporate marketing** refers to any type of activity where your club is promoting membership sales to the employees of a business. This would include things like health fairs, lunch-and-learns, posters in an employee lunchroom, etc.

**Community marketing** would be any activity or event done to improve the clubs' goodwill, such as a fund raiser, philanthropic activity, or press releases.

**Retention marketing** includes Thank You cards, Birthday cards, new member integration programs, inactive member outreach and usage games.

For a marketing plan to be effective, a club must utilize at least ten total marketing efforts every single month ensuring that at least one strategy from each of the six pillars is used.

Although this should be nothing new to most club operators, the key in today's marketing is ensuring that every single marketing effort incorporates an "e" (internet-based) element.

Specifically, when using any marketing medium --newspaper, direct mail, flyers, door hangars, tri-fold brochures or even business cards-- ask yourself one question. "How can I turn this effort into a capture mechanism?" A *capture mechanism* is an offer that drives an individual back to the internet where they will be enticed to give their name and e-mail address in exchange for something free. That "something" might be a free trial or some kind of free information as was discussed in Part II of this article series.

Remember back to the goal of all internet marketing, building a massive list of prospects who are interested in your product or service. By adding a capture mechanism to every marketing piece, you are accomplishing this goal.

Perhaps the best way to clarify this concept of adding a capture mechanism is by way of examples. Let's take several common marketing efforts and show you how an internet strategy can be easily integrated to maximize list building and long-term sales success.

### External Marketing

Direct mail continues to be one of the most utilized forms of external marketing. It is also one of the most expensive, making it hard to justify if you don't get enough leads and tours.

Step one is to make sure that you have an internet call-to-action on your direct mail piece. This means having an offer highly visible on the direct mail piece that drives them to a website page to receive something for free. This could be something as simple as

a free trial pass or could be more sophisticated like an eBook (how to lose weight, get toned, 10-minute abdominal workout, start an exercise program, etc.). This does NOT replace your purchasing call-to-action (discount, no enrollment fee, two for one, etc.). It is a secondary offer.

Next, you must attach an opt-in or squeeze page to the secondary offer. This means that, if they want to get the free guest pass, you tell them to go to a specific URL (i.e. [www.ABCclub.com/pass](http://www.ABCclub.com/pass)) where they must enter their name and email address. You should only ask for name and e-mail to ensure a high opt-in rate.

Finally, make sure that all opt-in pages are connected to an auto responder database. This is usually an online service that captures the requested information into a segmented database, registers the person's IP address (so you don't ever have to worry about being accused of spamming) and allows you to set up follow-up messages in a specified days-delay sequence. The benefit of this, of course, is that the system is automatic (hence the name "auto responder") and won't rely on an employee's desire, ability or memory.

If you don't use direct mail, apply the same concept to a newspaper ad, flyer or television advertisement. Instead of saying 50% off enrollment fee, say "for your 50% off enrollment fee coupon go to [www.XYZ.com/discount](http://www.XYZ.com/discount)."

The basic strategy is this; make an offer in your marketing piece that drives the prospect to a web address where they will be likely to give their name and email address. Whether the "offer" is for the free guest pass, coupon for a discount or free information, it should be given in exchange for a name and email address.

### Internal Marketing

The most powerful form of internal marketing for health clubs is referrals. Traditionally, salespeople asked for referrals at the point of sale and then the club would have referral promotions throughout the year. Many salespeople struggle with getting referrals because people nowadays are afraid to give the names and numbers of their friends. When this is the case, it is best to adapt to an online

referral process, which is simple.

First, obtain the email address of the new member during the enrollment process. Second, the salesperson informs the new member of the club's guest pass policy (fees, limits, etc.) and about any referral promotions that are currently available. Third, the salesperson sends the new member a short welcome letter along with a link to a downloadable guest pass that can be forwarded to friends and family members within the first month of enrollment. Fourth, if a friend wishes to obtain the pass, he simply clicks the link, fills out his name and email on the form and the pass is sent to his inbox. Voila, just like that, you have created a viral referral pass and built your database of interested prospects simultaneously.

This same point of sale referral strategy can be used with ongoing member promotions. For example, many clubs offer the 12 Days of Fitness passes during the holiday season (guest passes that are good for 12 consecutive days in the month of December, a typically slower traffic time of year). Traditionally, this was an expensive campaign with printing and mailing of passes to all members. Now, with the internet, a virtually cost-free email is sent out to the members with the online guest pass link. Members forward this on to friends with the simple click of a mouse. Again, any friend who decides to download the pass simply gives their name and email address. Not only is an e-referral system virtually cost-free, but it is efficient and eco-friendly.

One client of mine sent his referral email letter/link out to 1,050 members. They obtained 374 prospect referrals that opted in, had 60 guests utilize the pass in December and sold 28 memberships! In addition, the other 314 names became future prospects. This is the power of leveraging the internet.

### Guerrilla Marketing

One final example to share is the common business card. In the club industry, most people have a "fill in the blank" guest pass on the back of their business card. This allows them to simply fill out the prospect's name and an expiration date when they meet someone outside the club.



Casey Conrad

Although this is a great idea and has worked for years, the limitation is that salespeople give out these cards but have no idea when or if the person will actually show up to the club. Therefore, instead of a blank guest pass, put an e-guest pass offer on the back of the card. "For your free 7-Day Guest Pass, go to [www.ABCclub.com/7day](http://www.ABCclub.com/7day)." Interested prospects will go online and download the pass after submitting their information. Now the club has captured their name and email address while they have a high level of interest. In reality, only a small percentage of all those who download the pass will come into the club in a timely manner. The difference is that, now, the club has the ability to track and follow up with those individuals. A simple networking activity has now been turned into a list-building prospecting activity!

As you can see, regardless of the marketing effort being utilized, the "equation" remains the same. Add a capture mechanism to every single marketing piece, drive prospects to an opt-in page and build your list. Once you have the list (the "Capture"), you can turn your efforts to "Building Trust" and "Action Offers." When put together, you have a powerful internet marketing strategy that will help you rise above your competition and begin turning lackluster traditional marketing efforts into successful online ones.

(Casey Conrad has been in the health and fitness industry for over 25 years. She has authored over 25 different books, audios and DVD's in the area of sales and marketing for health clubs. To learn more about free resources on sales and marketing visit [www.caseyconrad.com](http://www.caseyconrad.com) or email her at [casey@caseyconrad.com](mailto:casey@caseyconrad.com))

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# Making an Impact:

## American Health Club Members Utilize Facilities 102 Days, on Average, in 2009

**BOSTON, MA**-The International Health, Racquet & Sportsclub Association (IHRSA) announced the release of *The IHRSA Health Club Consumer Report: 2010 Health Club Activity, Usage, Trends & Analysis*, which provides detailed insight into the metrics, participation trends, and demographics of both member and non-member consumers in American fitness facilities.

According to the report, over 45 million health club members utilized their health clubs for an average of 102 visits in 2009, up slightly from an average of 101 visits in 2008. Health club members were, on average, 40.7 years of age and earned at least \$75,000 annually.

Health club consumers indicated paying an average of \$41.47 in monthly dues in 2009, down slightly from \$42.55 in 2008.

"Due to less discretionary income, consumers now expect to pay a bit less for their memberships, but they tend to use them more. In short, they want more bang for their buck," said Melissa Rodriguez, IHRSA's Research Manager.

*The IHRSA Health Club Consumer Report* also covers member and consumer information, including demographics, income, membership history, attendance, equipment usage, activity participation rates and PRIZM profiles. Activity participation and PRIZM pro-

files are analyzed to help club operators design profitable marketing initiatives to engage current and potential consumers. The report also includes the health club participation index, which provides key information on consumers' usage trends.

"Health club operators, personal trainers and other fitness professionals should use *The IHRSA Health Club Consumer Report* as a comprehensive guide to understanding and engaging their members," advised Jay Ablondi, IHRSA's Executive VP of Global Products. "The analysis and applications it provides will help them to win new customers, reduce attrition and increase member spending, maximizing



## Success By Association

the club's profitability."

*The IHRSA Health Club Consumer Report* is based on analysis of 40,141 online interviews that were carried out with a nationwide sample of individuals and households in early 2010. Produced in conjunction with Sports Marketing Surveys,

this publication is available in PDF format at [www.ihrsa.org/store](http://www.ihrsa.org/store) for \$99.95 (IHRSA member price) and \$149.95 (non-members). For more information on IHRSA research, go to [www.ihrsa.org/research](http://www.ihrsa.org/research). Contact [pr@ihrsa.org](mailto:pr@ihrsa.org) with media inquiries, or call (617) 951-0055.

# IHRSA Announces the 2011 Campaign to Protect and Promote the Fitness Club Industry

**BOSTON, MA** - IHRSA, The International Health, Racquet & Sportsclub Association has announced the launch of their annual Industry Defense Fund Campaign to Promote and Protect the Fitness Club Industry.

IHRSA's Industry Defense Fund was established over ten years ago by concerned club operators to ensure that the fitness industry would have the financial resources necessary to protect itself against unwarranted regulation and taxation, while positioning the industry at the forefront of health promotion and wellness policy.

Contributions are used to protect the industry from harmful business regulations, including proposals to tax health club membership dues, restrict or prohibit automatic renewals, mandate personal trainer licensure and mandate AEDs in health clubs without adequate liability protection. Contributions are also used to promote and grow the industry by supporting tax incentives and healthy lifestyle legislation. In addition to protecting the industry from daily threats at the state level, IHRSA is actively seeking passage of federal legislation that will create

incentives for Americans to exercise, such as tax credits and comprehensive obesity legislation.

Running a health club would be much more difficult today than just a few years ago if it were not for recent contributions to the Industry Defense Fund. For instance, club operators in New York, California, Pennsylvania and Kentucky would be forced to charge a tax on membership dues, and clubs in over a dozen states would no longer be able to collect monthly dues via EFT or automatically renew memberships. IHRSA's 2-year undefeated legislative record of fifty wins and zero losses would not exist if not for prior contributions to the Industry Defense Fund. IHRSA's Public Policy team, based in Boston with lobbyists in Washington, D.C. and ten additional states, is currently monitoring over 300 pieces of legislation affecting all regions of the country. Many of these bills have the potential to drastically affect a club's ability to serve their members.

Protecting and promoting the industry is a very expensive endeavor. Between now and June 30, 2011, the Public Policy Council must raise

over \$1.5 million to cover the expense of such battles. Despite the tough economy, Meredith Poppler, IHRSA's Vice President of Industry Growth is confident this goal will be reached. "Over the past two years, IHRSA members have contributed more than \$2M to support our Public

Policy efforts. Our members understand that the issues IHRSA is fighting for and against have the potential to profoundly and drastically affect all of our businesses," says Poppler.

"The work that IHRSA's Public Policy team accomplishes on a daily basis is so important

to everyone in this industry," she adds. "If any one of those 50 bills passed because we didn't have the means necessary to defeat it, this industry would be much less business-friendly than it is today."

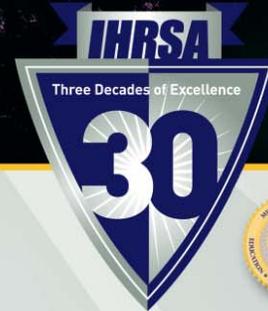
You can contact IHRSA's Meredith Poppler by phone at (800) 228-4772, Ext.129.

### 2010 Industry Defense Fund Contributors

The Alaska Clubs  
 Anytime Fitness Corporate/Franchisees (over \$100,000 contributed)  
 Anytime Fitness of Breaux Bridge, LA  
 The Atlantic Club  
 Atlantic Coast Athletic Clubs (ACAC)  
 Bally Total Fitness  
 The Belmont Athletic Club  
 BodyBusiness Health Club & Spa  
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 The Claremont Club  
 Club Fit Jefferson Valley  
 Club Insider  
 Club One, Inc.  
 The Columbia Association  
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 Curves International (over \$100,000 contributed)  
 Dedham Health & Athletic Complex  
 DMB Sports Clubs  
 The East Bank Club  
 Elite Sports Clubs  
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 Fitness Formula Clubs  
 Fitness Management Systems  
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 Genesis Health Club  
 Gold's Gym Franchisee Association  
 Gold's Gym International  
 Gold's Gyms of Los Angeles  
 Health Fitness Corporation  
 Healthtrax  
 Healthworks Fitness for Women  
 Hockessin Athletic Club  
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 In-Shape Health Clubs  
 Integer  
 L.A. Fitness International (over \$100,000 contributed)  
 Leisure Sports, Inc.  
 Lifestyle Family Fitness  
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 The Maryland Athletic Club (The MAC)  
 Michigan Athletic Club  
 Millennium Partners Sports Club Management  
 MVP Sports Clubs  
 National Academy of Sports Medicine  
 Oakland Hills Tennis Club  
 Onelife Fitness by Galiani  
 Oxford Athletic Club  
 Partnership Capital Growth  
 Plus One Health Management  
 PRO Sports Club  
 Rice Fitness Centers  
 Ridley Sports Club  
 Rochester Athletic Club  
 RUSH Fitness Complex, The  
 Saco Sport & Fitness  
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 Saw Mill Sports Management  
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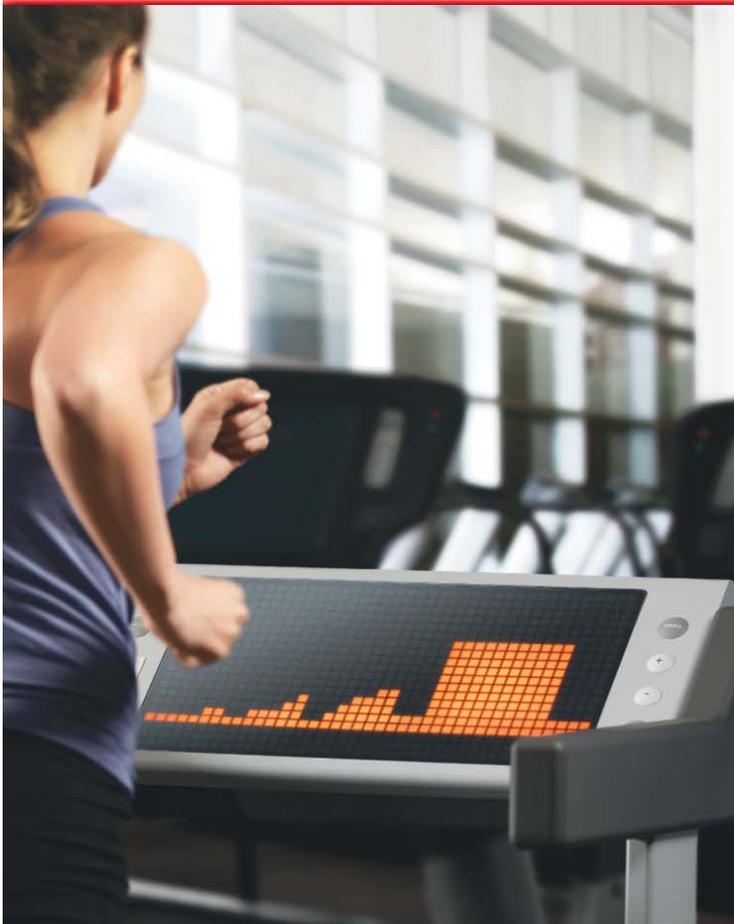
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## Club Members Winning the Weight Loss Battle

By: Donna Krech

We are coming upon our hot season right now, and hundreds of prospects will be walking through our doors to start their New Year's Resolutions. I would love to believe the majority wants to get fit, but reality proves the majority really want to lose weight. The great news is we have the Solution for their Resolution, it's the Total Solution.

The following from our Thin&Healthy Total Solution clients are examples of what we are achieving and what you can achieve in your club(s). We hope that you will grow an even stronger passion for helping the world become more healthy, happy, successful and whole by also viewing their videos at [www.clubinsideronline.com/thinandhealthy](http://www.clubinsideronline.com/thinandhealthy).

**Nancy** is excited to now be sporting a size 10 after losing 101 pounds and 160 inches! While trying Thin&Healthy's Total Solution for a 21-day trial membership, Nancy realized pretty quickly that this was not another diet program. She learned it was a lifestyle program designed around her, so she quickly enrolled in the full membership. She found that it was the best decision she could have made, for not only did she lose her 100 pounds, but she's learned to keep it off while eating her favorite foods, like pizza and chicken.

**For Mary**, age 71, losing weight was highly recommended, not just by one doctor, but two. Mary had to do something to stay clear of knee surgery and insulin shots. She researched every option in her

town and found Thin&Healthy's Total Solution to be the most appropriate. Mary now has a clean bill of health after losing 29 pounds and over 80 inches! Not only has she avoided knee replacements and insulin, she is now able to slip into a pair of skinny jeans!

**Lauren** joined Thin&Healthy so she could fit into the prom dress of her dreams, which was a size 4. She lost 13 pounds and then was ecstatic when she fit into a size 2! Most of all, she enjoyed the compliments from others and realized there is more to life than a number on the scale.

**Joyce** realized she could no longer fit into a size 14 dress for her son's wedding. She walked through the doors of Thin&Healthy's Total Solution and enrolled. She not only got herself down to a size 6, but she's also in the best shape of her life. Losing the weight also allowed her to finally have surgery for her varicose veins, and throughout her stay, she was told by all the hospital staff that she's an extremely healthy 54-year old.

Whether their goal is to look better, feel better or get healthier, Thin&Healthy's Total Solution has your member covered. Just think of the lives you could change with a great weight loss system inside your facility!

If we can help in any way, please call us at (866) 260 - 8446 or email [bhammond@thinandhealthy.com](mailto:bhammond@thinandhealthy.com). If you don't put in Thin&Healthy's Total Solution, please put in some kind of weight-loss program. There are lives to save!

**It's like adding cardio to your health club.** Fiserv offers the most comprehensive club management software and services in the health and fitness industry. We're helping clubs of all sizes grow and retain membership with the only single-source solution that maximizes revenue while minimizing day-to-day costs. For a total approach to growth, Fiserv also offers easily integrated EFT and POS payment processing as well as outsourced billing. With Fiserv, you have the unrivaled power to perform. The power within. [www.clubs.fiserv.com](http://www.clubs.fiserv.com)

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The new fitness centers will be a combination of full-sized premiere locations (including a basketball court, swimming pool and full-service spa) and XSport Express locations (focused on workout equipment, group exercise, personal training and tanning).

"We are excited about our plans for growth and look forward to bringing our state-of-the-art facilities and amenities at a tremendous value to more areas in Chicago,

## XSport Fitness Announces Major Plans For Growth In 2011

**CHICAGO, IL** - Chicago-based XSport Fitness announced plans to open four new fitness centers in the coming year, bringing the total 2011 open store count to 29. These new locations include:

New York and Washington, DC," said Dan Morrissey, Chief Operating Officer of XSport Fitness. "In these economic times, our ability to deliver exceptional service, 24-hour accessibility and a quality product at an affordable price point has struck a chord with consumers. We are thrilled to make XSport Fitness available to even more people in these communities."

XSport Fitness is a fast-growing, family-owned and operated company comprised of fitness centers in the Chicago, New York and Washington, DC metro areas. The 13-year old company is Chicago-based with membership expected to grow to over 250,000 by the end of 2011. XSport Fitness' state-of-the-art, 24-hour facilities include the finest equipment, personal training, swimming pools, climbing walls, basketball courts and full service spas.

advice, etc.

## Is Your Club The ONE-STOP Shop In Your Town?

**MARCIA BIGLER,**  
*Adding weight loss makes the club a one-stop shop. Before adding weight loss I polled our club members and found they were paying for weight loss somewhere. Having it all under one roof keeps them in the club.*

**H**istorically, the fitness club industry has been unable to capture a large percentage of the overweight market. I know several reasons why, seeing as how I've been in this business since the 1970's. I have not seen many overweight or obese people enroll at fitness clubs because they sometimes feel like they need to lose weight first before joining, they are embarrassed to be around fit people, they have a fear of not fitting on the equipment, or they just don't know how to use it.

Thin&Healthy's Total Solution systems are designed to meet the overweight person where they currently are, so they feel comfortable in the club. It's a very non-intimidating environment for everyone.

What makes Thin&Healthy's Total Solution different than other options for adding weight loss is that it offers one-on-one coaching, healthy foods education, metabolism retraining and the motivation component Life Success. The member has accountability, movement and motivation, which helps them lose weight and keep it off. That's what members want.

The biggest thing about adding weight loss into a club is that it does make more money. I learned a long time ago, weight loss brings more money than fitness. Years ago, I had a friend who tried to get me into weight loss, but my passion was fitness and I dismissed the idea right away. Then I compared her paycheck to mine and I started thinking maybe I should get into weight loss because you make more money! That was years ago and the same is still true today. People spend far more money on weight loss than they do on fitness. Adding the right weight loss component can double and even triple the dues.

Adding the Total Solution can also increase personal training sales. A lot of fitness people don't buy PT because they know what to do; they've been working out for years. But the average overweight member knows that they DON'T know what to do. They've never worked out before so they welcome the extra training and they pay for it.

Also product sales go up. We average anywhere from \$15,000 to \$20,000 in product sales alone and there is a 100% markup on the product so there is a good profit center right there.

In addition to selling weight loss to people coming in specifically for that, we have a system to find out if someone coming in to join fitness wants to lose weight also. If so, we offer the opportunity to hear about all of our programs. Currently about 33% of people

who come in for fitness are buying Thin&Healthy's Total Solution and that gives us triple the dues.

By advertising weight loss separately we attract more of the overweight population that never would have walked through the doors before. Only 13-14% of the US population is a member of a club, but 73% of the US population is overweight or obese. Clubs that don't have weight loss are really missing out.

Weight Watchers, Jenny Craig, Physicians Weight Loss—all the competition is just stealing money from the fitness clubs out there. Adding weight loss makes the club a one-stop shop. Before adding weight loss I polled our club members and found they were paying for weight loss somewhere. Having it all under one roof keeps them in the club. Showing a member how to keep their weight off will keep them a member forever. It's important that the weight loss program has a lifestyle change component that teaches them how to maintain their results forever. We actually have more Thin&Healthy's Total Solution members working out three times a week than we do fitness club members because they are getting hooked on exercise and those are the ones who are really maintaining their results. X



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**www.ThinAndHealthy.com**

# Managing the Member Experience

By: Karen Woodard-Chavez

## Part I

For the past ten years in our industry, much has been discussed about the best way to insure that the member experience is one that creates differentiation so that current members stay with the club, attracts new members and allows the club to have an edge over the competition. This has always been a critical part of any business model, but as of late, it has become even more urgent for many club operators due to the proliferation of competition in almost every market.

For some clubs, this concept seems elusive. I often

hear club operators lament that their staff is not consistent with delivering the experience. We all know this. Every club has its superstars, and every club has its share of mediocre staff. Often, the club wants me to come in and train their frontline staff to be better. I am happy to do that, and there are results with doing that type of training. However, my recommendation is that if you, as a club operator, believe you have an issue with your frontline staff, it may not be the only problem. My recommendation is that you look to your managers.

Your club and department managers are responsible for carrying out the culture and creating consistency. Too

often, this is not the case for three reasons:

1. Managers are unclear on exactly what the experience is supposed to be.
2. Managers are not fully embracing their role as manager, teacher and driver of business. They are more comfortable being administrators or technicians.
3. Managers are uncomfortable accepting their role as the leader.

To see where your club manager and department managers are with these issues, have them take the following survey. You may want to give this to the managers in your next management meeting and have them take the last 15 minutes of the meeting to complete the survey. Then, have them turn it in before they leave the meeting. The reason for this is to get 100% compliance in doing the survey.

### Club Manager Survey

Thank you for taking the time to complete this survey. Please answer each question with as much detail as possible.

Please document our vision:

Please document our mission:

Please document our core values:

Please describe the three ways in which you regularly impart this to the staff:

Please describe how you create accountability with the staff to deliver the mission and core values:

Please describe how you professionally communicate to your staff:

Please describe how you successfully delegate:

Please describe what your three major priorities are in your role based on the amount of time you spend doing them:

Please describe how you determine your ROI for your department:

Please describe how you strategically plan and meet goals:

Please describe how you determine whether or not a program will succeed:

Please describe the steps you take in having a difficult conversation with a staff person:

Please document the percentage of your time you spend on the following areas each week:

- Staff training:
- Admin duties:
- Selling/marketing your department's services:
- Your own professional development:
- Managing the growth of the department:

Once the survey is completed, go through the answers (not as a group), and you will start to see exactly where there are issues and where there are not issues. Pay particular attention to the answers relating to their understanding of vision, mission, core values and how they communicate this to their staff. All questions will reveal some



**Karen Woodard-Chavez**

major impediments to creating the best member experience you can to keep and attract more members. The questions will also reveal who on the management staff is excelling with this part of the business and should perhaps mentor the other managers.

This diagnostic survey will give you a very good idea as to what you need to do with your managers so that the member experience is delivered more consistently. Next month, in Part II of this article series, the solutions for each of the issues that the questions raise will be addressed.

*(Karen is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Guerrero Mexico. She has owned and operated clubs since 1985 and now consults with and trains club staff throughout the world. She provides her services on-site, online, by phone and through books, CDs, DVDs and manuals. She can be contacted at 303-417-0653 or karen@karenwoodard.com)*

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# 3 Guaranteed Ways To Make Sure Your PT Department Makes Money!

By: Michael A. Sena

## Part III: Manage and Track Correctly

Welcome to Part III of my 3-part series on how to maximize your PT department profits. As you now know, whether it's *recruiting and hiring* or *training and developing*, they are both extremely important and must happen in the right order for maximum results. Once these two pieces are in place, and to keep your department moving in the right direction and profiting from its efforts, you need to **manage** your department correctly and **track** the results. Consistent daily management of your staff and PT systems will help you to keep your trainers performing their needed activities, yielding goal-based production numbers and allowing you to **develop** and **coach** as needed.

Now that you have hired the "right" staff and you have taken them through the proper on-boarding orientation and PT systems training, your next focus should be to protect your investments by managing your team on a regular basis by helping

them to be as active as possible so they can be as productive as possible. I'm going to go out on a limb here with some of you and take the position that, when you set a sales goal, let's say \$10,000/month/trainer, you need not manage that number but rather manage the activities that will produce that number. Instead of asking your staff, "What do you have on the board today or what do you have in this month?" That's not proper managing. The focus should be on what activities they have performed towards reaching their numbers. There is a difference. Managing people is a difficult task and takes lots of energy, to say the least, but it is absolutely vital for all PT managers to manage every day and do it right.

Since you have hired the right fitness manager and/or club manager, make sure you train him to teach his trainers to stay active and do the little things that produce results. For example, ask him, "How many phone calls did you make today?" Or, "How many members have you tried to help or show a new exercise to out on the floor?" Or even, "How many fitness evaluations have you

performed this week, and how many are set up for next week?" These are the activities that are vital and are the precursors to financial results that must be managed first, before asking what the numbers look like.

Do I need to remind anyone that most personal trainers --the last time I checked--do not like to "sell?" So, teach them how to sell without selling. You do this by teaching them how to do their activities every day, and they will sell merely by doing those activities!

In my many years in this business, I've seen it happen almost everywhere, managers, regionals and even owners, badgering their staff about why their numbers aren't higher. Yet, they fail to train them properly or continue to *show and teach* them the importance of managing the activities to reach those projected goals and production numbers. Managing is an ongoing process and teaching is a task that never stops. That is why managers must be good teachers and not necessarily just top producers. Besides, teaching several trainers to perform their jobs effectively can and will produce higher

production numbers than just one manager producing alone. Simply stated, *managing the activities of your PT personnel* is the third important component of running a profitable PT department.

My recommendation is that your PT leaders hold weekly production meetings that are positive and supportive and promote teaching and coaching for all. Don't single out anyone in particular, but instead, coach everyone the same way and as a group to build rapport and loyalty. Hold periodic workshops every month (using role playing of course), and focus on different aspects of your department as you make sure that every trainer is competent on how to perform the very activities that will bring home the numbers. Remember, manage the activities of your trainers and your PT systems, and you will hit your monthly and annual production numbers every time.

Once your PT staff is focused on their activities and are being managed properly, the final task will be to *track your results*. Tracking the results of your department's activities daily, weekly and monthly is not hard when you have the right systems



## Visual Fitness Planner Sales Fusion

in place. I would recommend using real-time, up-to-the-minute systems that can put you and your manager's fingers on the pulse of your business. It will also allow you and your management team to coach the PT staff where and when the activities are not producing what they should and to drive the numbers to the desired results. *You must inspect what you expect* every day and every month. So, be prudent and have a state-of-the-art sales tracking system that will provide you and your team with the vital numbers, so you can be on top of what you need to manage or not manage. As we all know, the numbers don't lie.

(Michael Sena is the Visual Fitness Planner Regional Director of Sales for the Midwest and may be reached by email at [michael@myvfp.com](mailto:michael@myvfp.com) or phone at 219-707-6113.)

## Bio Ritmo Academia of Brazil Invests in Visual Fitness Planner

FORT WORTH, TX - Bio Ritmo Academia, Inc., which operates over twenty health clubs throughout the Sao Paulo region of Brazil has signed on as a customer for the Visual Fitness Planner from InterImages, Inc. The Visual Fitness Planner is a unique software program that visually demonstrates an individuals' potential for body transformation using customized three-dimensional graphics.

Bio Ritmo is the largest network of health clubs in the Sao Paulo area and has been offering personalized service to their members and clients since 1996. There are twenty-two clubs operating in the group Bio Ritmo, covering different regions

of São Paulo. Bio Ritmo is also a member of IHRSA.

Edgard Corona, CEO of Bio Ritmo Academias said, "We are delighted to be the first in Brazil to offer this amazing solution. We absolutely believe that the customized sales platform they have built for us can help our sales team to dramatically improve sales in our company across all locations. The product is great, the service is outstanding and the company has great values behind the scenes. We are very excited, in Brazil, to have them with us."

Commenting on the deal, Daron Allen, InterImages CEO, said, "We are delighted with the endorsement represented by this investment from Bio

Ritmo Academias. Our expansion and success in the international market once again proves how far reaching and universal the VFP health club solution is. The Visual Fitness Planner continues to provide innovative benefits to the fitness industry by offering facilities a platform to increase potential sales and member retention regardless of language and culture by providing the new customer with visual motivation of how they will look at the end of their program and identifying their health risks. We believe our solution provides all prospects the much needed stimulus to purchase. This outcome is critical, especially in ultra-competitive markets."

## Star Trac Files Assignment for the Benefit of Creditors

IRVINE, CA - Star Trac (the "Company"), a leading developer of advanced fitness equipment, announced that it has entered into an irrevocable Assignment for the Benefit of Creditors ("ABC") effective immediately, in accordance with California law. All assets of Unisen, Inc. will be immediately transferred to a new corporate entity, Core Industries, Inc. The purpose of this process is to develop a comprehensive strategic plan to properly monetize the assets for the benefit of creditors and to improve Star Trac's balance sheet to create a healthy company going forward.

On July 6, 2010, the Company announced that the majority interest of Star Trac's parent company was acquired by fitness industry veteran,

Michael Bruno.

"Despite the infusion of capital from the investment by Michael Bruno, our company could not reduce its payables adequately through direct settlement negotiations with our vendors," said Mike Leveque, President and COO of Star Trac. "We take this process as an integral step towards repositioning the organization for long-term success. Our entire leadership team is committed to increasing our ability to provide the product innovation, quality, reliability and customer service that have been the Star Trac brand legacy since 1988. We are determined to emerge as a stable company that will be better positioned to take care of our customers."

# Programming Tip of the Month:

## *New Year's Resolutions*

By: Sandy Coffman

Last month, I wrote about the importance of having specialty programs available in your programming calendar. **The New Year's Resolution** program is fun, easy to do, provides camaraderie, lots of action, new experiences and is a great beginning for follow-up programming in 2011. **ENJOY!**

### Description

The New Year's Resolutions program will get new members, inactive members and existing members to use the club twice a week for six weeks, beginning January 1st and ending around February 14th.

1. Contact all new members who have joined the club since October 1, and ask them to choose a New

Year's resolution (from your list) that they would like to accomplish. Then, ask them to join the New Year's Resolution program.

2. Contact all members who have been sporadic or inactive since October 1st and ask them to do the same.

3. Have eight (or more) New Year's resolutions to choose from. You may get an excellent list from the suggestions the members give you:

- To lose weight
- To get in shape
- To get back in shape
- To quit smoking and exercise regularly
- To exercise regularly
- To increase my endurance and get more energy
- To increase my strength and tone my body

- To improve my flexibility
- To lower my percentage of body fat
- To lower my cholesterol
- To lower my blood pressure.

4. The **New Year's Resolutions** program can be broken into teams, each of which must have a staff person responsible and accountable for recruiting 15 new members and five inactive members. **Note:** 8 staff members X 20 members = 160 people using your club.

5. Hold a party with recognition and prizes for all members who completed the twelve exercise visits to the club and accomplished their resolution.

6. Give a bonus, award or prize to the staff person whose entire team completed the twelve visits and accomplished their resolution. This is a great incentive for the Staff Captain to follow up with each of her members.

•You can require the use of the club three times per week instead of two, but you want to make sure the participants will be successful. Perhaps you can require fifteen workouts in six weeks, or if there is an extra week available, use the time for make-ups. Everyone should complete the program and win!

•Photos of the New Year's Resolutions Team Captains and their team members should be prominently displayed on a bulletin board. Specific measurements or results should *not* be displayed.

•Attendance in the program should be tracked.

This program is as fun for the staff as it is for the members. The CD with my book, *Successful Programs for Fitness and Health Clubs*, includes supplemental materials for many of the programs presented, and this program is no exception. You receive the already-finished logo and New Year's Resolution Form to get your promotion started.



**Sandy Coffman**

I hope *your* New Year's resolution will be to offer this program in your club.

### Happy New Year!

(Sandy Coffman is the Dean of Club Programming and the author of the book *Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas*. You can contact Sandy at [slcoffman@aol.com](mailto:slcoffman@aol.com) or [www.sandycoffman.com](http://www.sandycoffman.com))

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### Tips for Success and Points to Consider

You can run the program for longer than six weeks, but taking the program to Valentine's Day gives you an opportunity to sign everyone up for a follow-up program. Always use one program to promote another.

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*Norm Cates, Jr.*

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