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# Norm Cates' CLUB INSIDER™

JANUARY 2009

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

Established

1993



Front Row (L-R) - Shawn Vaden, DeAnn Estes-Gray, Brian Evans and Jill Lakey  
Back Row (L-R) - Francine Wood, Steve Reed, Dale Mayton and Tripp Brightwell



## Brian Evans'

### American Family Fitness Clubs...

### A Class Act In Richmond, Virginia

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

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## Happy New Year!

### Brian Evans' American Family Fitness Clubs...

### A Class Act In Richmond, Virginia

By: Norm Cates, Jr.

**TRUST.** Hey folks... I bet that word will make some of you remember **CLUB INSIDER's** June 2008 edition, in which this author brought forth the argument that for our industry to truly begin to tap into the 260 million U.S. citizens who are not now doing business with us... we would have to build trust in our communities.

Brian Evans has made trust building in the Richmond, and Central (Fredericksburg) Virginia-area, where he owns and operates 7 upscale American

Family Fitness clubs, a mainstay of his operation. He's grown his business over the past 19 years by:

1. Building better and better new clubs and improving and replacing the older ones.

2. Employing a Team of true professionals who work in a culture of trust and caring about their members, each other and the entire community.

3. Reaching out in many ways to the Richmond community to help those less fortunate (See AFF Community Service Sidebar on **Page #24**).

So, what has been the

result of Brian Evans' 19 years of building trust in his community? \$40 million in revenues in 2008!

Brian Evans, 48, was born in Pittsburgh, Pennsylvania and graduated from Pepperdine University in California, where he was a swimmer. He also holds a Masters in Business Degree from The University of Pittsburgh. Evans says, "Going to the West Coast from Pittsburgh at age 18 was a culture shock. The experience definitely helped my maturity and independence. I actually hated it out there when I (See *American Family Page 20*)



Brian Evans, AFF Founder and President

### World Gym Returns to Its Roots!

World Gym returns to its roots in Southern California! World Gym International has been purchased by the Joyce J. Cammilleri family, and they are wasting no time in putting together their new team.

Family spokesman, Guy Cammilleri, stated, "We are thrilled to have purchased World Gym and to announce that the company will return to Southern California. World Gym will once again (See *World Gym Page 16*)

### IHRSA Joins Certification Process

**BOSTON - December 30, 2008** - The International Health, Racquet and Sportsclub Association (IHRSA) recently announced their participation in an initiative to create a voluntary certification process for fitness facilities. The goal is to

strengthen the health and fitness industry and raise its standing as the quality provider of safe and healthy exercise. NSF International, a world leader in standards development for public health (See *IHRSA Page 16*)

### James Weaver, New CEO of Gold's Gym International, Plans to Use Tried and True Methods

By: Norm Cates, Jr.

Last month I mentioned I'd be getting in touch with Mr. James Weaver, the new CEO of Gold's Gym International (GGI), to get a feel for the man and information for a report to you on

what his plans for GGI are. I made the call and this report summarizes a one-hour conversation I had with this veteran businessman right before Christmas. Weaver is a truly experienced business veteran in his mid-sixties who has only held three jobs in his entire

life. With the exception of what he had learned from his friends at TRT, in conversations prior to taking the position, he was 100% new to our health and fitness club industry when he stepped in about two months ago.

TRT Holdings, Inc., the

Dallas, Texas-based conglomerate and the owners of Omni Hotels and a number of other big businesses, made the decision to replace David Schnabel as the GGI CEO after he had been in the position about two years. Both TRT and James Weaver found

the timing perfect to bring his expertise to the GGI challenge, and he's off and running. Based upon what I learned from James, they made an excellent choice for the important leadership and management role at GGI.

(See *James Weaver Page 12*)

## Inside The Insider

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- It Starts With You - Make It Happen! - By: Ray Gordon
- Pulling Profit Out of 'Thin' Air - By: Donna Krech
- How Much Is Enough? - By: Mike Grondahl
- A New Year's Mindset - By: Shawn Vint
- Staying The Course - Nine Factors - By: Will Phillips

Norm's NOTES: •Congratulations to my son, JUSTIN and his new fiancé, DANIELLE MOROZEWICZ, as on December 13th, they became engaged to be married! •Congratulations to RED and EMMA LERILLE as they celebrate the 46th Anniversary of Red Lerille's Health and Racquet Club in Lafayette, Louisiana! •"A Change of Attitude" is our "Insider Speaks" article for the New Year. •MIKE GRONDAHL sold World Gym International to the JOYCE J. CAMMILLERI family! •JAMES WEAVER, Gold's Gym International's New CEO, weighs in •The Sky is Falling! Oops... check that... it's not true! But, prices have fallen in some health and fitness clubs... •Mark your calendar now to attend IHRSA2009 in San Francisco, March 16-19, 2009 •Coming this Spring is the Club Industry East Show, May 27-30 in Boston •Coming this Summer, August 18, 19 and 20th, is WALLY and MESHELLE BOYKO'S 28th Annual National Fitness Trade Journal Conference and Trade Show •JOHN McCARTHY announces 4th Annual Augie's Quest Bash •And, Much, Much More!!!

- Industry New Year's Resolution Needs To Be - By: Ed Trainor
- The Goal of Programming is Retention - By: Sandy Coffman
- U.S. Health and Fitness Industry Push "Self Care Reform" in 2009
- Amy Simpson Hired As Visual Fitness Planner Vice President of Operations
- CheckFree Delivering Webinars by Karen Woodard-Chavez
- BTS Turns Stock Market Losses Into Gains for Clubs

# Norm's Notes

•**Hello everybody and Happy New Year!** This is your **CLUB INSIDER Publisher Since 1993** checking in! *Hey... Hey... what 'da 'ya say!?* *Let's all get moving and make some hay!* (Heck... I'm a poet and don't know it!) This is a blockbuster edition, just for you folks, to kick off a **Blockbuster 2009!** Read on, and please be in touch! Please email your news, press releases, etc. to **Norm@clubinsideronline.com**.

•**Is America a great country or what? We all have a chance for success... Just ask our new President as of January 20, 2009, BARACK OBAMA. Now... Let's get at it!**

•**Congratulations to my son, JUSTIN and his new fiancé, DANIELLE MOROZEWICZ,** as the love-birds became engaged on December 13, 2008 at the **Biltmore House** in Asheville,

North Carolina while beside a beautiful, 55-foot tall Norwegian Pine, specifically brought in, planted on the front lawn and decorated with 55,000 lights for the Christmas Season at the Biltmore. In 2006, Justin and Danielle were introduced by their mutual friend **KATHLEEN MANSFIELD** while Justin was a **Phi Kappa Theta Brother** at the **University of Georgia**. Needless to say, we're all excited about the soon-to-be-planned, **Spring 2010 Wedding** of our only son to his now soul mate. **God bless you Justin and Danielle!**

•**Congratulations to RED and EMMA LERILLE** as they celebrate the **46th Anniversary** of **Red Lerille's Health and Racquet Club** in Lafayette, Louisiana on January 13, 2009! What a story! Red Lerille was Mr. America in 1960 and fulfilled his other dream by opening his club in a 4,000 square-foot rented space on January 13, 1963. Red has used one special principal that has made him rich, and that is, without fail, he has made at least one improvement in his now 185,000 square-foot club every month since day one! His building now sits on 20 acres, with 22 outdoor tennis courts and several swimming pools and parking for about 600 cars. If you've never been to Red's in Lafayette, you should go there one day and experience what I

call **"That Red's feeling."** It's magic. God bless you Emma and Red, your family and team!

•**"A Change of Attitude"** is our **"Insider Speaks"** article for the New Year. Those of you who've been **CLUB INSIDER** readers for years already know that each New Year, I jump high atop my soapbox and deliver commentary intended to help your club reach greater success. This January, 2009 edition is no different in that respect and I invite you to **Page #6** once you have finished reading all of these **Norm's Notes!** Read on because there's a lot of hot news in these Notes. Then... **DO NOT miss our Page #6!**

•**MIKE GRONDAHL** sold **World Gym International** to the **JOYCE J. CAMMILLERI** family of the Los Angeles, California area on December 31, 2008! Our friend, **MIKE URETZ** and his longtime teammate, **KARIN MICHAEL**, have rejoined World Gym International in the roles of **CEO** and **Director of Franchise Relations**. Welcome back full-time Mike and Karin! As of press time, comments from the folks at Planet Fitness Headquarters were not available pursuant to the purchase/sales agreement, but this puts together a really interesting scenario:

1. This sale of WGI frees Mike Grondahl and his Planet Fitness Team of **MARC GRONDAHL, CHRIS RONDEAU, BEN MIDDLEY and JOHN CRAIG** to focus solely on operations of their Planet Fitness company clubs and new franchise sales. Mike Grondahl tells me that not only are they continuing to experience amazing interest in new Planet Fitness franchises, their franchisees, overall, are doing amazingly well racking up numbers many of you won't believe. Check out the new **Planet Fitness Ad** on **Page #2**

2. The sale puts World Gym International back into the market in its former form... with a focus on "Serious Fitness."

3. With **Gold's Gym International's** new **CEO, JAMES WEAVER**, on board, replacing



**Norm Cates**

**DAVID SCHNABEL**, there will now be a new and organized focus on operations and franchise sales at GGI. That focus had gotten blurred during the Schnabel era. Throw in the strengths of these 3 big franchisors, Gold's Gym International, Planet Fitness and World Gym International, into the national formula with the biggest of all, **Curves**, and the now, sour economic times... I think we all can expect to see many of the 50-something other fitness franchises out there going to the **Promised Land** during 2009. I hope so. In my view, there are far too many fitness franchises in the marketplace, and you independent club owners could use a well-earned and deserved break in the form of a mass exodus break from the franchise overbuilding by the weaker ones that has been going on for the last 5 to 10 years. Hang in there during 2009, and the future could be much better when some of these franchises go away.

•**JAMES WEAVER**, the brand new **Gold's Gym International CEO**, weighs in, starting on **Page #3**, and in our interview with him, he shares his vision of what it is going to take to right the ship known as Gold's Gym International (GGI). TRT Holdings has chosen a veteran businessman who will use tried and true methods to improve GGI operations. Be sure to check out the story beginning on **Page #3**.

•**The Sky is Falling! Ooops... check that... it's not true!** But, **prices have fallen** in some health and fitness clubs... But, you already knew that, right?

(See **Norm's Notes** Page 8)



**Justin Cates and Danielle Morozewicz**

## Thank You!

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- Shawn Vint** - Greenmaple Wellness, Inc. - (888) 355 - 1055
- Will Phillips** - Roundtables for Executives - www.REXonline.org

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# The "INSIDER SPEAKS"

## *A Change of Attitude!*

By: Norm Cates, Jr.

Here we go! A New Year! Happy New Year everybody! This article is intended to pump your staff up! Read on, and you will find out WHY 2009 can be a great year for our industry and for all the people in our business who have a positive ATTITUDE! Yeah... I know... you already live and breathe with a positive attitude! But hey... I'm not writing to you here today... I'm writing to *your staff*.

Does *your staff* need a *change of attitude*? To answer that question, ask yourself a question, "Do I lead with a 'glass is half full attitude' and is it contagious so that my staff does, too?"

Yes, here I go again! Once again, for the New Year, I am perched here high atop my old soapbox... a place **CLUB INSIDER** feels compelled each New Year to climb for a special, "**Insider Speaks**" Page #6 pick 'er up writing.

Now is a good time for a 'pick 'er up,' don't you think? By the time you read this, the numbers for January, 2009 will tell their own tale. And, by the time you read this, your club may be behind on projections and hopes for January. So, while I sincerely hope that is not so, here I go with a writing that I think will help you pick 'em up and catch up.

To start, I am going to quote from the E-Newsletter of a friend of mine who owns a nice little sports bar here in East Cobb County, Georgia. To me, East Cobb is one of the greatest places there is to live. My friend's name is John Capone, and he's the owner of a local bar/restaurant called Bradley's Bar and Grill. I can tell you that John is a "hands-on" kind of guy and is right in the middle of the fray all the time at his popular night spot/sports bar/restaurant. John wrote the following on December 17th to lead off his weekly Bradley's E-Newsletter to his customers:

Hello Friends!

Thought of the week comes from Katherine Mansfield, Writer, 1888 - 1923, "Could we change

our attitude, we should not only see life differently, but life itself would come to be different. Life would undergo a change of appearance because we ourselves had undergone *a change of attitude*." I would bet a majority of business owners would take a person that has a great attitude but needs skills training over a person with great skills and a crappy attitude any day of the week. I have and would do it again.

-From John Capone's December 17th newsletter for Bradley's Bar and Grill in East Cobb, Marietta, Georgia. Thanks John!

I write this today because it is part of your job, as a club owner/operator, to *help your members undergo a 'change of attitude'*. Right now, you should be experiencing the greatest traffic in your club you will experience all year. So, right now is the best time for you and your staff to use your own great and positive attitudes to help your members undergo their own *'change of attitude'*. This is important work for you and your staff because a *'change of attitude'* is the single most important ingredient for your members to attain to get dedicated, get to work and get results. A *'change of attitude'* for your members, and those new members you are enrolling right now, is something they are expecting assistance from you in achieving. Don't let them down. Smile when they arrive... say hello... take good care of them while they are inside your club... and, bid them a warm farewell as they leave your club. Give them every reason in the world to come back again and again, and before long, the positive and upbeat attitudes of you and your staff are going to cause them to have their own *'change of attitude.'*

On December 1st, I decided I was going to write an article for this "Insider Speaks" column entitled, "Attitude Change". Then, I got John Capone's E-Newsletter with the quote at the beginning of this piece. Then, a few days ago, I was putting the finishing touches on Brian Evans' cover

story this month (See **Page #3**), and right in the materials from his American Family Fitness Company Staff Training Manual, he wrote in a cover letter to the new hires, "Keep in mind that this is a privately-owned Fitness Center. Consequently, all interactions within the club are a direct reflection on both myself and everyone who is employed at American Family Fitness. As a club, we are committed to quality service in a warm, friendly environment. As far as the members are concerned, you are the club. **Every action taken, word spoken and mannerism presented in front of our members and fellow employees will ultimately determine the success of this company. Most members judge the quality of our club on how you relate to them as individuals. Always remember, PERCEPTION IS REALITY.** If you are like us, and like what you are doing, your job should be a very enjoyable one. We require that you love working with people, enjoy fitness and the environment surrounding it, and take pride in your work. And most importantly, we require that you always carry a great attitude because **ATTITUDE IS EVERYTHING.**"

Then, I got into editing this month's excellent article from our Contributing Author, Will Phillips. Bam! Right in Will's article, on **Page #32**, and in the section, "**Attitude Is Powerful,**" Will quotes Henry Ford who said, "Whether you think you can or you think you can't, you're RIGHT!"

So, I'm already off to a great start for this article entitled, "A Change of Attitude," but here's more gas for your engine:

1. Realize that you sell and provide services that are the best products on earth, bar none... period.
2. Realize that you and your staff help people live better lives every day of their lives.
3. Realize that your attitude drives every single solitary aspect of your life.

4. Realize that a positive attitude, day in day out, with everybody you see, talk to or encounter, will enhance that contact and the results of it.

5. Realize that you may choose your own attitude.

6. Realize that your choice of attitudes, really are yours and yours alone, and if you choose to view a glass as half empty, as opposed to half full, that can become a real bad habit.

7. Realize that we are fortunate to be in the industry we are in.

8. Realize that we could be in much worse industry's during these times, such as automobiles or real estate.

9. Realize that every day you and your staff arrive at your club to work that each of you may positively influence many people that day, or if your attitude is out of whack, may negatively influence many people.

10. Realize that life is way too short to go around with a bad attitude, and you, your family, your friends, your staff and your business associates deserve your best and it is up to you to give them your best... and your attitude makes you what you are, whatever that is. To be your best for them, your attitude must be the best

11. Realize that s \_ \_ \_ flows downhill, and if you have a bad attitude when you come to work and whack your employees with it... they in turn are going to whack your members, other staff members and even prospective members and guests with it. Avoid the bad attitude whacks that can happen to your business.

12. Realize that you and your staff must maintain a role of cheerleader for your club members every minute.

13. Realize that when you "show up on time, ready to work" (credit Red Lerille)... your attitude is already off to a great start.

14. Realize that you could live for a thousand years and not have the chance to take back behavior you display with a member or guest or other staff member due to a bad attitude and the often permanent damage a bad attitude might do.

15. Realize that when you get up in the morning, your attitude starts right then, so get your rest and be your best every day.

16. Realize that virtually every person who has earned the label of being "great" at anything had a great attitude first.

17. Realize that no matter what, sometimes things are just not as bad as you might be thinking.

18. Realize that persistence is the key to success, and true persistence only comes to people with a great attitude.

19. Realize that each life you change today will be better forever because you helped the person change it.

20. Realize that if you are an American, you are blessed to be able to pursue your dreams in this great, great industry in this great, great, great country called America.

Get out there in your club, change some attitudes and make 2009 a GREAT YEAR!

The sun will rise, and the sun will set; the difference for all of us is how we view it.

(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sportsclub industry. Cates was the Founder and is now in his 16th year as the Publisher of **CLUB INSIDER**. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached by phone at: 770-850-8506 or email at: Norm@clubinsideronline.com)

# It Starts With You - Make it Happen!

By: Ray Gordon

The great thing about being in health club membership sales is all the opportunities we have to help people do the right thing. The statistics are overwhelming that exercise produces positive results. Even very moderate exercise on a consistent routine results in beneficial health changes. Your club provides the vehicle for them to get safer, faster results which in turn, motivates them to continue and make an important lifestyle change.

November's, "Make It Happen" prompted the following e-mail:

I read your awesome article in the November issue of Club Insider. It was very informative, and I have passed on the information to my fellow co-workers. What 3 key points would you bring up to a potential walk-in that wants to buy a gym membership, Thank you in advance.

-Oscar Zelaya

Key points that need to be communicated will always vary from person to person; however, there are fundamental differences between the needs of a regular exerciser and a non-regular exerciser (**Note:** My experience has proven that most "non-regulars" are really "not for a long time").

Let's focus on 3 key points that you want to accomplish with a walk-in that is currently a non-regular exerciser. To ensure that you focus on these 3, remember the acronym **C.P.R.**

**Comfortable:** Comfortable with the education and training and motivation they will receive. It can be very intimidating starting an exercise program, so make sure they understand what your club and staff offer to overcome their fears. Explain why they can quickly feel a part of the club.

**Personal:** The attention they will receive to insure they really appreciate their investment of time and money. What amenities

and programs offered fit their profile and why this benefits them? Strive to make a personal connection, not that you are immediately lifelong friends, but establish a belief that your club provides services that will be necessary for their success.

**Results:** Realistic results, not only in changing their body dimensions, but more importantly, succeeding in **HEALTH** benefits. IHRSA provides its members great posters on the Economic Benefits of Exercise. Memorize and use this information to excite the prospect about the life changing results they can expect.

The more professional success that you achieve by implementing the above suggestions will also give you more referrals and a higher retention percentage: When you develop professional relationships with prospective and current club members, you will know these individuals' wants and needs. When you know their wants and

needs, you can help them get the results they desire.

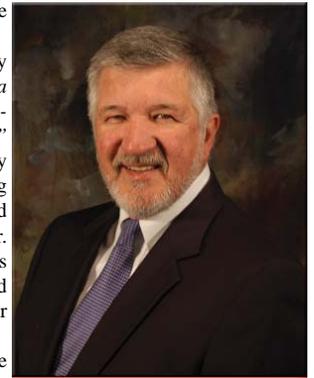
As I have said many times; *"Properly selling a membership is just the transferring of beliefs with honesty."*

Now, you have to stay focused to achieve this transferring of information between you and the prospective new member. There are a multitude of questions you will have to have memorized so you can gently open the door to accomplish the **C.P.R.**

To make sure you're approaching the tour with the proper mindset, I created another acronym years ago in the early days of Sales Makers. Remind yourself of the word **SWELL** just before you greet the guest.

- Smile
- Welcome
- Enthusiasm
- Learn and Use Their Name
- Listen

One of the job descriptions and expectations of a membership sales person is to



Ray Gordon

help solve the prospect's non-exercising problem/situation by explaining the benefits and wisdom of joining your club today. This can not be a "Disneyland" tour where you just walk around and hope the club sells itself.

**It's your opportunity, Make it Happen!**

(Ray Gordon is the Founder of Sales Makers. ray@salesmakers.info)

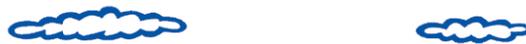
## Need More Memberships?

# MAKE IT HAPPEN!!

In February, 2009 Sales Makers will offer a performance based consulting agreement with 2 additional clubs to maximize their membership sales and retention.

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- Multipurpose, service oriented clubs
- Independent clubs / No national chains
- Membership dues over \$40



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**Ray Gordon**  
ray@salesmakers.com

## ...Norm's Notes

continued from page 4

The *Associated Press* released an article that was passed on by **MARC ONIGMAN** in his *Stonehearth Fitness* email newsletter. The article is entitled, "**Trim Gym**"... and sub headed, **Health clubs drop some fees, reduce others to draw members**. The piece was written by **MEGAN K. SCOTT** of the *Associated Press* and released on Monday, January 5, 2009. The gist of the piece was that clubs, such as *Columbus Sports Connection, Urban Active Fitness, Lifestyle Family Fitness, Curves International and Life-Time Fitness*, are waiving or cutting their enrollment fees, and in some cases, offering a month free on membership dues to draw more new members in this

January. The piece also addresses the cancellation issue where folks who've not been using their clubs regularly make the decision to drop their club memberships, clearly an issue some clubs without member tracking and follow-up warning systems for non or low attendance are going to suffer from and actually already are.

In a separate item, a story out of Naples, Florida (*PRNewswire*) tells about **Make It Fit**, an online fitness and wellness resource and how it is helping folks in Mississippi, the state with the greatest rate of obesity, use their services for 99 cents for a one-year membership. Normally, they charge \$14.95 per month. This move is one of the things our industry can and should do to dig into the now

260 million Americans who do not do business with us. Hooking them up online first and coaching them online can actually become a movement that could save the American health and help our industry finally break away from our current penetration rate of 14% of the U.S. population. While this 99-cent, online membership was not entered into our contest, a contest I began when I initially asked what I call, "**The Question of the Century**" for our industry at **RICK CARO'S Panel at Club Industry** this past Fall, we did receive several winning ideas about such programs. The question was, "**What are you doing to establish relationships with non-members that do not require them to come to your club and tour or join first?**" and I will produce a special report on these programs next month in our February edition. **Stay Tuned!**

- How many of you remember the days when "**for hire**" **personal training** did not exist? I do. For many clubs, personal training services are a major income and profit producer. Folks, realize this. Professionally-produced weight loss programs sold as an "extra" in your club to your members, and even non-members, is the single greatest club income growth opportunity to come along since personal training, but few of you really understand what you are missing. To learn about this great financial opportunity for your club, be sure to read **DONNA KRECH's** article on **Page #14!** There are huge opportunities here for you!

- Mark your calendar now, and contact **IHRSA** to register for **IHRSA2009** in San Francisco, March 16-19, 2009. To register for the seminars, contact **IHRSA** at (800) 228 - 4772. To exhibit, contact **TOM HUNT** at the same phone number or by email at **teh@ihrsa.org**. Be sure to read our cover story featuring **BRIAN EVANS, the Founder and CEO of American Family Fitness** in Richmond, Virginia, and check out his very valid testimony and comments about the value of making the investment in time and money to take your key people to the special **IHRSA Convention and Trade Shows** every year.

- Coming this **Spring** is the **Club Industry East Show**, and this year, it will be held in Boston, home of **IHRSA!** (And yeah sports fans... I know... home of the **Celtics**,

**Patriots and Red Sox!**) Be sure to schedule some time to drive in or fly in for this great event slated for May 27-30th at the **Boston Convention and Exhibition Center**. To learn more go to **east.clubindustryshow.com**.

- Coming this **Summer, August 18, 19 and 20th**, is **WALLY and MESHELLE BOYKO'S 28th Annual National Fitness Trade Journal Conference and Trade Show**. This one is going to be a **doozie** because Wally has wisely arranged to have **MIKE CHAET** line up the speakers, and Wally and Meshelle have moved the event to the huge, **Disney-like Grand Sierra Resort, Casino and Conference Center** south of Reno, Nevada. **Club Doc**, Mike Chaet, has lined up some great speakers including **Keynoters: STEVE LUNDIN**, Author of the book, "**The FISH Philosophy**," and the newly released "**CATS - The Nine Lives of Innovation;**" **RED LERILLE, Mr. America in 1960 and 46-year club owner;** and **BILL PEARL, four-time Mr. Universe, health club historian extraordinaire and Life Fitness spokesperson.**

Steve Lundin will present "**CATS - The Nine Lives of Innovation**," Red will present "**RED's Five Strategies for Personal and Professional Success**," and Bill will present "**The Pictorial and Dialog History of Physical Fitness**." Plus, **Club Doc**, Mike Chaet, will Keynote with a presentation entitled, "**The Seven LOOPS for Health Club Success in Today's Challenging Times**." Also, **CheckFree Health and Fitness Vice President, RON POLISENO**, will present "**Using Your Data To Run Your Club Profitably**." And, even I will get into the act, as the title of my little presentation is "**Why Building Trust In Your Community Is The Key To A Great Future For Your Club**," and I will speak right after my long-time friend **Red Lerille** gives his keynote on August 18th. Other great speakers include **KEN REINIG, President of Association Insurance Group, Inc.;** **MARK DAVIS, Master Trainer and VP of CMS;** **TASSO KIRIAKES, owner of BODEZBY TASSO;** and **DONNA KRECH, Founder of Thin&Healthy's Total Solution®**. Additionally, and importantly, the conferences, trade show and the **Ms. Fitness USA** and **Ms. Fitness World** contests are free! And, the room rates for the family resort are

**only \$79!** So, please make plans to be there with us! Go to **www.nationalfitnessradeshow** for information, and for exhibit information, contact **Wally Boyko** directly by calling **(541) 830 - 0400** or email him at **NationalFitness@msfitness.com**.

- This in from **Big JOHN McCARTHY, IHRSA's** former and highly esteemed **25-year Executive Director**, and now, leader helping **Augie's Quest** on the 2009 **Augie's Bash** Committee. John writes on December 31st:

Happy New Year Friends! A Reminder: This year's **Bash for Augie's Quest** will take place at **IHRSA** on Wednesday evening, March 18, 2009. You are warmly and enthusiastically invited. As in years past, this will be a magnificent event, attended by many people you know... and the cause, the cure for **ALS**, is **Augie's** own... The **Live and Silent Auctions** will include scores of desirable trips, vacations, airline tickets, tickets to sporting events, spa packages, fitness equipment bonanzas, etc. The **Opening Reception** will, as usual, be the hospitality highlight of the entire convention experience. If you have any questions, please call **617-823-3971**. You can sign up online by going to **www.augiesquest.org/bash**. Then, click on the "**Become a Sponsor**" tab. Scroll down to whatever you'd like -- a couple of seats, a table, etc. Happy New Year! And, may your 2009 be filled with the 'positives' you're hoping for... plus a few happy surprises!

Be Well,

**John McCarthy**  
**2009 Bash Committee**

Folks, please check out the **Clubs for the Cure Ad** on **Page #29**, and enroll your club for **One Day, One Hour and One Event!** See you in San Francisco!

- ALAN HANFORD** is one tough and great club operator, and in November, 2008, Alan celebrated 30 years in the club business at his **Penfield Fitness and Racquet Club** in Rochester, New York. Man... 30 years! Way to go Alan! Along the way, Alan has had to battle through the arrival of a **mega-YMCA**, but he has hung in there. **Congratulations Alan!** And, **Stay Tuned folks!**

(See Norm's Notes Page 10)

Norm Cates' **CLUB INSIDER**  
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## ...Norm's Notes

continued from page 8

• **Visual Fitness Planner** has reached the **600-club milestone!** If you have not lined up VFP for your club, you should look into it. This product does an awful lot. Check out the **Visual Fitness Planner Ad on Page #17**, and **Stay Tuned!** Next month, you will hear from my friend, **DARON ALLEN, VFP CEO**, with a "600-Club Update."

• **This from IHRSA's Capitol Report - A National Pool and Spa Safety Law went into effect the week of December 19 and non-compliance can result in pool closure.** The law requires installation of anti-entrapment drain covers in pools nationwide. IHRSA is aware that availability for compliant equipment may be limited; however, pool and spa operators are encouraged to continue working as diligently as possible to come into compliance and to document all efforts. IHRSA recently became aware of an instance where local enforcement threatened to shut down the pool at a health club until it was in compliance. According to the U.S. Consumer Product Safety Commission (CPSC), state health enforcement agencies and Attorney Generals are authorized to enforce the Act. For more information about the Pool and Spa Safety Act and

how to comply, visit the CPSC's website at [www.cpsc.gov](http://www.cpsc.gov). For a list of suppliers, please visit [www.ihrsabuyersguide.com](http://www.ihrsabuyersguide.com).

• If you have a commercial club in Greenwood, Indiana, I'd guess you're not too happy with the **7 million dollar church fitness facility** that recently opened there.

• **JOHN O'DONOVAN** has returned to the club industry after a 2 1/2-year absence and is now the **General Manager of ClubSport Fremont** in Fremont, CA, and his lovely wife, **MJ**, is the **COO of the American Swim Academy** in San Francisco. John stepped in for **RICHARD KEUNSTING**. Good luck John in your new role... You're with a great company!

• **Body Training Systems' CEO, RICH BOGGS** and **President TERRY BROWNING** have come up with a **totally unique way** for your club to install and pay for excellent group exercise program training and delivery. Check out the **BTS Press Release on Page #38**.

• Congratulations to **TIM McCARTHY of Life Fitness**, as he has been named **Vice President of International Business** for the company!

• The **NATIONAL ACADEMY OF SPORTS MEDICINE (NASM)** has launched a new

course, "**INTRODUCTION TO PERSONAL FITNESS TRAINING.**" The Press Release from NASM reads:

**CALABASAS, CA (November 19, 2008)** - The National Academy of Sports Medicine (NASM, [www.nasm.org](http://www.nasm.org)), a leader in fitness training certification, announced today the release of its new **Introduction to Personal Fitness Training (IPFT)** course. The new program serves as an entry point into exploring a career in personal training or for those individuals looking to update their knowledge and skills. The Introduction to Personal Fitness Training (IPFT) course also serves as a precursor to NASM's signature Certified Personal Training (CPT) course considered the gold standard in the health and fitness industry.

• "**Leases go begging as retailers close shop**" is the headline from an online piece I read somewhere. But, all I kept in this busy mind of mine was the headline... because it triggered this statement from me to you. If you rent space for your club remember two things: (1) In a way, you work for your landlord and (2) your leased space may be the anchor of the shopping center, and because of the size of your club, the traffic you draw to the shopping center may well be helping all the retailers in the center. You may be surprised at how badly your landlord wants to keep you there. He may think of you as an **anchor tenant** while you are thinking of your club as **just a tenant**. Now might well be the best time ever to approach your landlord about a modified lease agreement that brings down your base rent, and for sure, your Common Area Maintenance (CAM) costs. Trust me when I say, it will not hurt to examine your lease now, double check for escalators coming up and see how long you have left on your current deal. **IF** you have outrageous escalators over the horizon, or **IF** you think there is some wiggle room with your landlord now if you approach him about re-upping, instead of in the future, or even **IF** you just want to go to your landlord and say, "Hey Joe... man, you know I've been with you for \_\_\_ years, and I've paid you according to our deal... but now, I need a break and cutback on my club rent and CAM," you just might be real surprised if your landlord says, "Yes John, I know you've been

a good tenant, and I appreciate that. What do you have in mind?" **Remember this! Don't be afraid of trying. You can't get evicted for trying to cut a new and better deal! You have nothing to lose by asking!**

• Speaking in the note above about looking at things like your lease, now is also a great time to review your club and home insurance. I believe the best choice you could make for that review is **KEN REINIG's Association Insurance Group, Inc.** Check out the **AIG Ad on Page #23**, and don't forget to make this call ASAP before time slips away from you!

• Beyond leases and insurance, there is fitness equipment to maintain and fix when broken. This is the time of the year where the sheer volume in your club might make some of your equipment break down, and the last thing you want is to have machines sitting there in January, February or March with "Out of Order" signs on them for more than a couple of days. That's why you need the **Parts Catalogue** from **JON WEBSTER's National Gym Supply Company**. Not only will NGS help you diagnose a broken down machine, they will overnight parts to you and will help you or your repairman fix the machine! So, check out the **National Gym Supply Ad on Page 13**, and keep those machines moving! You can also go to [www.nationalgymsupply.com](http://www.nationalgymsupply.com).

• In New York City, **MIKE MOTTA, Plus One Founder**, announced that on December 10th, 2008, over 700 enrolled employees of **Nestlé USA** were able to take their first steps into **The WING (Wellness In Nestlé Glendale), Powered by Plus One**, a brand new, state-of-the-art fitness center located inside Nestlé USA's headquarters in Glendale, California. Congratulations to **Nestlé and Plus One!**

• "**Town Sports International Chooses KettleBell Concepts to Roll Out Semi Private KettleBell Classes**" reads the December 9, 2008 Press Release from TSI in New York City. The release continues:

**Town Sports International**, the parent company of **New York Sports Clubs, Boston Sports Clubs, Philadelphia Sports Clubs** and **Washington Sports**

**Clubs**. TSI has chosen KettleBell Concepts (KBC) to train their fitness staff on the intricacies of KettleBell training. Semi private KettleBell classes are slated to begin in New York City initially and then roll out gradually to other clubs. 'It only took me 6 years to close them, but it was absolutely worth it because there are some great people there. They get it,' says **DAVID GANULIN, CEO of KettleBell Concepts**.

In 2002, KBC was incorporated. At the time, Dave Ganulin was walking door to door with KettleBells on his back to nearly every chain and boutique gym in NYC. 'I was either thrown out or laughed at, or both,' he states. 'Most people back then had no idea what to make of a KettleBell, never mind how to use it properly, why it is significantly different than other modalities, and-most importantly, how it can be used effectively to contribute to a facility's bottom line.'

Never-mind that KettleBells go back to the 1800's folks... you gotta give Dave Ganulin a ton of credit for his persistence, hard work and never-say-die attitude in reviving in America this great strength training device. Congratulations Dave and TSI folks!

• **God Bless America! God Bless You, Your Family and Your Club(s)! And, very importantly, God Bless our troops, airmen and sailors fighting for us "over there!"**

(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sportsclub industry. Cates was the Founder and is now is in his 16th year as the Publisher of **CLUB INSIDER**. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of IHRSA's highest honors. Cates may be reached by phone at: **770-850-8506** or email at: [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com))

Norm Cates'  
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**PUBLISHER AND EDITOR** - Norm Cates, Jr.  
**PRESIDENT** - Justin Cates

**PRINTING AND MAILING SERVICES** - Walton Press  
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## ...James Weaver

continued from page 3

### An Interview with James Weaver

**CLUB INSIDER (C.I.)** - James, please share your background with us prior to stepping in at GGI. **James Weaver (JW)** - Sure. Let me just start by telling you a little about how I ended up here at Gold's. I've known Jim Caldwell (TRT President) for some time, and in mid-October, 2008, he called and said, 'Hey, could you have lunch with us on Monday?' He said that he and Bob Rowling (TRT Chairman and CEO) wanted to talk to me about a position at Gold's. Norm, my only question to them was whether or not they were focused on their long-term commitment to the Gold's investment. I've been in business for a long time, and this will be just the third job I've had in over 35 years. I'm a long-term player, and I do not necessarily like short-term turnarounds. I like to build businesses. They quickly satisfied me in that they had bought GGI for the right reasons, and they are in it for the long haul. To them, this is not just a business, but it is an important opportunity to have a positive impact on people's lives. They sincerely meant that.

I graduated from the University of Texas. I was fortunate to make good grades and earned a degree in business. Because of my grades, I had the opportunity to choose a job with the best company I could find, not just the best money. I didn't know what I wanted to do. Everybody was telling me to go for the most money, but I wanted to go for the best company, and I followed that philosophy my entire career. I wanted to join a company that would train me well, one that was well recognized as an industry leader and one that did things the right way.

I chose Johnson and Johnson in their Health Care Division. I was with them for 10 years and received valuable experience both in operations and sales and marketing. I just loved every minute of it. I received everything I had signed up for, but the one thing I found out was that I was not the only guy that wanted to be the Chairman of Johnson and Johnson! I realized early in my business career that the best opportunity for growth and advancement was to operate your own business. I met four other guys in the industry, and we developed a great business relationship. They had worked for other large companies in the industry, and they

too wanted to do something on their own. In 1976, we got together and began to formulate plans for starting our own company, and we did that in 1978 when we founded a disposable medical products supply business called Tecno Medical. We operated Tecno for 20 years.

Initially, we had created an exit strategy which was two-fold. First of all, we wanted to build a public company because, at that time, it was much easier to sell a public company for more money, and second, we vowed to exit when it stopped being fun. So, we accomplished both tasks. We took it public, and it stopped being fun. So, in 1997, we engaged Goldman Sachs and sold the company. We started our company with five people in an old vacant church, and when we sold it, 20 years later, we had over 2,500 employees selling our products in 52 countries. We were the #1 market leader in all our major products --competing with companies such as 3M and Johnson and Johnson. I say that not bragging. I'm saying this, when you listen to the customer, and if you give them what they want, you can take yourself out of the "whose-got-the-best-price" game and do something very special. After the sale, I was asked to stay with Kimberly Clark for several years because I was in charge of both M/A activities and operations, and they needed assistance with the transition. Since that time, I've done some selective consulting, but primarily, I helped my wife Joy get her business, "Just Ask Joy" started. Now, I received the right call at the right time, and I'm here at Gold's Gym International --keeping my record intact by joining only the best companies in the industry.

**C.I.** - That's remarkable, James. To be able to take it public was great.

**JW** - Norm, there's a lesson to be learned here. If you just listen to the customer, whether you're in the retail business, the medical supply business or the gym business, if you really listen to the customer and give them what they want, not what you tell them they want... you can separate yourself from the competition in a number of ways.

**C.I.** - Well James, from the people I've heard from, that is apparently what you've already been doing.

**JW** - I'm not going to visit the past because it is simply that, the past, but one of the things I learned here very quickly is that one of the most critical elements of this business is our franchisee organization. They own ten times the number of

gyms we own, so it doesn't take much effort to figure out who's driving the brand. After I had the opportunity to investigate the business environment and listen to Keith Albright and Joel Tallman, I quickly became keenly aware of the fact that we had failed to properly leverage the strengths of our franchise community.

One of the first things I did was visit with all the key people at the home office and find out who they are and what they are doing to drive our business. I wanted to ask the people who were on the front line, so I probably met with 40 or 50 people on our staff who are in critical roles and gained valuable insight into our business.

At the same time, I asked Keith to give me his top 10 or 15 top franchisees. I just wanted to pick up the phone and call them, introduce myself and ask for their valuable input. Plus, the very first day I was here, I talked to Gordon Johnson, Blair McHoney and Mike Epstein. I just wanted to visit with these guys and introduce myself. What I found out is what you already know Norm, and that is, these are brilliant, excellent businessmen. I found out they know a lot more about the gym business than we do. I also discovered these franchisees are also very receptive and eager to work together for the benefit of the brand. They seemed pleased that I took the time and effort to call. They filled my ears with the truth... not all so pleasant, but I needed to know the truth so I could be better prepared to make the correct decisions about our business. I really feel like those conversations enabled me to (1) catch up and (2) identify the fact that we have to re-establish this relationship with the franchise community and get it going in the proper direction. In fact, after this call with you, Norm, I have a conference call with Gordon, Blair and Mike, and they are all coming to Dallas on January 9 and 10. We're just going to put our heads together and jointly develop plans for properly and profitably growing our business.

**C.I.** - What would you see as the top issues you've inherited from the previous CEO?

**JW** - Norm, there are several critical areas that I am addressing immediately. These are the same areas any new CEO would focus on in their new responsibility. They are:

•Create a **POSITIVE CULTURE CHANGE** which centers on these critical areas:

○First and foremost,

we will focus on excellent **CUSTOMER SERVICE**. If you service your customers properly, then the rest of your business will take care of itself. My message to our associates is that every dollar we spend needs to be on customer services. Those customers are: our club members, our franchisees, our licensees, our employees and our vendors. Our vendors are very important partners and customers of ours, and then, our owners. If you take care of these six groups of people, your business definitely has a better chance of being successful.

○Next, you instill a culture that demands **"EXCELLENCE IN ALL THINGS."** Do not accept mediocre performances or attitudes.

•The next priority is making sure you have **UNITY OF DIRECTION**, and that you do not have seven different departments with seven different agendas.

•We then do it all with **INTEGRITY**. That's the most important part. Whomever and whatever you deal with, character and integrity above all else.

•And then, you do it with a high degree of **ACCOUNTABILITY**. Accountability across the board, up and down the ladder, starting off with holding yourself accountable, and then, holding the people that work for you and with you accountable.

•And last, but certainly not least, provide the right direction, and then, just join together and simply **DRIVE RESULTS**.

So, I think we're making excellent progress in all of these areas, but many wonderful opportunities lie ahead, and we are excited about what the future holds for us and all of our customers.

**C.I.** - Have you established any growth goals for 2009 and beyond?

**JW** - Well, as you know so very well know Norm, we're all facing a very tough economy and the challenges that it brings, but we actually are very excited about our growth opportunities in 2009.

To be in the best position to drive these positive results, I believe that, first of all, we have to get as close to the customer as possible. Then, you need to drive the decision making process to the lowest level possible. That's been my immediate focus --to, operate with a flatter, more efficient organization-- one with as few



**James Weaver**

levels as possible. So, we're making some very positive organizational changes that will significantly improve our abilities to better serve our customers and drive our business in the proper direction. This restructuring is designed specifically with better and more effective customer service in mind.

That's what I see for the immediate future. One final comment about this, if I may. I've been blessed in my professional career, as I have had the opportunity to work for companies that sell products and services that help improve people's lives. With this fact comes a real sense of responsibility and accountability to perform at the very highest level possible.

Without bragging, I think Gold's is one of the most recognized brands in the health and fitness industry. Not only do we have an opportunity to grow our business, but we have an obligation to better serve our members and our community --to better enable them to live a healthier life style. We can accomplish this goal by simply getting close to our customers, listening to their needs and working jointly with our franchise community to help facilitate these needs in the most effective and efficient way possible. My vision is for Gold's Gym to continue be the recognized leader in total fitness.

Norm, thank you again for the opportunity to share my vision for Gold's. We have some very exciting times ahead.

Okay folks, now you've heard from James Weaver, the new CEO of Gold's Gym International, with a very illuminating interview.

**Stay Tuned!**

(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sportsclub industry. Cates was the Founder and is now is in his 16th year as the Publisher of CLUB INSIDER. He may be reached by phone at: 770-850-8506 or email at: Norm@clubinsideronline.com)

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# Pulling Profit Out of 'Thin' Air

*A New Non-Dues Profit Center To Someday Rival Personal Training!*

By: Donna Krech

I have thought a lot about what I have written here. After my thought process, and by conferring with Norm Cates, Publisher of **CLUB INSIDER**, he and I have come to one conclusion, and we are pretty sure of its validity. That is... there is an existing misimpression in the health/fitness club industry about what The Weight Loss Industry actually is. It is now our new belief that many of you believe your club is **ALREADY** in the weight loss business. But, read on.

The Weight Loss Industry is a totally different and entirely separate industry than the industry you are in. You should know that Marketdata Enterprises, a firm that compiles such data, reports that the "weight loss industry" is expecting a 5.8% increase for 2008 after \$48.8 billion in revenue in 2007.

Now, compare the annual weight loss industry revenue to the health and fitness club industry annual revenues of \$18 billion. Notice the difference? How about **\$30.8 BILLION!!!**

So, what am I getting at here? I am saying that the professionally-produced weight loss industry's annual revenue is almost 3 times that of the health and fitness club industry!

Why should you know this? The reason is that if your club does not have, within its walls, a professionally-produced weight loss program, one that is identified, marketed and provided to both members and non-members as an additional product on your club menu, you are leaving a ton of money on the table every year! The worst part of this is you don't have to leave that weight loss program sales money on the table! Most likely you've never thought about it this way. Most likely you don't know you're leaving huge professionally-produced weight loss program sales volume on the table because you've never had a professionally-produced program for sale in your club. Or, you simply don't know how easy it is to take that money off the table

and put it in your pocket!

Please picture someone standing in front of you with \$14 in one hand and \$67 in the other. The person says to you, "You can have the \$14 in my right hand, the \$67 in my left hand or you can have both... and have \$81 (The \$14 is symbolic of the 14% of the U.S. population that are members of U.S. health and fitness clubs now, the \$67 represents the weight loss population and the \$81 is symbolic of the combined populations). There is no catch. The funds are yours for the taking. All you have to do is choose. Which do you want?"

What would your reply be? Of course, anyone would choose the \$81. But... many of you are not! Many of you are choosing to fight for that meager 14%, or \$14 in this example, through taking members from other clubs! You're choosing to limit your market by not providing a professionally-produced weight loss program as an additional club product for sale in your club to serve your members, their friends and even non-members. Not only is it not necessary to take members from other clubs through the seemingly everlasting "churn," we would actually see our entire industry sales numbers grow. That's because professionally-produced weight loss program sales represent and are a *new income stream* to the health and fitness club industry, *much like personal training sales were 25 years ago!* Hello... are you reading carefully here?

The example above, as it relates to the health club industry, is that 14% of the U.S. population, some 41.5 million people as of the latest statistics from American Sports Data/IHRSA, are members of a commercial fitness facility right now. But, on the other hand, 86% of the population is not a member of commercial health and fitness clubs. We're all aware that we've been competing for the same 14%, i.e. each other's members. But, how many of you are competing for that 86% of the U.S. population, the 260 million Americans who are not club members? Not many.

## The Potential Future of the Health Club Industry Is In This Paragraph

67% of our nation is overweight or obese! Using 300 million as a base U.S. population figure, that means that 200 million Americans are overweight or obese! Studies show that 90% of the people who join our health clubs and fitness centers want to lose weight. But, it is clear that the bulk of the 200 million overweight Americans are still not joining our facilities. Hence, we can continue to engage in the pursuit of each other's customers...that 14% of the population who have already joined a health/fitness facility on their own. The future of the health and fitness club industry is in this paragraph. In essence, we can continue the predatory "churn" the health club industry has pretty much lived on for years and years and continue on the "road to nowhere" in our industry. Or, we can begin to add more and more people from the 67% of the U.S. population, the 200 million of which are overweight or obese, and begin to truly push toward attracting more and more of them to become club members, or to purchase weight loss programs from your club(s). And, yes... MANY of the 260 million people in the U.S. who are not club members are spending a big portion of that almost \$50 billion at weight loss businesses like: Weight Watchers and Jenny Craig or you name the company that is taking money out of your pocket because the consumers in your market are NOT spending this available money in your clubs!

So, I (and Norm Cates) are going to be blunt here. Let me ask you: "Why not?" I will tell you "why not", but I am directly quoting Norm Cates here! Norm says, "It is because some U.S. health club owner/operators are closed-minded and bull-headed when it comes to the idea of providing weight loss programs in their clubs because they secretly think they already have weight loss programs, and they have a grudge against and discriminate against the overweight/obese person because

they think these people are lazy and that it will hurt the "image" of the club they have had in their minds for a long time!"

As for my Thin&Healthy Team and I, we've been going after and have very successfully served more and more of the 260 million non-club-members with our professionally-produced weight loss programs in our own clubs. We focus on the 67% of the population who are overweight, a large percentage of the 86% of Americans who are not now doing business with the commercial club industry today.

Now, please read this paragraph carefully... I own a club, also. And, our company is made up of club owners. We KNOW that 90% of your club members join to lose weight. Our systems prove, and we have experience that 50% of those members will buy professionally-produced weight loss programs when such a program is presented to them. And, guess what? They bring their friends! Weight loss is an emotional experience and is shared in relationships. Those who lose weight are watched and then followed into your business by their friends who also want to lose weight. Just by adding weight loss program sales to your business model, the result will be that you will begin to bring in a market that presently doesn't come to you. And they bring the money with them that's previously been left on the table!

So, in one of our conversations, Norm suggested that I change my ad (See **Opposite Page**), and in this article, quote some of the club owners, people in the industry just like you, whom we've helped achieve great professionally-produced weight loss program sales and improved club business financial results right inside their existing club(s). Folks, please also keep in mind that your club's fixed overhead, rent, utilities, etc. are going to be the virtually the same, whether you're providing professionally-produced weight loss programs, or not. So, why not increase your profits by growing your revenue through the addition of a professionally-produced weight loss programs?



Donna Krech  
Total Solution for the Obesity Pandemic!

**Donna Krech**  
Remember... a large percentage of the professionally-produced weight loss program sales revenue in a club (whose overhead is already somewhat fixed) goes to that club's bottom line.

## Comments from Roy Leedy

Before I found Thin&Healthy's Total Solution (THTS), we did \$15,000 in my first month as a club owner. Then, I started polling people to find out if they were members at any weight-loss facilities, and I thought, "These people are going somewhere else and paying for it. Why not go with the company that does it better than anyone else, offer it all under one roof and bring that money into our club?"

After we added Thin&Healthy's Total Solution, our enrollment revenue skyrocketed to about \$57,000 gross without advertising. The next month we ran some ads and did \$126,000.

To all you club owners who aren't making money and feel like there is no hope for making money, remember this... With only 14% of the American people as members of American clubs, all of our clubs are competing for a shrinking market. When I saw that 90% of the people who join clubs want to lose weight, I realized I would be much more successful putting my money into a weight loss program, and I have been ever since.

When you add a professionally-produced weight loss program such as Thin&Healthy Total Solutions, priced reasonably as an extra service in your club,

(See Donna Krech Page 35)

**Make It Fun Everyday!**

# Pulling Profits Out Of THIN Air

## Is A Way Of Life For These Club Owners

**ADDING THIN&HEALTHY'S TOTAL SOLUTION TO THEIR FACILITIES  
CREATED 5 NEW INCOME STREAMS AND 10 NEW MARKETING AVENUES.**



**From \$200,000 in one year to \$1 Million in one year!**

Roy Leedy  
*Super Fitness*

**From nearly losing my home to making money the very 1st day!**

Beth Delegrange  
*Contours Express*



**From leaving money on the table to making \$250,000 without any marketing!**

Shaun Fisher  
*Anytime Fitness*

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

Lisa Vermillion  
*Get Fit/Bee Fit*



**From hopeless to hopefilled!**

Carrie Covington,  
Rachel Crabtree  
*PromatX*

**From competing for marketshare to the best Return on Investment we've ever seen!**

Mike Deigan  
*Temecula Valley Fitness*



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

Kelly Rager  
*Super Fitness*

**From struggling in our club to telling everyone how easy this is with weight loss!**

Dennis & Mayra Ciccone  
*Ciccone Family Fitness*



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# How Much Is Enough?

By: Mike Grondahl

When it comes to spending money on marketing, some people say you should devote a percentage of your gross sales. Others say you should spend whatever you can afford. But in my opinion, you spend whatever amount you can make work.

If you're running a promotion that pays for itself

in the first 60 days, then your marketing budget should be virtually unlimited. For example, if you spend \$50,000 on a promotion that ends up bringing in \$50,000 --when you add up the enrollment fees, first-month down, and first month's billing-- then you've done it right.

Of course, the first time you put a promotion together, you won't have any history to use as a

guide. You won't know how much to spend. So at the outset, you have to be willing to take a chance and invest in intelligence gathering, constantly testing different offers over a period of roughly 90 days. When you find an offer that works, **YOU WILL KNOW IT.** Let that offer dictate the size of your budget going forward.

The first time Planet Fitness did a promotion for

prepaid memberships --back in the early 1990s-- we spent \$15,000 on a week-long ad blitz that ended up bringing in more than \$50,000. That was a huge surprise. On the other hand, we've had offers that we've spent \$10,000 a week promoting that didn't pay for themselves over the course of a year. As a vehicle, we've always used direct mail, because it's the most cost-effective way to reach a lot of potential customers.

In the current economy, if your club is on life support --meaning you're not paying your bills-- read the book "Guerrilla Marketing." Early on, when money was especially tight, we took a suggestion from the book and addressed our direct-mail letters by hand, on the theory that they were more likely to be opened. It worked! Right now, if you've got a struggling club, direct mail is your only chance to build membership.

So, how much advertising is enough?

It depends on the size of the gym. A key club like Snap, Anytime Fitness or World Gym 1440 should spend \$1,500 a month on marketing. A larger facility --one that's 10,000-15,000 square feet-- needs to spend about \$4,000 a month, and a club that's from 15,000 to 25,000 square



Mike Grondahl

feet should spend about \$7,500 a month. For any gyms larger than that, don't ask me; I've never run a club that big.

My ultimate goal would be to devote at least \$1 per square foot to advertising every month. Unfortunately, I'm not smart enough right now to spend that amount of money intelligently.

As a gym owner, if you ever reach that level, you'll own the minds of virtually everyone in your market. But again, only if you spend it wisely. If not, you could be sitting in a courtroom next to the guys from Bally's, praying for a bailout.

(Mike Grondahl is the CEO of Planet Fitness)

## ...IHRSA

continued from page 3

and safety, spearheads the initiative, which was announced in the public policy-focused article, In Brief, in the February, 2008 issue of Club Business International magazine. NSF has invited IHRSA to participate on the Joint Committee responsible for developing and approving the certification standards. IHRSA accepted the invitation after being assured that every IHRSA member would have the opportunity to participate in the process and make his/her voice heard.

IHRSA intends to create an appropriate, voluntary certification process for clubs wishing to be recognized as quality providers of safe and healthy exercise. Proposed standards, available for public comment, are expected late spring or early summer.

IHRSA's participation

in the process is guided by 5 core principles:

- Certification standards should be reflective of current responsible industry practice.

- Certification should grow the health club industry by increasing consumer confidence in the safety of accredited facilities.

- Certification should attract positive attention from the medical community, including an increase in the number of patient referrals to health clubs.

- Certification should attract positive attention from employers, insurance companies, and other potential third-party payers.

- Certification standards must be practical.

IHRSA is working to-

gether with the Joint Committee to develop these principles and see that they are put into practice, and encourages its members to become involved, show their support, and provide thoughts on the topics expected to be addressed by the certification standards.

- Pre-activity screening and orientation
- Staffing requirements
- Emergency and risk management procedures
- Operational practices

Every IHRSA member will also have the opportunity to submit comments directly to the Joint Committee once the proposed certification standards are released to the public.

For more information on the draft form of the standards, or to share your comments, please visit [ihrsa.org/facilitycertification](http://ihrsa.org/facilitycertification)

or contact the IHRSA Government Relations Department at [gr@ihrsa.org](mailto:gr@ihrsa.org) or, 617-951-0056 (fax). For media inquiries, contact IHRSA Public Relations

Department, [pr@ihrsa.org](mailto:pr@ihrsa.org).



## ...World Gym

continued from page 3

be the home of serious fitness, and the first team members to join us are Karin Michael, as Director of Franchisee Relations, and former CEO and Industry Veteran, Mike Uretz."

Uretz, reached at his home, stated, "I can't think of better stewards for the Brand, and I can tell you Guy and his family bring energy, focus and a commitment to energize the World Gym Brand. Joe Gold would be happy to know that World Gym has once again found its way back to the future."

**Publisher's Note:** The press

release above provides a few details, so **CLUB INSIDER** caught up with Mike Uretz for his comments. Let me summarize his comments by saying, Mike is very happy to be working with the Cammilleri family and believes they have a great vision for the future of World Gym. Mike was kind enough to provide me with Mr. Guy Cammilleri's phone number, and I plan to be in touch with him for comments to be published in our February, 2009 edition. Upon contacting Mike Grondahl, the seller of World Gym International, he declined to comment stating that the sales agreement carried a clause specifying no comments about the deal on his part. *Stay Tuned!*



Daron Allen  
CEO, Visual Fitness Planner

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A club chain in AZ reports – “The VFP is the standard presentation for both POS and New Member Orientation. Upon implementing the VFP, our club went from producing \$0 per day in Program/PT at the point of sale to now producing \$12,000-\$15,000 per day.”

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

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## U.S. Health and Fitness Industry Push "Self Care Reform" in 2009

**BOSTON, MA., December 15, 2008** - As legislators and the new Administration ring in the New Year tackling the challenges of health care reform in a weak economy, the International Health, Racquet & Sportsclub Association (IHRSA) will be actively promoting "self-care reform" and encouraging all Americans to get moving for their physical and fiscal well-being. As part of the effort, IHRSA and health clubs across the country will be promoting the first-ever, government-issued physical activity guidelines --the 2008 Physical Activity Guidelines for Americans ([www.health.gov/paguidelines](http://www.health.gov/paguidelines))-- released by the U.S. Department of Health and Human Services in October 2008. And, on January 5th, IHRSA will be kicking off its 5th annual *I Lost It at the Club!* --an eight-week weight loss program to help people get a jump-start on feeling better in the New Year.

"Tough economic times and looming health care costs are making it more important than ever for people to proactively care for their own health," says Joe Moore, IHRSA's President and

Chief Executive Officer. "Ben Franklin's old adage, 'An ounce of prevention is worth a pound of cure,' couldn't be more true today. And, the easiest, most cost-effective way for people to care for their health is to get moving."

According to the Centers for Disease Control (CDC), physical activity reduces the risk of dying from coronary heart disease and developing high blood pressure, colon cancer, and diabetes. It helps maintain healthy bones, muscles, and joints; reduces symptoms of anxiety and depression; fosters improvements in mood and feelings of well-being; and helps control weight, develop lean muscle, and reduce body fat. Physical activity can also help reduce blood pressure in some people with hypertension. All told, chronic illnesses, such as diabetes, cancer and heart disease, and their underlying causes, such as obesity and tobacco use, affect more than 130 million Americans --nearly half the population-- and account for 75% of U.S. healthcare spending, or \$1.5 trillion annually.

"Much of the money spent on health care is spent on

illnesses that could be avoided," continues Moore. "2009 will be a year when America is highly focused on the economy and health care --particularly as it relates to people's finances."

"We want all Americans to understand that it is within their power to take hold of their personal situation by changing their own living habits for the better. 'Self care reform' means that every American is empowered to take charge of their own health simply by getting up and moving, eating better, and making smarter lifestyle choices. A healthier nation --both physically and economically-- starts with the choices each one of us makes each and every day. And, those choices can have a dramatic impact on quality of life for all of us."

IHRSA reminds people; not only can exercise help save in the long run on health care costs, but it helps minimize absenteeism at work, helps boost morale in tough economic times, and can help prepare people physically and mentally for the job hunt and interview process.

It doesn't have to take much, either. People can exercise within their own homes, without any fancy or expensive equipment. Dancing, walking or running in place, jumping rope, or stretching are good places to start. For those who want to get outdoors, take a walk around the block, work out in the yard, or get together with friends and neighbors for a game of kickball. It's okay to start slowly and build the momentum as you can and as you like. The important thing is getting started. According to the 2008 Physical Activity Guidelines for Americans ([www.health.gov/paguidelines/](http://www.health.gov/paguidelines/)), the goal for most American adults should be to build up to a minimum of two and a half hours a week. But, goals will vary depending on age and fitness level.

For people who prefer to exercise in a health club, where they can find the support of professional staff and others like themselves seeking to make positive changes in their lives, IHRSA offers these tips on how to get the most out of their health club membership in 2009:

1. Make sure you haven't overlooked any of the amenities your club offers. Ask for a

"refresher" introductory tour to make sure you haven't forgotten about any of the special perks your health club offers, and make sure you use any of these value-added services!

2. Make the most of the free classes. It's always a good idea to mix things up. Not only do exercise classes offer a chance to challenge your body and improve your strength and balance in new and different ways, but they provide an opportunity to meet new people and keep your workout routine "fresh."

3. Try a personal trainer. A personal trainer can help develop a regimen tailored specifically to your workout needs. Most clubs that offer personal trainers will provide one or two complimentary sessions. This is a great way to find the trainer that is right for you.

4. Participate in any special programming your club offers. Health clubs frequently run special programs to help educate the community on health issues or to promote weight loss. *I Lost it at the Club!*, *Get Active America!* ([www.ihrsa.org/GetActiveAmerica](http://www.ihrsa.org/GetActiveAmerica)) and *Teen Fitness Connection* are programs that many IHRSA member health clubs offer.

5. Spread the health. Ask about guest passes so you can bring a friend to the club and introduce them to the healing, and motivating, power of exercise.

### More About I Lost It at the Club!

*I Lost It at the Club!* is a fun and collaborative weight loss program focused on healthy living and is one of a number of consumer-focused health initiatives designed by IHRSA to offer the support people need to live healthier lives. Participating IHRSA health clubs will kick off 2009 with *I Lost It at the Club!* on January 5th, and the program will end on March 2nd. The eight-week program will help current and prospective club members fulfill their New Year's resolutions to lose weight and get in shape. Last year's *I Lost It at the Club!* included 646 IHRSA clubs --the highest participation rate ever. Of the clubs who reported

their results, a total of 11,128 participants lost 36,564 pounds.

### Other IHRSA Initiatives

As part of the annual *Get Active America!* program started four years ago, a wide variety of health clubs nationwide offer health-focused programs each May and open their doors for free for several days. The goal is to make it easier for Americans to exercise and to help them build physical activity into their daily routines.

IHRSA supports health promotion legislation to help encourage more active lifestyles, such as the Workforce Health Improvement Program (WHIP) Act (H.R.1748, S.1038). This federal legislation seeks to combat chronic disease and obesity caused by inactivity by allowing for the balanced tax treatment of fitness center memberships as an employee benefit. Specifically, it reaffirms an employer's right to deduct the cost of subsidizing or providing off-site health club benefits to their workers. And, it excludes the wellness benefit from being considered additional taxable income for employees. Current law allows employees to use on-site fitness facilities free of any tax implications. But, when a business needs to outsource this health benefit, employees who receive off-site fitness center subsidies are required to pay income tax on the benefits, and their employers bear the associated administrative costs of complying with IRS rules. The WHIP Act eliminates this tax on off-site fitness center subsidies, making it easier for all employers to offer important exercise incentives for their workers.

IHRSA also supports the Personal Health Investment Today (PHIT) Bill (H.R. 245), which takes a giant step toward a healthier America. This legislation will allow for exercise and physical fitness programs and certain exercise equipment to be paid for out of pre-tax dollars by including them in tax deferred medical savings vehicles, such as flexible spending accounts (FSA) and health savings accounts (HSA). IHRSA believes that PHIT will help provide the level of support many Americans need to be able to adopt healthier lifestyles and become more physically active.

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## ...American Family

continued from page 3

first arrived, but I loved the area by the time I left."

This author visited Evans' American Family Fitness Clubs in June, 2005, and it was very apparent to me then that Evans was a special operator who took great pride in providing his members with top flight facilities, services and amenities. Since then, he's added two new clubs that are 75,000 and 95,000 square feet (The 95,000 square-foot club will replace one of AFF's oldest clubs, the Westend Club, and the oldest one, the Southside is slated to be replaced this Fall with a new 68,000 square-foot facility). The AFF clubs are very upscale, multi-purpose, family-oriented clubs offering a vast array of facilities and services including multiple pools, basketball courts, a 1/5-mile, indoor jogging track, outdoor playground for children and multiple group exercise rooms. In short, the newest versions of American Family Fitness are spectacular creations, and all 7 clubs are high-traffic volume clubs.

In 2007, Evans' American Family Fitness Club chain generated \$35 million and will report \$40 million for 2008. This

is a number that will very likely place AFF in the top 25 U.S. club chains in terms of annual revenue as they occupied the #30 slot in the Fitness Business Pro Magazine's Top 100 annual report for 2007.

However, setting revenue aside, Brian Evans' American Family Fitness is in a class all by itself with respect to the many successful efforts the company has started or become involved with to help the community it serves. Evans makes no bones about the fact that AFF's community service thrusts have provided his club chain with a special relationship of trust in the community, and it is clear to Evans that the trust AFF has earned from the citizens in his market has helped him take American Family Fitness' seven clubs to the \$40 million mark for 2008. According to Evans, trust and appreciation in the minds of the citizens he serves in the Richmond, Virginia-area, has played a big part in the chain's membership growth, which is now at 56,000 memberships (converting to 115,000 total members when counting spouses and children). Currently, AFF is experiencing 10,000 to 11,000 members and guest visits per day in their 7 clubs.

Brian Evans deserves an awful lot of credit and kudos for his 19-year club owner career and has clearly distinguished himself as one of America's best club owner/operators. Evans' results with AFF may be attributed to a clear and dedicated corporate culture of services, a component often missing in high volume clubs. For example, Evans clearly sets forth the AFF company culture in his "Welcome Letter" to all new AFF employees, as he states:

"This Employee Manual has been provided so you might have a better understanding of many of our policies and benefits, as well as our expectations of you as an employee. You have been hired because management believes you have the qualifications, and more importantly, the personal qualities to help American Family Fitness attain the ambitious goals we have set. The keys to success for any business are a well-trained and enthusiastic workforce, an outstanding product and superior customer service. It takes a successful business to offer competitive salaries and benefits. Keep in mind that this is a privately-owned Fitness Center. Consequently, all interactions within the club are a direct reflection on both myself and everyone who is employed at American Family Fitness. As a club, we are committed to quality service in a warm, friendly environment. As far as the members are concerned, you are the club. *Every action taken, word spoken and mannerism presented in front of our members and fellow employees will ultimately determine the success of this company. Most members judge the quality of our club on how you relate to them as individuals. Always remember, PERCEPTION IS REALITY.*"

Evans continues in his letter, "If you are like us and like what you are doing, your job should be a very enjoyable one. We require that you love working with people, enjoy fitness and the environment surrounding it, and take pride in your work. And most importantly, we require that you always carry a great attitude because ATTITUDE IS EVERYTHING. In return, we are committed to training you properly and thoroughly to allow you to perform your duties as efficiently as possible. In recent years, the American Family staff



### One of Seven American Family Fitness Clubs

has developed into a closely-knit group. We are sure that you, as all other employees, will conduct yourself at all times in the appropriate manner. Again, welcome to the American Family team. Together, we will work to achieve our goals. Yours in Good Health, Brian F. Evans, President and CEO."

#### American Family Fitness Mission Statement and Corporate Vision

**CLUB INSIDER** - Do you have a formal company Mission or Vision Statement for your company?

**Brian Evans** - Yes, we have an AFF Training Manual with our Mission Statement, Corporate Vision and a Code of Ethics that sets the standards for our company.

Evans provided 3 pages in response to this question, and the copy from those pages follows:

#### Club Culture at American Family Fitness

American Family Fitness' club culture is made of 6 components. When all are put together, they really define what American Family is all about. The Facility, Equipment, Services, Staff, Programs and Business Philosophy are what encompass these components at each club. Each component is defined below. It is very important that each employee knows and understands these cultural components.

**Business Philosophy** - What really makes up the Business Philosophy at AFF is the company Mission and Vision Statements and the Company Code of Ethics or Core Values.

● **Our Mission** - Each day, every one of us is in the business of improving the physical and mental well being of all of our members.

● **Our Vision** - We will remain the established leader

and role model in the fitness industry. We will accomplish this by maintaining the following principles of our philosophy:

**UNPRECEDENTED Customer Service** - With the fitness industry being very competitive, quality member service is a key ingredient for member retention. The member's satisfaction and personal experience will determine the success of our company. Therefore, our customer service must be second to none, and we must continually thrive on exceeding our member's expectations.

**KNOWING and BELIEVING in Our Business** - Our service is providing fitness for the betterment of each individual through our employees. We must strive to know more about our business and believe in the purpose of our business.

**ENTRUSTING Our Employees By Providing Effective Training** - Our employees must perform their duties to their fullest potential and make crucial decisions when necessary. Providing proper training, knowledge and continual education will empower them to do so. We expect our instructors to acquire and maintain their certifications and continuing education credits.

**CONSISTENCY in Delivery of Our Service and Training** - This will add credibility to our company as an organization of fitness professionals and ensure that our members are getting the professional instruction and attention they deserve. Delivering this consistency will maximize our potential for profit.

**HONESTY and INTEGRITY Must Be an Integral Part of Everyone's Performance** - To retain our best employees and members, we must have integrity instilled in the corporation. This will be accomplished by treating (See American Family Page 22)

## The World of American Family Fitness

**Northside** - 32,000 square feet (Leased space)

**Southside** - Previously 40,000 square feet (Now in a temporary 30,000 square-foot space with a 68,000 square-foot multipurpose club on 8 acres to open in November, 2009)

**Swift Creek** - 65,000 square-foot multipurpose club on 5.5 acres

**Colonial Heights** - 40,000 square-foot multipurpose club on 5 acres (Adding 15,000 square feet of space on 1.5 acres for additional parking later in 2009)

**Fredericksburg** - 75,000 square-foot multipurpose club on 7 acres

**West End** - 94,000 square-foot multipurpose club on 8.5 acres

**Mechanicsville** - 40,000 square-foot multipurpose club on 4 acres



American Family Fitness Pool



"My quest to be #1 and win the Mr. Olympia Title came from using the best, **Intek Strength** — There is no second best".  
Jay Cutter Mr. "O"

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## ...American Family

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our members, as well as our fellow employees, with dignity and respect at all times. This will be the foundation on which our success will be built.

### AMERICAN FAMILY CODE of ETHICS

In order to fulfill our company mission and vision, we, as employees of American Family Fitness, pledge that:

- Each member will be treated as if the success of our company depends on his membership;
- All fellow employees will be treated with the utmost respect and courtesy at all times;
- We will continually promote and increase the value of our programs and business;
- We will not deceive, misrepresent or be dishonest to our members at any time;
- We will always be professional when performing our duties and responsibilities;
- We will commit to further education in order to achieve optimal job performance;
- We will bring our best attitude into the club every day;
- We will strive to improve our presence in the community by participating in community outreach programs and events.

### An Interview with Brian Evans...

#### American Family Fitness Sole Owner and CEO

We're pleased to provide the following interview with Brian Evans, sole owner and CEO of American Family Fitness in Richmond, Virginia.

**CLUB INSIDER (C.I.)** - Brian, when, where and how did you

first become involved in the health and fitness club industry?

**Brian Evans (BE)** - That was in 1990, when I worked as a Systems Analyst in the Corporate Trust Department at Texas Instruments in Dallas, Texas. I started working out on my own and enjoyed it and ended up getting a part-time job assisting members with their workout programs in exchange for a membership at a local health club in Dallas. I enjoyed it, and then, it kind of dawned on me what I wanted to do in the future. I wanted to become involved in the administrative department in a local health club or a management company that operated health clubs, but I really couldn't find anything. So, I started my own personal training business, and that actually failed. I tried to provide personal training services for traveling executives. Actually, it would have worked, but it was undercapitalized. The experience was helpful to me though.

Then, I discovered through a friend of mine at the club where I worked that two clubs were for sale in Richmond, Virginia. I went to Richmond and looked at them. I decided it was a great opportunity. The majority owner was the late Jim Booker, and he was in his mid-sixties and wanted to sell. So, I got some resources together to buy them out. They were two basically brand new clubs that weren't being managed or controlled well... as far as cost. They were in trouble, but I saw them as great opportunities. They were called American Family Health and Racquet Clubs' Northside and Southside locations (We are actually building a replacement club for the Southside location now). I came in and formed a new corporation called Richmond Fitness and bought the right to use the name American Family within the purchase agreement.

I changed the name to American Family Fitness. Looking back, I realize I kind of stumbled into this opportunity. If I had not met this guy at the health club in Dallas, I probably wouldn't be talking to you today Norm. I was in the right place at the right time.

**C.I.** - Do you have any partners, and if you do, what are their roles in the company?

**BE** - No, I'm the sole owner and always have been.

**C.I.** - Well Brian, it's remarkable to see what you've created all by yourself! As you recall, I did spend a whole day visiting your clubs in Richmond, and I was impressed.

**BE** - Thanks, Norm. I'd like you to see our two latest creations if you're ever in the area again. They are just really neat clubs.

**C.I.** - Who are your primary competitors in the Richmond-area?

**BE** - The YMCA's. Plus, we have a few Gold's Gyms and one Atlantic Coast Athletic Club.

**C.I.** - Having visited four of your clubs a few years back, I realized then the very high quality standards AFF has set. When I visited, I witnessed great innovation, and a unique creativity in design and a very high level of excellence in finishes, lighting and esthetics... such as interior landscaping, floor and ceiling treatments and graphics. In my view, AFF is in the upper echelon of all clubs in the U.S. that I have seen when it comes to the environment and "experience" AFF provides all members during each visit. Let's talk about your facility design process, and how you go about that process, because your facilities are quite unique.

**BE** - First, we try to figure out what size of club we want to build when we find a location. Obviously, we must be careful with land use because parking comes into play. We have to figure out if we are going to build a one or two-level club. Then, we determine what we want to offer that will best serve the demographic area we are entering, and we must determine how large we want to make each of those amenity and service areas in the club. That all depends on the demographics of the area. For instance, how big do we want to make our cardio equipment space or our strength area? Or, do we want to have



*American Family Fitness Workout Area*

one, two or three group exercise rooms? Do we just want to have a single teaching pool, or do we want to separate the pools and have a lap pool, a teaching pool and a kid's pool? Again, demographics come into play. So, once those things and the square footage have been determined, we meet with our architects from the local firm of Freeman and Morgan, AIA, and start planning the initial layout. Freeman and Morgan have designed five of our clubs. Of course, we go through many iterations... moving this and moving that... shifting this upstairs and shifting that downstairs. So, it's an ongoing process. My Vice President, (who is no longer with me) and I were involved extensively. Of course, I get feedback and assistance from my General Managers. Now, our architectural firm pretty much understands what we are looking for. So, when they get the building size, they can come up with a starting point on their own now, which is nice. The unique thing about our clubs is we don't try to replicate any of our clubs, something a lot of chains try to do. We don't have any that are similar. We want to make the experience different when a member goes from one club to another club. The change is nice, and it's just a different experience every time the member goes to another club. I think that gives American Family Fitness a cool uniqueness.

As for our new 95,000 square-foot location we call the Short Pump location, there are a couple of unique things about it. For one, it's 95,000 square feet. And, it has a full upstairs and downstairs with a 1/5-mile, indoor track upstairs, when a lot of clubs might have a 1/10-mile track. The demographic area is huge and we're located where a lot of people live and come to shop at the mall. We have the back-end parcel of a big upscale

mall. There is a ring road around the mall, and we have the back corner that faces I-64. It is just a great location. It was worth the wait to get those 8 acres. Another thing we wanted to focus on, and this was key because we knew there were a lot of families up there, was kids. We have a lot of designated areas for kid's activities for different ages. We have a separate martial arts room for kids ages 8, 9 and 10. We're getting ready to install XRKade, a 3-D and interactive cardio equipment line-up. XRKade is based in Denver, Colorado, so you can take a room that is 1,000 or 1,200 square feet, and they come in and almost prefab it for you. We're just about ready to kick that off as it's being installed right now. It will be a huge draw and will actually be a little profit center for the club. Additionally, in our nursery and Kids Zone, we have a court where they can play roller hockey or soccer. We have a huge outdoor playground, and we provide lots of activities for kids that are going on all the time on the basketball court or in the pool. Family activities are the focal point of this club.

**C.I.** - Having visited with Jill Lakey and Francine Wood when I was in Richmond, I found your staff to have a special pride and dedication to excellence in what they do. Tell us about your key team members and how you select, train and motivate all AFF Staff?

**BE** - Our leaders are definitely our General Managers, and they run the ship. The minimal tenure that I have for General Managers is 10 years. Some of them have been GMs longer and more than half have been employed here 15 years or more as well as others who have been with us in some capacity. We found it very hard to recruit management from the outside because of the culture (See American Family Page 24)



*American Family Fitness Group Exercise Studio*

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*Mark and Karen Steinfield*

Gold's Gyms of Howell, Point Pleasant, and Long Branch



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**Association Insurance Group**

## ...American Family

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we have at American Family Fitness... what we call the "AFF Way," so to speak. Most of our GMs are self-made leaders who've started in some other capacity with AFF years ago. For example, Jill Lakey started as an aerobics instructor back in the early 90's, then she got into sales and then became an Assistant Manager. So, most of them have followed a path like that. We grow our own because they understand the American Family way and our culture. It's a lot easier to train them when it becomes time to put them into management. In addition to our company training manual, we also have departmental manuals for every department. Beyond training provided by studying our manuals, we provide a lot of hands-on training with new-hires working side-by-side with AFF veterans. The key here is the quality of the people that we look for to work for us.

We have 35% full-time and 65% part-time. A lot of those part-timers don't need the job. They just like the environment and want to work here. They have fun because it's a great environment for workers. So, we try to create a fun atmosphere to work in; a serious atmosphere, but fun. Be yourself. Understand what your role is. Understand what you need to do. Be disciplined on our policies. It is a challenge. We are a high-volume club, no doubt about it, and I think that is a big challenge. We consider ourselves, like you said, more on the high end... no doubt. But, because we are also a high-volume club, that's a very, very tough job to do... to deliver consistent and excellent customer services to

11,000 people every day. Because of the high volume, we know we are going to get more complaints from billing and service, so staff must be taught how to handle those situations. The GMs do an excellent job of deferring any problem and training their people at the front desk to do that, too. The GMs have gotten us to where we are today. The members see that. The members are pretty smart. When they see that same front desk person, day in and day out, and the same fitness crew, day in and day out, they see and know that people like to work here. That reflects very positively on our company. The members see that we have our act together. They see our company as stable. That makes the members feel like they made a good investment versus, perhaps, having gone to another health club.

**C.I.** - Brian, when you started AFF 19 years ago, did you think you'd ever be talking to somebody about your business generating \$35 million, and most likely, \$40 million in 2008?

**BE** - Heck no! Recently, when I received the Richmond-area Chamber of Commerce Impact Award, that's a comment I made to the audience. I said, "If you would have told me, when I first got into this business in 1990, that I would be up here accepting the Impact Award from the Greater Richmond Chamber of Commerce for the small business that had made the greatest impact on the community, I would say you're crazy!" I told them that, at the time, we were a business generating maybe a couple million annually with 100 to 150 employees, and in 2007, we were at \$35 million and 950 employees.

**C.I.** - Brian, you should be really

proud of yourself for what you've achieved!

**BE** - Really Norm, I'm proud of all the people who are with me and have been for a long time. They are the people who are truly making it work.

**C.I.** - AFF is deeply involved in supporting the Richmond, Virginia community through relationships with the Boys and Girls Clubs of America, Toys for Tots, the AFF Blood Drive, an AFF Scholarship Program and the Wounded Warrior effort to help our soldiers who have been injured in the line of duty. And last month, AFF was honored with the Richmond area Chamber of Commerce with its 2008 Impact Award, a very high honor.

Brian, please share the value of AFF community giving and involvement to the financial side of your business, where AFF has consistently built trust in the minds of the community over 19 years and how the trust you have built in the minds of the community has helped grow your business over the years.

**BE** - Richmond is the capital city of Virginia with a metro population of about 950,000. So, when the local population gets wind of you giving back to the community, that goes leaps and bounds as far as your work and what people want to be



### American Family Team Receiving Impact Award

(L to R): Shawn Vaden, Steve Reed, Deann Estes-Gray, Brian Evans, Jerry Fox, Francine Wood, Jill Lakey, Dale Mayton, Cindy Brown, and Tripp Brightwell Photo Credit: Taylor Dabney

associated with. Our three biggest contribution efforts are (1) Boys and Girls Clubs of America, (2) Children's Hospital, and (3) Special Olympics. I serve on the Boards of The Boys and Girls Clubs and the Special Olympics. A lot of the people we are associated with in those charitable organizations are members of AFF. They talk up our club and tell people what we do. Those conversations generate lots of new member referrals. Last year, we totally funded the reopening of two Boys and Girls Clubs. I was recognized by the Boys and Girls Clubs for our contributions and service at the end of 2007. My whole vision with the Boys and

Girls Club is that, ultimately, we are going to add a fitness center in each of the Richmond-area Boys and Girls Clubs. We will be using volunteers for instructors so these underprivileged children can exercise. We give about \$250,000 a year to the Boys and Girls Clubs if the Richmond-area. We recently bought a new van for transporting people, so we will have our AFF logo on the van along with the Boys and Girls Club logo (See sidebar below for all of American Family Fitness' community efforts).

I'm pretty involved in the Special Olympics, too. Last year, at the Special Olympics (See *American Family* Page 26)

**1. Boys & Girls Clubs of Metro Richmond** - In 2007, American Family Fitness partnered with the Boys & Girls Clubs of Metro Richmond by committing \$750,000 over three years for a re-building campaign, starting with the re-opening of the West End/Teen Center near Virginia Commonwealth University. We also have made numerous donations of fitness equipment to individual Boys & Girls Club locations and encourage our employees to volunteer their time by leading fitness classes and activities. In the Summers of 2007 and 2008, we sponsored four youth from area Boys & Girls Club locations to attend the Ben Wallace basketball camp. Total \$750,000 + in-kind donations.

**2. Children's Hospital** - American Family Fitness has been involved with Children's Hospital since 1997, and in October 2008, sponsored our seventh annual 5K/10K Run/Walk to benefit the organization. Funds raised from this event as well as a golf tournament we started two years ago and other general donations have funded medical equipment purchases, the renovation and expansion of the hospital's Transitional Care Unit and Dental Clinic, an annual beach trip for residents of the hospital's Transitional Care Unit, renovation of the hospital's playground. In the last 11 years, we have donated more than \$250,000 to Children's Hospital.

**3. Special Olympics** - We have been supporting the Special Olympics since 1997, and in 2008, sponsored and sent four of eight qualifying Virginia Special Olympic athletes to the world games in Shanghai, China. We've also donated billboard space to promote the summer games and made numerous in-kind donations for the organization's annual golf tournament and walk. Total of \$415,000.

**4. Central Virginia Food Bank** - Each July, American Family Fitness hosts a food drive at our seven locations to benefit the Central Virginia Food Bank. We encourage employees and members to make donations, and then we match those donations pound for pound. In 2006, we donated 548 pounds of food, and in 2007, we more than doubled our contributions with 1,223 pounds of food. We saw similar increases for our 2008 food drive.

**5. Meals on Wheels** - Employees at each of American Family's seven locations and our corporate office deliver meals monthly for Meals on Wheels. We also support the organization with monetary donations, are a route sponsor and annually organize a team for the organization's Bowl-A-Thon. Total \$6,400.

**6. Toys for Tots** - Since 1998, we have partnered with Toys for Tots, Main Line Radio and Channel 8 for the annual holiday toy drive to benefit families through the Salvation Army. Since our partnership began, we have collected more than 12,000 toys for underprivileged children and teens.

**7. Virginia Blood Services** - American Family Fitness hosts three blood drives for Virginia Blood Services each year. Since our partnership began in 2004, we have provided 1,170 units of blood.

**8. Scholarships for high school students** - In 2007, we presented our first \$1,000 scholarship to a graduating senior from Hanover County's Lee Davis High School. In 2008, we expanded the scholarship program to include one \$3,000 and two \$1,000 scholarships for three deserving area high school seniors. We are currently accepting applications for our three 2009 scholarships. Total of \$6,000.

**9. Schools** - As part of our new Short Pump location construction, we donated \$1,200 to the Henrico County Health and Physical Education Program to buy heart rate monitors to use in alternative physical education courses for special needs students. We also participate in PE online for Henrico County Schools and have donated over \$400,000 in the past eight years to schools in a form of in-kind donations.

**10. Comfort Zone Camp** - American Family Fitness has been involved with Comfort Zone Camp since 2004 by supporting its Annual Golf Relief Ball in March and supporting various fundraisers through in-kind donations. Total of \$18,500.



American Family Fitness Children's Park

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### revenue

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John McCarthy, former Executive Director of IHRSA

## Jill Lakey, AFF West End GM, Comments on General Management

**CLUB INSIDER (C.I.)** - Jill, how long have you been with American Family Fitness, and how has AFF evolved during your years with the company?

**Jill Lakey (JL)** - I have been with American Family for 16 years. I started out as an aerobics instructor and just kind of worked my way up the ladder. Besides the obvious, the extraordinary growth this company has had, the biggest evolution is something that is a little bit more unique.

I have seen AFF completely change and evolve into a place where the entire family works out here now. It is a family affair now. For example, my club, American Family Fitness West End, a 95,000 square-foot facility has something for everyone. We have tons and tons of programs for kids, and we just recently installed XRKade in a 1,000+ square-foot room. And, we're seeing not just kids enjoying the XRKade program, we're seeing

adults and seniors, too!

**C.I.** - Jill, what are the three biggest challenges that you face as a General Manager?

**JL** - I think that my biggest challenge would be time management. It's an ongoing struggle that I don't think that you ever master. I try to delegate whenever possible. I try to have regular meetings so I can avoid interruptions whenever I can. I'm a list girl... so, I make lists. I'm famous for saying, 'if it

doesn't get written, it doesn't get done.' So, when my people come to me, I say, 'Email it to me, and I will take care of it.' I'm big on chain of command because I feel it's real important for your people to have that sense of ownership. All of these things go back to time management.

My second biggest challenge is keeping everyone happy. We have over 10,000 memberships alone at the AFF (See *Jill Lakey* Page 28)



*Jill Lakey*

### ...American Family

continued from page 24

World Games, we had 8 Virginia athletes qualify, and we paid for 4 of them to go over to Shanghai, China. This year, the Winter World Games are in Boise, Idaho, and we will pay for all 8 of them to go and participate. The Special Olympics State Championships are here each year, and they have Ambassadors who speak for the Special Olympic movement. I have learned a lot from listening to what they have to say. The next big thing is we have a 10K race to benefit Children's Hospital in Richmond, and we usually raise \$50,000 for them. It is one of the best children's hospitals in any city and it is great (American Family Fitness 5K/10K Run/Walk on October 11th raised \$48,000 for Children's Hospital). We do what we can to help the community, and I think the members realize that. I think they want to be associated with people that want to give back, because to me, that's a big part of what having a for-profit business is all about.

**C.I.** - For our readers, please summarize your thoughts about the value of community service to improving their club businesses financially.

**BE** - From a PR standpoint, if you have a good PR person, you're going to get free public relations media coverage because of the degree of interest the media has in community service events. Plus, you wouldn't believe the phone calls you get, not only from your members, but also positive feedback from your business relationships out there. They become very willing to provide your club with access to their employees. There is an intrinsic and extrinsic value. By not doing this, I would feel guilty. We're fortunate that we are profitable

enough to be able to do these things. But, some people in our industry take the greedy route and take their money and run. It is really about what you value.

To me, everybody deserves to have a good quality of life. There are so many people who have such a poor quality of life. We do provide a better quality of life with our clubs to those who can afford to join them. But, at the same time, we need to give back to those people in our communities who can't afford a health club. Or, give back to people who have health issues such as Down's syndrome. They deserve to enjoy exercise and competition, and the Special Olympics provide those opportunities. I am not going to say that you can't be successful in your health club if you don't do these things, but the more you are in the eye of the public, the better business you will have. For those who shy away from community efforts, the leaders of these charities see that too, and they are probably not going to become members of your club(s) themselves. They are going to go to the clubs who do support their charities. It's a win-win situation. I can't tell you how many members (and employees) we have that are involved in these charities. For example, the gentleman who is the President of the Special Olympics in Virginia, Rick Jeffrey, is a member and his son works at the front desk at one of our clubs. You can't really sit there and measure these numbers, but the PR value of it in the community is HUGE!

**C.I.** - Brian, you and I both know that America, and frankly the world, are experiencing some of the worst economic times in history. From an "Insider's" point of view, what are some of the things you and other AFF leaders

are doing to weather this storm?

**BE** - I kind of thought that question might come up, but let me make this statement first: I think from what we've experienced and discussed with the GM's, the health club membership in these times is the last thing people want to give up. If they are going through a stressful time, it helps alleviate their stress, and you can't put a value on your health. If a person has lost his job, his health may be the only thing he has left, and he knows he needs to protect it.

To answer your question, what we've done is offer, for maybe a 3 to 6-month period, memberships with lower monthly dues, with the agreement that we will add it on to the backend of their membership, and we may continue that from time to time. We're doing that with new members now, but we've not seen a major exodus yet. But, my real truth test will be if our January, February and March numbers are not what they have been in the past. I can then say that it is very much effecting us. Last month, half our clubs hit their goal and half didn't. But, October and November are always "iffy" months for us. It's a little bit rougher, but what we are finding out now is the health club membership is the last thing they want to lose.

The other thing we are trying to do is focus on our marketing. We had our annual marketing meeting a month ago, and we've decided we're going to try to convey the message that you should try to focus on protecting the health of your family by continuing your club membership. We are going to compare our AFF family membership, for example, to the cost for one night to take a family of four to the movies or out to bowling. Our emphasis will be

value. Our comparison will be that for the cost of one night at the movies or bowling, about \$100, you can have a whole month at American Family Fitness. We're going to come up with a spot focusing on the value of your club membership where your family of four can go to the club every day of the month for the cost of one night out at the movie or bowling. That is a strong message.

**C.I.** - Brian, I know I've seen you and your great AFF Team at a number of IHRSA Conventions, and I want to compliment you for making the effort and investment to attend these events, and especially, kudos for bringing your Team. Please share the value AFF gets from IHRSA Membership.

**BE** - IHRSA is of great value to us. We see investing in your employee training as very important. The best thing you can do for your employees is let them learn and have fun learning. We try to go to a major industry conference every year. There are times when I've had 14 or 15 people attend. They eat that up. First of all, employee retention is aided because they learn and become educated and get ideas. I think that is where events like IHRSA and Club Industry come in. The whole value of networking and learning from others who work in clubs or the presenters is huge. First of all, if you, as a club owner, are the only one to go, you're not investing in your people. You're not doing yourself any favors. I mean, you're not growing your people. Really, even though I go, we club owners are probably the last people that really need to go after you've gone to so many! So, when you invest in your people, they see and feel that. That helps us retain that employee. If I know that I, as an employee, am going to go

to IHRSA or Club Industry or Club Industry East or whatever, I am going to be more likely to stick around. These events make your club(s) more credible clubs. IHRSA is a HUGE VALUE to us. It looks like the upcoming IHRSA 2009 Conference and Trade Show is going to be a great one with some great speakers, and we are looking forward to being there.

There you have it folks.

The Richmond, Virginia-area market leader American Family Fitness', Brian Evans, has shared his great success story and some of the things that have gotten his organization to the top of his market, and really, the United States. Take a closer look at what Brian has shared here. Study the experiences, knowledge and ideas Brian shared from his 19-year career, and use what you may to advance the state of your club art. And, remember... the key to your club's future: You and your staff's attitude!

In closing I would like to thank Brian Evans, Jill Lakey and Shawn Vaden of American Family Fitness and Alissa Poole of Poole Communications, for their kind assistance with the production of this great cover story.

*(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sportsclub industry. Cates was the Founder and is now in his 16th year as the Publisher of CLUB INSIDER. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached by phone at: 770-850-8506 or email at: Norm@clubinsideronline.com)*

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## Shawn Vaden, AFF Fredericksburg GM, Comments on General Management

**CLUB INSIDER (C.I.)** - How long have you been with American Family Fitness, and how has AFF evolved during your years with the company?

**Shawn Vaden (SV)** - I've worked for American Family Fitness for 18 years. I began working for AFF in December 1990 as a bookkeeper. I worked in the corporate office responsible for payroll and accounts payable. In 1995, I transferred to the Colonial Heights facility as a Membership Director. I loved working in the club environment. I became an Assistant General Manager in 1996 and General Manager in 1999 for the Colonial Heights facility. In 2006, I transferred to the Fredericksburg Facility to oversee Pre-Sale and the opening of our then newest facility.

When I came to American Family Fitness, there were three small facilities. Now, there are seven large state-of-the-art

facilities. AFF has evolved from a company trying to make payroll and survive in the business world to being the leader in fitness in Richmond, VA and the surrounding areas. Branding and reinvesting in the facilities through staying abreast of the changes to the industry have contributed directly to our success.

**C.I.** - As an AFF General Manager what are the three greatest challenges you face on a regular basis and how do you handle those challenges?

**SV** - The most challenging aspect of managing a facility is staffing and training. Customer service is by far the most important aspect of your staff. This takes consistent training and leading by example. The staff needs to believe in the importance of exercise and create a happy, comfortable and safe place for our members. The staff has the most affect on whether

a member truly enjoys their experience here.

Another challenge is trying to satisfy as many members as possible. When you have 2,500 members a day come through your facility, it can be a challenge to satisfy everyone from as much as the classes offered in Group Fitness to the music being played, to the temperature of the facility.

Cleanliness is a must! Every employee needs to be aware that they are in housekeeping. Again, with the volume of traffic and being open 24 hours, it is hard to keep the facility spotless, but it is a must! I would have to say that the cleanliness of our clubs is our most complimented aspect.

**C.I.** - What's it like working for American Family Fitness?

**SV** - I absolutely love working for AFF! Brian Evans believes in his clubs, his people and leads by example in the importance of

exercise and a healthy lifestyle. I feel lucky to work for someone who listens to input from all of his managers before making decisions about policy or the day-to-day operations of the club. Managing a 75,000 square-foot facility can be challenging, but it helps that what I believe is best for my facility is listened to and supported by the owner of the company. When you feel like your opinion counts, it empowers you and makes you happy to come to work each day. Brian reinvests consistently in new equipment and updating the facilities from classes offered in Group Fitness to flooring to paint colors. We truly are lucky to have an owner as passionate as Brian Evans.

**C.I.** - What advice would you give other club General Managers?

**SV** - Training, consistency with staff and members, professionalism and cleanliness



**Shawn Vaden**

would be the most important things. Discover who you want your market to be and who you are as a facility and stick to it. Come to work every day and be a part of the team. Lead by example, from customer service to your own lifestyle.

**C.I.** - Thanks Shawn!

### ...Jill Lakey

continued from page 26

West End Club. We have about 2,000 people coming through the doors every day. I work so hard trying to make members happy that it's obviously discouraging to me when I have an unhappy member. The way that I handle that is I try to assure them that I truly love my job and that my job IS to try to make everyone happy. And, I think that once you explain that to somebody, they realize that not everyone is going to be happy, and we're all going to have to give and take here. But again, convincing them and letting them know that truly my mission is to try and make them happy... I think that helps.

**C.I.** - Jill, in my experience, and in my writing, I've made the case to club owner/operators that if you have 2,000 a day in traffic, that actually converts to the huge challenge of 6,000 to 7,000 opportunities to make the member happy or unhappy. You have the arrival and entry to the club experience... Does your staff make each member feel welcome and that they are glad to see the member? You have the experience in the locker rooms... Is it clean, properly cooled or heated, etc? You have the exercise floor... Is all the equipment in working order, and is your staff paying attention and helping

members or they shooting the breeze with each other? In group exercise... Does the class start on time, is the room right, does the instructor provide a class that attendees can follow and keep up or is the instructor vying for the "fast move, just try to keep up with me award"? Then, is the childcare environment under complete control, clean and full of happy kids doing safe things? The list goes on and on until the member's departure experience... Does your staff say 'goodbye and have a great day/week' to each departing member whenever possible? The opportunities for members to be made happy or unhappy are huge everyday and the challenge goes on and on.

**JL** - Norm, I love that quote. I agree with you. I'm taking notes and am going to use your comments in my next staff meeting. This leads to my third biggest challenge... Keeping the staff motivated. Obviously, I am just one person. Of course, it all trickles down from the top, but it is all about the staff. It is all about the people who work here. This is a beautiful facility. But, if the people who are working for us here don't have that motivation, that passion, that belief or that *want and desire to make members happy*... it's not going to do us any good. I'm a huge program girl. So, to keep staff motivated, we do things like our program called, 'Catch Me

At My Best' where, whenever a member writes any positive comment about an employee, we give that staff member some sort of reward.

**C.I.** - Jill, I recall seeing AFF's "Catch Me At My Best" wall board with staff photos and accolades when I visited. Great program!

**JL** - Norm, that's what's it all about. I make it a specific goal each day to go through the club at least once and try to find at least one employee doing something good. Actually, that motivates me! We also hold staff meetings once a month where we may review some policies and procedures, but the main focus is to recognize staff in front of their peers. It may not be much, but you know what, it's a pat on the back for everybody who is trying to do a good job, and it means a lot to them.

Norm, another thing that is kind of unique is we have a bazaar. All the members of our clubs have something they are trying to sell and promote their business, and they are always trying to get into the club to promote whatever it might be. But, we don't allow any type of promotion in the club. However, we let the members who want to promote their business, whether they are selling Amway or jewelry or whatever it is, rent a

table to display their products. We charge \$20 to \$40 per table, they are set up all around the facility, and we let all our members know that this is the day that everybody will be displaying and selling their wares. We take all the money, and we put it into rewards, such as gift certificates, for the staff. So, this provides incentive for our staff to invite their friends.

**C.I.** - Well Jill, that's a terrific idea, and I bet you a lot of non-members come into the club, too. Please continue...

**JL** - Then the other two things, delegating to staff gives them the sense of ownership, which motivates them. But, my secret to delegating is I will take the blame for all failures because I delegated it, but I give total credit for their successes. I think they know that, so they are not scared to try.

The last thing that's a big part of management is training. Brian is huge on training and puts a lot of money and time and effort into making sure that everyone on staff is well trained. Brian pays for international trainers to come on site so that our staff doesn't have to pay for further training or CEC's Credits. The staff sees that Brian puts the money back into their career building and that makes all the difference in the world to them. You can't put a price on that! Brian believes in training, and it all makes a huge difference to our team.

**C.I.** - What's it like working for American Family Fitness?

**JL** - Norm, I thought about this question last night. It's better than working for Disney World because we truly make dreams happen for people. We change people's lives. You can't do that just anywhere! We give them health. We change their attitudes. I mean, truly, anything can happen when you walk through these doors. If an aerobics instructor from little old Richmond, Virginia can, all of a sudden, be the GM of this beautiful club, anything can happen! We help people lose hundreds of pounds, find husbands and wives and start families... it's a dream come true. We call it 'their happy place!' It's all about the staff, but it all starts at the top with Brian.

**C.I.** - What advice would you give other General Managers?

**JL** - The only advice I could give would be to 'Dream Big'.

**C.I.** - Jill, thanks for your interview and obvious love for the people you work with, the members you serve and your enthusiasm for what you do. Keep on making your members happy and your staff motivated and happy! You're a great credit to our industry.

**Make It Fun!**



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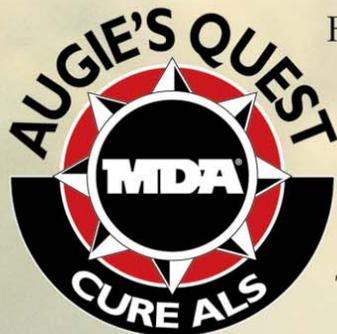
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Saturday 2/14/09      One Step Closer for the Cure  
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Saturday 2/7/09 -  
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Register your club now to participate in one of these events and become part of our Clubs for the Cure/Augie's Quest Team.

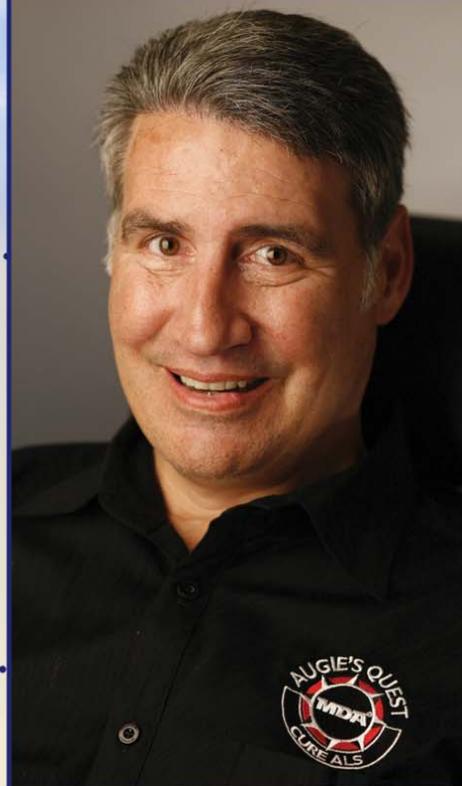


Fundraising programs and materials are all provided for your use at

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

as well as helpful phone contacts to assist your club in becoming part of this effort.

Together we can make a world of difference!



Augie Nieto, founder of Life Fitness, was diagnosed with ALS in 2005. Later that year, Augie and his wife Lynne created the Augie's Quest initiative in conjunction with the Muscular Dystrophy Association (MDA).

*One Club. One Event. One Man's Quest.*

# A New Year's Mindset

By: Shawn Vint

**Publisher's Note:** Every month, Greenmaple Wellness Inc. delivers 16 Wellness articles directly from your club, to the Inbox of each of your members and prospects in a format specifically customized for each individual club. Below is just one of the articles currently being delivered to club members and prospects in the Life Section of the January 2009 issue, ensuring that Greenmaple Wellness clients are the wellness leaders within the community they serve. To find out more, call Shawn or Lynette Vint toll free at **1-888-355-1055** or email [lynette@greenmaple.com](mailto:lynette@greenmaple.com).

A New Year is often the time for a re-invention of sorts. Some of us pre-plan the life changes we intend to implement prior to the 'big day' of January 1<sup>st</sup>, while others simply wake-up one morning early in the New Year and say... 'ENOUGH!'

Moving forward from that 'enough' moment is a fairly simple endeavor for some... cutting back a bit on the apple pie and ice cream or beginning to frequent the gym on a regular basis again once the Christmas season is behind them. For others, the implementation of positive life changes can be drastic and far reaching. This article is aimed specifically towards those individuals, although these ideas pertain to us all in many ways.

Having made up your mind to make the tough wellness choices that are necessary, many will say the most difficult moment is now behind you. For a very few that may be true, but for the majority it is not. For most, the toughest decision will be the one facing them each and every day they awake... asking, 'how will I choose to live this day?'

There will be days ahead of you, and moments within those days, that will test your resolve. Hold fast...don't give in. The short term satisfaction you may

feel when you 'give in' will not come close to the experience of being on a road less travelled. That can be a difficult concept to grasp if a wellness journey is relatively new to you, but the testimonies of so many indicate that it must true.

So... how do you go about changing a mindset that, whether it has been for a lifetime or just a season of 'un-wellness', has been accustomed to travelling the broad road of excess rather than the narrow road of discipline? Although there are no hard and fast rules, I can share some of the ideas that I've given to individuals and groups, with the hope that one or two ideas might work for you as well.

One of the first things to accomplish after ascertaining an individual's future wellness goals and current lifestyle habits is to help them stop 'compartmentalizing' life. To better illustrate this, draw a picture of a pie cut into various pieces, with each of the pieces

representing what you would like to be important parts of your life. Looking at the drawing you will see what matters to you... family, faith, exercise, career, relationships, good nutrition, among others. What you will begin to notice also is how each of those pieces of pie will interact with each of the others. In a balanced life they must... for example if you're having difficulty with a relationship that you care about, that will have an adverse affect on every other piece of the pie. Career problems... same thing. Not eating right and neglecting to exercise will adversely affect your family and career, and so on. Completing this project will assist individuals in seeing the 'big picture' more clearly, hopefully stopping them from having a focus on only one aspect of wellness.

Too often, a client will say something along the lines of, 'just help me with my nutrition and I'll be fine'...or 'just help with my training'. In saying



**Shawn Vint**

this, they are not seeing how all of our life choices interweave with one another. As we enter the New Year, try this 'pieces of the pie' exercise to begin the mental process needed to fully integrate all of your wellness goals.

Once you've done that, purchase a school spiral notebook with at least 365 pages in it, label the front something like 'Wellness Journal 2009', and start to write (See *Shawn Vint Page 31*)

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

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

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

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

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

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

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- ★ Front desk and new member service coaching.
- ★ A Fitness Fundraiser Area Representative to directly assist in marketing efforts to secure Fundraising Organizations.
- ★ Access to a web resource center for 24/7 training and marketing materials, PLUS...
- ★ **MARKET EXCLUSIVITY!**

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**...Shawn Vint**

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down in point form every day how you have furthered, in a positive fashion, each of those pieces of pie that represent your wellness journey. It may include 'ranking' each day on a scale of 1-10, helping you in becoming accountable to the journey you've chosen.

Lay out your journal in a way that works for you. I journal every training session I undertake because that is an important area of my life... throughout the years, training has been a life 'anchor' helping me through difficult times, so training figures prominently in my journal. It's also important to journal those aspects of your life that you need the most 'work' on. It might be that your nutrition is a weak spot...journaling will help. It might be a difficult relationship... journaling will help. No matter what your weak point is, don't make the mistake of glossing over it in your journal so that you can write a bit more about an area in your life where you are 'strong'.

Your journal should be personal. No one else should view it, making your entries more honest and making you more accountable. Talk to your family about this, enlisting their support in the journey to better wellness that you've chosen. Trying to make significant lifestyle changes without the full support of your spouse and family is very difficult, and will add to your 'unwellness'.

**Moving Forward From Life As We Knew It**

"These are the times that try men's souls", wrote Thomas Paine in 1776 during the heart of the American Revolution, in a quest for freedom undertaken by a small group of determined, far outnumbered men, the outcome of which at that point was far from certain. Many of us are now facing life difficulties that 'try our souls'. Reading the newspaper or watching the evening news is no longer an exercise in seeing how bad it is 'somewhere else'. Job security, home prices...in fact the very fabric of society globally, is tearing apart at a rate more rapid than many expected, leaving feelings of uncertainty and stress that few of us now living have experienced.

All of us find it difficult to understand or explain why this

is happening... but it is, and we must carry on because there is no alternative. Those we entrust with leading our nations were and are incapable, if not corrupt... and so it is left to us, individually, to demonstrate to our children and our children's children what leadership, responsibility, and accountability are all about.

Wellness is one of the best legacies that we can leave

to the generations following. One of the greatest drains on the public purse is directly caused by the un-well state of far too many. The 'best and brightest' may try to dazzle with public programs and national health care solutions, but in reality it is within each one of us individually to solve that particular issue. Continuing to live a life of excess and gluttony while expecting someone else

to 'fix' the wreckage wrought by that lifestyle is the height of arrogance, and one of the reasons why we find society broke financially, physically and morally.

Solutions begin with you. I can cajole and prod and implore you with statistics and facts and a list of reasons a mile long as to why wellness is important, but in the end it comes

down to... you.

Nothing I have said here will change the direction of those who are travelling in a wrong direction if they have not first made that life changing decision from within.

The long journey ahead begins with you taking the first step. For you, for your family, and for the generations that will follow...take it.



The power of teaching is particularly relevant when it comes to **MEMBER RETENTION.**



**Meeting the Challenge**

*That's what club operators do...they meet challenges. Even club operators with the best strategy and most seamless implementation plans will confront unseen circumstances along the way. And the best of those businesses will rise to the challenge, learning to adapt to those circumstances and grow their club membership in the process.*

*Today, we are in a very challenging environment. That means the faster you adapt, the better position you will be in to not just survive, but to come out the other end a stronger, more vibrant club. Our role is to help you to do just that...adapt, communicate and educate differently, and grow.*

*Lynette and I, and the talented team here, will help you reach the community you serve, and your members, in a much more effective manner than you are currently. We'll help convert leads and prospects into not just members, but members who are proud to be associated with the message you deliver.*

*It will be much easier than you think and much more effective than you can imagine...best of all, as we face this challenge together...we'll also considerably lower the costs you currently spend on retention and outreach efforts, at a time when you need that kind of help the most.*

*We're looking forward to speaking with you whenever you're ready.*

*Shawn and Lynette Vint*

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# Staying the Course - Nine Factors

By: Will Phillips

## How Did Clubs Do This Fall?

Several clubs who have strong, proactive marketing programs and well-developed sales training and management systems showed strong gains (5-9%) in Fall sales. Most seem to be finishing the year with higher profits and lower sales. This reflects a long-term commitment to regular cost cutting and building non-dues revenue. Every well-managed club can continue to deliver consistent profits even when sales are down by managing their costs. This report covers about 100 clubs who are members of REX Roundtables.

## 2009 Is Predicted To Be A Growth Year For Clubs!!!

*The Financial Week*, the European Wall St. Journal, reported on the Winners and Losers from the worldwide recession of 2008. "As the U.S. economy spirals deeper into an abyss, researcher Ibis World has identified a handful of industries it believes will actually grow in 2009. (1) Corn and Soybeans, (2) Video Games, (3) Turbines, (4) Biotechnology, and get this, (5) Health and Fitness Clubs! My friends you are in a pretty special group!

"With more people focusing on achieving healthier lifestyles, this industry is expected

to increase 2.2% in 2009. As Baby Boomers pass through their 40s and 50s, health-care costs are forecast to rise dramatically, creating an incentive for insurers to promote preventive practices, like hitting the gym. Corporate fitness programs are also expected to become more popular, further driving growth in the sector' Ibis says.

## How to Grow Your Membership In 2009

To grow your membership, you must consider the population by age and competition. Most countries have a population pyramid. A large base of young people and fewer and fewer people as the age goes up. The U.S. has a population with a narrow waist. Lots of young people, lots of over 50's and a narrow waist in the middle of 20 to 40. Much of the new especially low cost and franchised clubs recruit all ages but seem to be more successful in the 20 to 40 "waist". You might call it a feeding frenzy on the 20-40-somethings. So, if you choose 50+, there is likely to be less competition and here is the market where add on programs and service are more appreciated and paid for. It is also where the Ibis trend report cited above says the growth will occur in 2009 in clubs.

If you want to be part of this growth, you should consider creating or strengthening a

comprehensive program for baby boomers --use their language, their photos, promote specifically to them and their needs. You might even consider promotions that say something like: **The market crashed: NOW IT'S TIME TO KEEP YOUR BODY FROM CRASHING!**

## Join Our Younger Next Year in 2009 Program

Of course, you must read the terrific book, *Younger Next Year*, by Chris Crowley and Dr. Harry Lodge to give you the very best guidance in what such a program might look like (Also, check out the November 2007 CLUB INSIDER Cover Story featuring the authors). In recent conversations with Chris Crowley, he was enthusiastic about collaborating with clubs. Last Spring, he accompanied two dozen REX Roundtable members-all club owners down the Colorado River for 6 days. Also, look into PACE: People with Arthritis Can Exercise --from the Arthritis Foundation and Active Living Every Day by the Cooper Wellness Center, which has developed programs and guidance to serve boomers.

Falls are the leading cause of death from injury in adults over 65. Consider a Fall Prevention Program for people in their 60's to 80's. Make it a special membership not focusing on fitness, but falls and fall prevention. Simply Google® *Fall Prevention In Seniors* for information. Both the U.S. and Australia have developed a lot here. A Japanese company-PROP- has announced wearable airbags for the elderly!

## Attitude Is Powerful!

Your thoughts are the directions you are sending to yourself, to your staff and your members. If they are positive, proactive, hopefully you will shape your behavior and theirs in constructive ways. On the other hand, if your thoughts are concerned, worried and scared, you will infect and impact yourself and them with attitudes which will weaken and undermine your personal and business success.

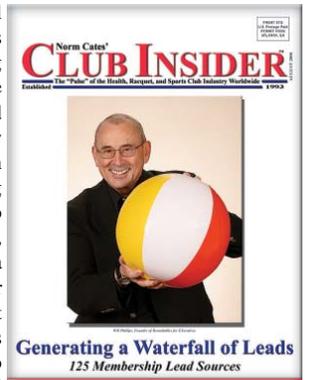
I was chatting with a

club owner from a mid size, rural town last week. I asked "How is the economic turmoil impacting your community and club?" He said, "We really haven't noticed it." I realized that, for many people, if you have not been laid off and are not depending on investment income, and do not read the paper or watch TV, you might never know there is a recession. The media no longer has an election to report, so it has focused on Recession. As you know, the media loves to exaggerate, report the worst and stir up peoples' fears. There is no question that banks are not lending much right now, stock prices are down, Motor City executives have totally mismanaged the car industry and several Wall Street firms have gone bankrupt morally and/or financially. But, that is not affecting the vast majority of people. I suspect that the higher your income bracket, the less impact, and that higher income bracket defines many of you and your members.

As Henry Ford said, "Whether you think you can or you think you can't, you're RIGHT!" So the thoughts you have determine your life and the future of your career and club. Think end of the world thoughts, recession, depression, ain't it awful and did you hear? These thoughts will all color and direct what actually happens to you. Think positive, problem solve, look for new and creative ways to navigate the rapids and you are very likely to succeed. Do not let the fear and worry creep into your thoughts and your mouth. When they start sneaking up on you, brush them aside. If they come back, brush them aside again, and again. Eventually you can develop the mental fitness that keeps such negative and debilitating thoughts outside of your mind and your world. It is a bit like training a little puppy to pee outside of the house. It takes putting them outside again and again, until they learn. This is how you develop a powerful mind.

## Attitude Resources

**YES! Positive Attitude**, by Jeffrey Gittomer. This little yellow book is a very well written, great summary of what



Will Phillips

every business person should know and use about keeping their attitude positive. Buy one for every staff member, give them as Holiday Presents to all members, buy boxes of them and sell them at a discount to all members. And don't forget to take the extensive and incisive Positive Attitude Test in the book to guide you in your MENTAL FITNESS Development Program.

On September 18, 2007, computer science professor Randy Pausch stepped in front of an audience of 400 people at Carnegie Mellon University to deliver a last lecture called "Really Achieving Your Childhood Dreams." With slides of his CT scans beaming out to the audience, Randy told his audience about the cancer that is devouring his pancreas. Randy's lecture has become a phenomenon, as has the book he wrote based on the same principles, celebrating the dreams we all strive to make realities. Sadly, Randy lost his battle to pancreatic cancer on July 25th, 2008, but his legacy will continue to inspire. Learn about Randy's Last Lecture on You Tube or buy his book and give it to everyone you love and care for.

## Persist

One quality seems to separate winners from losers and over and over again. It is definitely not brains, and luck only shows up now and then. The basic quality of winners is PERSISTENCE. Michael Phelps winner of eight gold medals in the 2008 Olympics commented on TV that he had not had a day off from practice in five years. He (See Will Phillips Page 34)

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- **The Consultants' Connection** – One-on-one sessions with industry experts
- **Speak to the Speaker** – An online blog with guest speakers before the Convention begins
- **Session "Town Meetings"** – After each educational session, enjoy an expanded question and answer period
- **Expanded Workshops & Case Studies** – More time means more in-depth discussion
- **"First-Timers" Welcome Reception** – Meet the IHRSA Staff, Board & new friends
- **The Club Developer's Program** – The "how-to guide" to get started in the fitness business
- **The "IHRSA Top 10"** – Ten actionable tips and ideas from each guest speaker following the convention



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**...Will Phillips**

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said some of the best swimmers work six days a week. Phelps commented that his persistence gave him an extra 52 days a year of practice for five years!

All the research on trying to understand what talent is turns up empty handed. What the researchers have found is practice. The more you practice the better you get. Tiger Woods practiced golf with his dad regularly from a very young age. By the time he won his first big tournament he had 10,000 hours of practice. That same 10,000 hour mark shows up with the best surgeons and musicians. Informally, I believe it applies to the best business leaders also. And persistence is critical to STAY THE COURSE during these times.

Napoleon Hill in his

classic book, *Think and Grow Rich*, states that persistence is a state of mind, therefore it can be cultivated. Here is how in his own words:

There are four simple steps which lead to the habit of persistence. They call for no great amount of intelligence, no particular amount of education and but little time or effort. The necessary steps are:

1. A definite purpose backed by burning desire for its fulfillment.
2. A definite plan, expressed in continuous action and experimentation to find what works.
3. A mind closed tightly against all negative and discouraging influences, including negative suggestions of relatives, friends, acquaintances, staff and members.
4. A friendly alliance with one or

more persons who will encourage one to follow through with both plan and purpose. Visit [www.REXonline.org](http://www.REXonline.org) for a free article on Mastermind Groups and how to start and run one.

**Staying The Course  
The Nine Factors**

Here is a summary of the nine factors mentioned in this article. Success in 2009 means doing most if not all of these. Riding the growth wave the Ibis researchers report require doing them all. Score yourself 1-10 on each of them. Then fold them into your plan for 2009. Ideally, you would start the year with all of them in place. Realistically, you will have to add a few of them at a time. But do get going-NOW!

1. A strong, proactive marketing program.

2. A well developed sales training program.

3. A well developed sales management system.

4. A habit of regularly reviewing all costs and driving them down about 5% a year.

5. A program to explore and add new, non-dues revenue sources and aggressively manage those you have. Great clubs earn over 40% of revenue through non-dues.

6. A focused and consistent marketing and serving of the boomer market. Almost run like a separate profit center.

7. Build a program specifically for fall prevention for members and non members age 60+.

8. Manage your attitudes and contribute by enabling and encouraging other staff and members to manage theirs.

9. Practice and develop persistence.

*(Will Phillips of REX Roundtables for Executives runs mastermind groups for club owners. There are eight groups in the U.S. with new ones forming regularly. Our next out post is launching club roundtables in Brazil under the guidance of Marcos Tadeau.)*



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**...Donna Krech**

continued from page 14

your club will explode with cash flow and new members. This is a no-brainer.

**Shaun Fisher**

Before I added a weight loss program component to my club, I noticed that people would lose weight right at the beginning of personal training, but then, they would lose their motivation and stop losing weight or stop coming to the club altogether.

I chose Thin&Healthy Total Solutions (THTS) because food is not the focus. Movement and Life Success (a.k.a motivation and habit changes) are the cores of the THTS program, and I knew that that's what we were missing. After adding the THTS

concept, my success rate was high, and I never spent a penny on advertising.

During training, we learned how to ask current members what they were doing for weight loss, and we went back and sold 75% of our club members a THTS membership! We're also marketing THTS to our list of expired members. So far, 50% have bought, and we're not even done going through that list!

Now, here is where it gets really good! 65% percent of the people that walk through my club doors want to lose weight, and 90% of that 65% buy the Thin&Healthy Total Solutions Program!

We've seen a huge increase in our monthly dues and our product sales are much higher than they were before we added this new concept. This is all

without advertising! This is about as effortless as it gets.

The thing about THTS that really sets them apart from the entire fitness industry, or any other franchise or license, is that you learn how to run your business.

**Beth Delegrange**

Before Thin&Healthy Total Solutions, I was feeding \$3000 out of my own pocket into my club every month. Fitness had tanked. I was selling 5 memberships a month. I knew I was going to have to close my doors, and it was killing me. I didn't want to give up, but I couldn't do it anymore.

When THTS approached me for the second time to add a weight loss program, I figured, "What else can happen?" and I got on board. I had been doing everything wrong but Thin&Healthy gave me a plan to do everything right.

When I plugged in the systems, I started making money the first day back from training. We sold our first THTS memberships at \$69 a month with \$199 down, which was a huge step up from \$19 a month for just a fitness membership!

**Mike Deigan**

Before Thin&Healthy, we had NO product sales. Now, we do \$3200 each month, and we've tripled our dues! Dollar for dollar, THTS has been our best investment and the fastest ROI. It is almost pure profit.

On top of that, and this is so critical for independent clubs, the closeness our members feel to our club (now that they are bound physically, mentally and emotionally because of the contact they have with people inside the walls) makes our members stay MUCH longer. Weight loss is the number one retention tool you can have inside a club and our member retention has improved because of Thin&Healthy!

What THTS added to my club isn't just a weight loss program. It's the ongoing motivation necessary to keep the weight off, which turns into an even longer relationship with the members.

**Lisa Vermillion**

Before Thin&Healthy Total Solutions, my club was barely surviving with an average of 4 enrollments a month. I realized we would have to do

something different in order to survive.

Since adding THTS, our retention and new member referrals have gone way up. We have ongoing education and contact with our members, so they stay with the program, they see results, and --the best part is-- they tell their friends about us!

In the past 4 years, with the addition of the Thin&Healthy Total Solutions to our club, we have enrolled as many people as we did in 8 years with just the club. I'm talking about anywhere from 20 to 40 enrollments per month versus the 4 enrollments per month we had before adding THTS! The turn-around and the impact THTS has had on our club has been incredible! We went from surviving to thriving!

**Kelly Rager**

Before Thin&Healthy, we were in the red financially. Adding THTS meant money added to our bottom line! It helps pay the rent, utilities and payroll, and we actually can see black for the first time in 20 years because of the extra income added from product, down payments and larger monthly dues.

In the 5 months after we added THTS, we did 40% of our total club income from the last 20 years! Let me say that again... we produced almost half as much in 5 months as we had in the previous 20 years, just by adding THTS.

**Dennis and Mayra Ciccone**

Before Thin&Healthy, we had tried everything from group fitness, mixed martial arts, cafés and juice bars to chiropractic and personal training. In our 20 years of fitness industry experience, we had found nothing that provided results like we've had with the THTS program. Since adding THTS we've quadrupled our business, tripled our EFT's and increased our product sales by over 200%! THTS saved our club!

A great component of the THTS program is the business systems. Before, we were doing our best to manage our club, and we were just getting along. When we brought in the Thin&Healthy Total Solution, we learned valuable sales and marketing techniques as well as awesome accounting procedures. It's not just the name and the products they offer that make this so worthwhile, the systems they

already have in place are 100% guaranteed to work if you apply them correctly.

If you are thinking about adding a weight loss program for your facility, my advice is to go with THTS. It's the motivation component that makes it successful and there is no other program out there that brings in that motivation component. It truly is amazing. It's an unbelievable program.

**Carrie Covington and Rachel Crabtree**

Before Thin&Healthy, we had a whole lot of heart and passion but absolutely no business understanding or knowledge. That led to 5 years of struggling through ups and downs. We were living in a constant state of despair, distress and helplessness. Then came THTS.

The best part of THTS is the ready-made systems. They've done all the research and everything has been tested and proven. You just need to put the right people in the right areas on your team, follow the systems and you'll have success.

The THTS systems really do work. The results for our business and for our members have blown us away! We sold over 100 new memberships in 2 months!

The training and support THTS gives is amazing. If you want to be a part of something big, make great money and be involved with a difference-making company, you want to be a part of the Total Solution.

**I Did What Norm Suggested**

So folks for this article, I did what Norm suggested that I do. His motto is: "Tell-It-Like-It-Is!" And, I have done that and supported my comments with the comments from real life club owners who are not just surviving now, they are thriving! We welcome you to learn more by contacting us!

(Donna Krech is the Founder and CEO of Thin & Healthy's Total Solution and may be reached through her assistant, Shelly at email [Shelley@DonnaKrech.com](mailto:Shelley@DonnaKrech.com))

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**Make It Fun!**

# Industry New Year's Resolution Needs To Be: *A Revolution In the Way We Think And What We Offer the Consumer*

By: Ed Trainor

With the New Year and New Year's resolutions on top of everyone's mind, this year's economic concerns will certainly influence how both consumers and businesses focus on the promises they make. The good news is that improving one's health and fitness is usually one of the first promises made by many consumers. The bad news is that many of those efforts are short lived. It's not, however, always the consumer's failure, but the lack of opportunity for a successful solution. The fitness industry itself needs to take a look at itself in one of those large mirrored walls and ask the following questions:

**Question:** Should health clubs continue to build the same box that FIT people go to for their training needs? Or, should health clubs reverse their strategy and scale down to meet the needs of the yet-to-be-fit (YTBF)? Gym owners should answer the following question... What percentage of their members lift 120-pound dumbbells? The answer is the answer to what's wrong with the current fitness model. We allow the few vocal intimidating members to rule, and as a result, the rest of the population stays at home on the couch in their comfort and safety zone. And so, the industry keeps churning and competing for the

same fitness enthusiast. The good news is, until 2008, this was a successful business model. Post-2008, the industry needs a new business model, a revolution for change and a resolution to reach out to the YTBF population which is a much larger market and potentially greater industry.

**Next Question** (a rhetorical one for the industry to address): In billions of dollars, who's larger, the fitness industry (\$18 billion) or the weight loss industry (\$48.8 billion)? The answer is obvious and leads us to ask the next question. How could that be? How could the fitness industry not be where consumers go for guidance, supervision and motivation on weight loss? The answer is the fitness club/center industry is unprepared to meet the needs of the consumer. We are undertrained in offering programs and services that reach out to address that market. The biggest loser here is the fitness club/center industry.

**The Next Question:** Besides the overweight population, what is the next largest segment of the population under served by the fitness industry? The answer is the Baby Boomers. And, how has the fitness industry addressed this opportunity? They haven't. If you ask them, they will deny that allegation and cite several initiatives that are being discussed. But, in reality, they as

an industry haven't stepped up. If not addressed by the fitness club/center industry, they will ask themselves the same question they have about weight loss: How'd that happen?

So what are the recommendations and actions that need to be taken?

Leave the industry box with the 120-pound dumbbells as is. Let them service the population they attract with whatever successful business that is. However, build a new industry for the YTBF population. It will capture the two largest markets in the world today; the overweight and the Baby Boomers. It will grow twice as fast as a new industry, and the good news is that it will eventually feed and grow the Pre-2008 industry with a new group of fitness enthusiast.

And one last recommendation: hire and train only people who have never seen a 120-pound dumbbell to service both those groups. The current trainer description only wants to service their active clients. The trainer of the new 2009 industry will manage, with assistance of technology, a client base much larger.

**Publisher's Note:** Ed Trainor is a Vice President of Town Sports International. His article reminded this author of my 2006 writing where I described what I called

a "Fat Friendly Health Club" (FFHC). The FFHC is a place envisioned and described in my 2006 book, "Leaving FAT City." The FFHC would be a special place where *mind training would happen before body training*, and members would have to qualify for membership by being a minimum of 20 or more pounds overweight. Once the overweight member had achieved his weight loss goal, he would 'graduate', i.e. he would be moved out of the FFHC and referred to an affiliated local and traditional health club for maintenance of his weight loss. At the heart of the whole idea is that new members would undergo an educational process to prepare them for success before they would be subjected to ANY physical activity. This paradigm shift would achieve two things:

1. It would cause high utilization and retention rates among those new members seeking renewed bodies because those overweight people would be taught up front that the process would be slow, would take serious dedication, commitment and regular attendance and that weight loss would come at the pace of 1/3 to 1/2 pound per day maximum and a maximum of 3½ pounds per week. The new member's projected "graduation date" would be established during the initial training.
2. This plan could ultimately



**Ed Trainor**

become a mass feeder of new members to traditional health clubs. The FFHC could be built and operated within the walls traditional health clubs and marketed as such clearly explaining the "graduation" process. The FFHC could also be built and operated as a free standing model by club owners with multiple locations and could specifically serve as marketing tools for those clubs... for the first time, diving seriously into the vastly untapped 200 million overweight or obese U.S. population.

**Think About It...**  
 -Norm Cates

(Ed Trainor is the Vice President of Fitness Services for Town Sports International and may be reach at [Ed.Trainor@townsports.com](mailto:Ed.Trainor@townsports.com))

## Amy Simpson Hired as Visual Fitness Planner Vice President of Operations

**Fort Worth, TX** - Amy Simpson has joined The Visual Fitness Planner as Vice President of Operations; it was announced by President/CEO, Daron Allen and Founder, Mario Bravomalo. The Visual Fitness Planner, celebrating its 10th year anniversary, is a completely customized technology platform, creating a unique, visually powerful and successful sales and retention process for facilities in the Health and Fitness Industry. Currently, the Visual Fitness Planner is serving more than 600 clubs in the US and Canada.

"Amy is a woman with a mission," said Allen, "and her mission fits ours perfectly. Amy has an undeniable passion for

the health club industry, club operators and front line teams. In addition to her vast club level experience at the Health and Fitness Connection and as Area Manager with Spectrum Clubs, Inc., her proven ability to conceptualize a vision and create a marketplace presence will help VFP clubs maximize their ability to sell memberships and grow ancillary revenue streams. With her experience, Amy will bring tremendous industry-specific expertise that club operators can count on to improve their business."

Before joining VFP,

Simpson was Area General Manager/General Manager of Spectrum Clubs, Inc, operating clubs in San Antonio and Los Angeles. Simpson joined Spectrum to open their flagship club in San Antonio, introducing a new, high-end fitness concept to the marketplace. The success of Spectrum's, Rogers Ranch helped set the stage for the company (with a 30-year history of mid-tier clubs) to re-brand, re-price and re-position itself in Texas. "Over the past few years, we have watched Simpson lead with style, professionalism and finesse

in a highly competitive industry," added Allen.

Prior to heading to Spectrum, Simpson was the General Manager for the Osteopathic Health System affiliated, Health and Fitness Connection in Fort Worth. In 1999, Simpson was awarded IHRSA/Cyber Fitness Director of the Year.

"Bringing Amy onto our amazing team is another step in our long range vision for the Visual Fitness Planner," concluded Allen. "Amy impressed us ten years ago when we worked together to develop the concept of the Visual Fitness Planner. She is even more impressive now with her extensive experience... and in her commitment to the Visual



**Amy Simpson**

Fitness Planner's goals. We're thrilled to have her back on the team and are looking forward to the great value she brings."



# Programming Tip of the Month:

## *The Goal of Programming is Retention*

By: Sandy Coffman

The New Year is underway, and you have lots of new members. You also have lots of active members that need to be re-energized, inactive members that need new beginnings and potential members that will look to you to help them keep their New Year's Resolutions alive.

Your programming agenda must include exciting promotions and new ideas that will benefit each and every member. Your programs must make each member enjoy the experience, gain a sense of belonging, realize some personal achievement and acquire confidence in taking on new challenges. To make sure this happens, a staff member should be assigned to track participation, give recognition for performance, and promote the next program. Your staff must keep track of who is coming to your club, when they are using the club and if they stop using the club (so that you can invite them back). This will keep them from becoming inactive and eventually dropping out of the club because they aren't using it. Your responsibility in running a professional program is to help members meet other members who have common interests, schedules, and abilities so they can develop a sense of belonging and commitment with

other people like themselves while experiencing a sense of achievement and purpose.

Your business may well depend on the quality of your programs because your programs will keep your members "playing" and "paying." You can't afford *not* to work at achieving a professional programming agenda and a professional programming staff. It will cost you up to 6 times more to replace a member than to keep one! Before you fill up your programming calendar with ideas, be sure to know how to implement the programs that will turn new members into retained members. Here are keys 1 - 5 that will help you train your staff to program for retention. Keys 6 - 10 will appear next month in the **CLUB INSIDER**. So, *Stay Tuned!*

**1. Communication** - You must personally contact every new member who joins your club, at the very least, within the first week of membership. It has been proven time and time again that most new members quit before they ever really start using the club regularly. Even for people with the best intentions, it is difficult for a new member, certainly an inexperienced one, to enter a club alone and feel perfectly comfortable walking into a group exercise class or getting on a piece of equipment.

A personal invitation to a specific event at a specific time will be the most effective form of communication you can use. You can send a reminder postcard or an e-mail, but a sincere phone call is the best. Members who are intimidated or inexperienced will probably not come to the club without it.

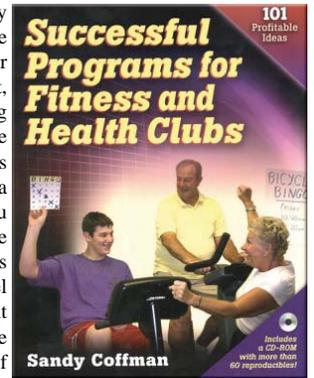
**2. Responsibility** - Just because you called and invited the member to a program or event, don't think your work is done. Professional communication includes following up on your invitation or promise. If you don't receive a response from your member, call again, perhaps up to three times, especially if the member indicates that she is not sure about participating. Even after the invitation is accepted, a confirmation call 12 to 24 hours in advance of the program is absolutely necessary to ensure participation and avoid a no-show. The follow-up phone calls show that you are taking responsibility for helping the member achieve her goals.

**3. Recognition** - You must give personal recognition to every new member who participates in a program or activity. People need to feel important. You can give an award, a ribbon, or a trophy for excellent performance, but

recognition can be given for many other reasons that are far more important to the new member or beginner. Giving a compliment, taking a picture, or extending a sincere handshake can be just as effective. Something as simple as keeping track of a member's attendance gives you an opportunity to recognize participation. You can always find a way to make people feel important. The most important thing is that recognition must be given by the leader and in front of the member's peers.

**4. Sociability** - When people join a club, they want to be with other people like themselves. If people are in a group situation or a group program, they are more likely to enjoy themselves, have more fun, meet others like themselves, and form friendships. Most members join clubs for fitness, but they stay for fun. Sociability, camaraderie, and friendships are all key ingredients to a club experience. Group programs provide a sociability factor, and sociability is a major key to retention.

**5. Commitment** - Certainly, the member must be committed to the program, to exercise, and to a new lifestyle, but other commitments must be established before that happens. Some say a member's commitment is to the



activity itself, or the leader or to the other members of the group. These are all good commitments, and if they occur the member is sure to feel the sense of belonging that will keep him coming back. The commitment that will be the key to retention, however, is a commitment to a specific schedule or time frame. Retention occurs when the members put your club into their lifestyle --coming to the club on the same day, at the same time, every week.

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

## CheckFree Delivering Webinars by Karen Woodard-Chavez

Karen Woodard-Chavez, renowned sales, operations, management and customer service training consultant for the health and fitness industry, will provide a system for clubs to dramatically increase non-dues revenue within 90 days.

The result from this program will be to enhance "The Indispensable Three:"

- Results
- Retention
- Revenue

You will learn how to immediately funnel members into their desired results thus affecting retention and improving revenue at the point of sale as well as on an ongoing basis.

The outcome of this session includes tools to:

- Increase non-dues revenue by a minimum of \$5,000 in 30 days and continue to \$21,000+ in 90 days
- Increase new member inte-

gration in 30 days

- Increase retention by a minimum of 2 percent over the year

If you are a club owner, manager, salesperson, retention staff member or revenue

producing department head, we encourage you to attend this free, two-part live webinar.

Each seminar is limited to the **First 125 Registrants**. To register, go to **fiserverprise.webex.com**, and search "Karen Woodard." Then, select the meeting you would like to register for. Upon registering, you will receive confirmation notification. **Note:** If you already registered for a meeting, you do not need to register again

Each attendee will receive an outline and scripting for all programs. You must register for either the Two-Part Session taking place January 8 & 15 **OR** the Two-Part Session taking place on January 22 & 29.



**Karen Woodard-Chavez**

If you have any questions, please contact Randy Ivey by email at [rivey@checkfree.com](mailto:rivey@checkfree.com) or by phone at (832) 864-1110.



# BTS Turns Stock Market Losses Into Gains For Clubs

## Financial Program to Support Clubs in Tough Economy

Atlanta, GA - December 19, 2008 - Body Training Systems® (BTS), leaders in branded group fitness, are turning recent stock market losses into savings for club owners. This could be a first for clubs -- a way to lock in a profit of \$2,075 or more on a stock transaction that is used as a savings with BTS.

The exciting aspect of this financial program is the application to both new and existing customers. "When our team brainstormed ways to assist our customers through these difficult economic times, our primary concern was to treat both new and existing loyal customers exactly the same. This has been the cornerstone of our business since inception in 1989," said Terry Browning, BTS President.

This financial program features 86 stocks that, if owned or purchased at today's prices, can be transferred to BTS for a credit of the July 1, 2008 closing price (over 50% higher for many of the 86 stocks) to pay for monthly license fees. The savings will fluctuate based upon when clubs choose to take advantage of this offer. Details of the financial program are available through BTS who has made the execution very simple.

Rich Boggs, BTS CEO, commented, "We understand the current economic climate has many club operators very concerned. Our goal at BTS is to provide business solutions to make owners and their businesses more successful. It's our job to offer creative ways to do this, and

we believe this financial program will do just that. Not only can clubs realize an immediate 50+% savings, but they bring in a system that will drive sales, visits and retention now and in the future. And the best thing is that we guarantee it."

BTS, a division of The STEP Company®, provides systems to improve clubs' profitability. BTS' Branded Group Fitness system includes comprehensive management, programming, training and marketing resources. BTS'

newest product introduction is Retention Software developed by The Retention People. BTS launched The STEP® worldwide in 1989. For more information, call 800-729-7837 or visit [www.bodytrainingsystems.com](http://www.bodytrainingsystems.com).



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All who have advertised, purchased subscriptions, read and pitched in as Contributing Authors. We are now in our 16th year of publication! All of you are on the "Team" that makes CLUB INSIDER, and we will be grateful to you forever. I appreciate and LOVE 'Ya!

Very Sincerely,

Norm Cates, Jr.

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 • Mid Town Athletic Club Willowbrook • Midtown Athletic Club Forest Grove • Mike Arteaga's Health & Fitness Cen-  
 ters Highland • Mike Arteaga's Health & Fitness Centers Poughkeepsie • Miramont Lifestyle Fitness North • Miramont  
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 Wellness Center • Nike Lance Armstrong Fitness Center • Peak Fitness Spartanburg Peak • Physiques Inc. • Power-  
 house Gym Webster • Princeton Fitness and Wellness Center • Quantum Fitness • Riverside Health Club • RWJ Hamil-  
 ton Center for Health and Fitness • RWJ Rahway Fitness & Wellness Center • Shapes Fitness Centre Pembina •  
 Shapes Fitness Centre McPhillips • Shapes Fitness Centre Narin • Sims Health And Racquet • Spartanburg Athletic  
 Club • Suburban Athletic Club • Superior Athletic Club • Superior Athletic Club II • The Edge • The Sports Center •  
 Thoreau Club Of Concord • Transformations Fitness for Women • Women's Fitness Company • World Class Women Fitness &  
 Nutrition • World Gym Fayetteville • World Gym Fitness Center • World Gym Highway 54 • World Gym Peachtree City •  
 WOW! Brick • WOW! East Brunswick • WOW! Fitness Corvallis • WOW! Fitness Lebanon • WOW! Freehold •  
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