

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



Red Lerille Outside Red's

Red's

Red Lerille...

Celebrating 50 Years and Still the Best!

JANUARY 2013

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Red Lerille...

Celebrating 50 Years and Still the Best!

By: Norm Cates

That amazing “Red’s feelin’.” Those were the words I chose about 19 years ago when I spent three days with Red and Emma Lerille visiting their magnificent club creation in Lafayette, Louisiana and spending three nights in their lovely home. My visit resulted in the production of an amazing 3-part case study article series on Red’s club. My talent as a wordsmith was challenged then to describe the truly amazing feeling you get when you visit Red Lerille’s fabulous, now 50-year running creation. But, that amazing “Red’s feelin’” will have to do here today, 19 years later, because that’s what I witnessed at Red’s.

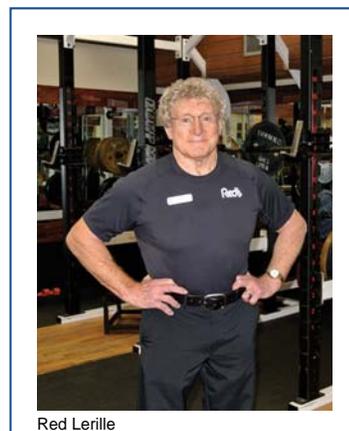
Consider Red Lerille to be the

greatest health club owner/operator that you’ve ever, or never, met! The man is one of a kind, and his amazing life story is very suitable for a great movie. You *should know* Red Lerille if you’re making your living in this industry. By the time you finish this 10,000+ word chronicle of Red’s life and times, you *WILL* know Red Lerille, and that’s truly my purpose here.

After winning the Mr. America title in 1960, Red set out to do what many other Mr. America winners have done; open a health club! That completed the two goals he had set for himself at that stage of his life. Since then, Red Lerille has lived a more than amazing life of goal achievement, one goal after another. Red has always been driven by the *constant*

reminder of the picture of his goal hanging on the wall in the pro shop area where he works. In 50 years of health club business, Red Lerille says he’s never missed achieving a goal once he’s placed the photo of his latest goal on his wall.

If you’re a 19+ year CLUB INSIDER reader, like many of you are, you may remember our inaugural edition in December, 1993 (actually it was distributed at the Club Industry Show in mid November, 1993) where you saw the intro story for Red with him in a photo with one of his airplanes on our front page. In that piece, we informed the industry that we would be publishing a multi-part case study on Red, his club and his even (See *Red Lerille* Page 10)



Red Lerille

IHRSA’s 32nd Annual Convention and Trade Show Is Just Around the Corner!

Publisher’s Note: Each year, our industry has a huge opportunity to gather in one place; meet and greet old and new friends from over 70 countries; network, network, network; experience a choice of over 200 speakers offering best practice training seminars in every facet of the club industry; enjoy the vast wisdom and experience of at least four Keynote Speakers; enjoy the always huge Convention Opening Party, the Regional Parties and the 8th Annual Augie’s Quest Bash; and of course, enjoy one the world’s biggest and most complete trade shows featuring several hundred exhibitors. This year, IHRSA’s 32nd annual Convention and Trade Show will return to the city where we started and where the first and second conventions were held

over 30 years ago, Las Vegas, Nevada. I’m also very excited to tell you that this big IHRSA 2013 event will be under one roof, the one BIG roof of the fabulous **Mandalay Bay Hotel and Resort**. You should register now for the conference and trade show and book your rooms soon so that you save money on the registration and secure your hotel room in the beautiful Mandalay Bay Hotel and Resort while they are still available. Go to www.ihrsa2013.com for more information. We reached out to **IHRSA Board Chairman, BILL McBRIDE**, for a comment, and we also asked **IHRSA President and CEO, Joe Moore**, to comment on IHRSA 2013 activities and the exciting upcoming events (See *IHRSA32* Page 6)



(L to R) IHRSA President and CEO, Joe Moore, and IHRSA Chairman, Bill McBride

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- Welcome to The Golden Circle - **By:** Karen Woodard-Chavez
- And of Course, *Norm’s Notes*

Norm's Notes

•Hello Everybody and a Happy, Healthy New Year to you all! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 checking in!

•Is America a great country, or what? Hmm... hmm... hmm! This month's cover story on RED LERILLE's 50 Years in the health club business in Lafayette, Louisiana is nothing short of amazing! Read on!

•May God BLESS and help all of those poor Moms and Dads whose baby girls and boys were taken from them at the Sandy Hook Elementary School by that madman. May they find hope for their lives after this bizarre and very cruel massacre of 20 children who were 6 or 7 years olds and five of their teachers. PRAY for them all!

•WOW! Do we have a great cover story

for you this month! RED LERILLE's 50th Anniversary Cover Story! Red Lerille is truly a legendary club business icon. His 200,000+ square-foot mega-club in Lafayette, Louisiana is the evolved and grown up version of the club that Red opened on January 13, 1963 in a former 4,000 square-foot boot shop he converted to a health club. In the beginning, Red made a lot of the weights and exercise equipment with his own hands! Red's story is truly one for the ages, and I urge you to invest the time it takes to read all 10,000+ words of it this month, even if you've read about Red in the past. That was no typo... Yes, I wrote 10,000+ words, and let me add, 11 single spaces pages with size 10 font, to be exact. In his interview, Red shares a great deal of his industry knowledge and experience. A lot of what he shares will likely help your club operation if you think about and apply it. I'd highly recommend having a notepad and pen handy as you read this cover story. 50 years of club operations produces an enormous amount of expertise and experience, and it's right here for you this month. Although some of my advisors suggested the cover story is too long, I said, "Oh no it isn't!" I said that because the industry history here in Red's life story is just priceless, and we've chronicled his career carefully with Red's assistance, from the beginning, right up until today. This is a collector's edition this month. Way back in 1994, when CLUB INSIDER was just picking up steam, I had the chance to spend three days and nights visiting with



Norm Cates

Red. From that visit, I produced a 3-part Case Study on Red's, and that too, was an amazingly informative read because we included lots of comments from his long-term staff that do not appear in this 50th Anniversary cover story. A lot has changed for Red since 1994, and for his great club, which is now simply called: Red's.

•KEN GERMANO, President and CEO of the Medical Fitness Association, informed us of the loss of HANK BOEMER, a founding member of the Association and Director of the North Mississippi Medical Center Wellness Center for the past twenty years. He passed away on Thursday, December 6. May Hank Rest In Peace. Hank served (See Norm's Notes Page 7)



Red and Emma Lerille (front and center) and Red's Staff Members, Past and Present

About Club Insider

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20 Years and Counting!

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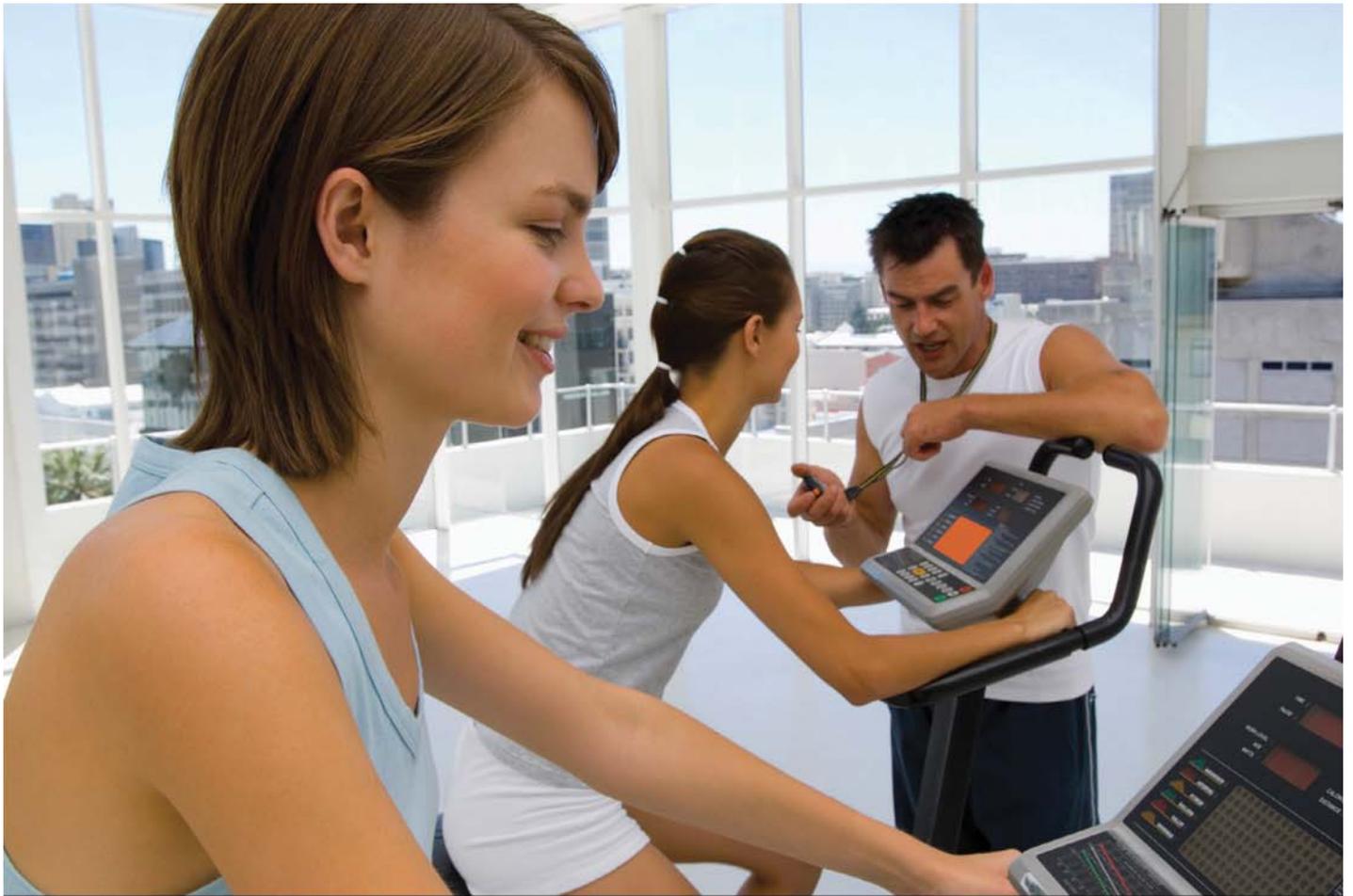
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in Las Vegas. Their comments follow.

Comments From Bill McBride, IHRSA Board Chairman and Industry Veteran

It is a great pleasure and privilege to serve on the IHRSA Board of Directors along with a very distinguished group of individuals. We are all very fortunate to work in what I believe is the greatest industry on earth. I have always loved the collegial culture the founders of our industry instilled from the beginning. There aren't many industries where competitors collaborate and share for a greater purpose, and our industry does have a greater purpose. IHRSA has a long history, and the IHRSA community has a lot of commonality and overlap with the **CLUB INSIDER** community. It truly is an honor to work with the Association's members, manufacturers, suppliers, partners and staff.

This year's convention and trade show will be an amazing event. The big show will all be under one roof, a first since 1982! Attendance is anticipated to be at an all time high with the Trade Show almost completely booked.

Some of this year's successes thus far:

- Clear objectives and alignment with the IHRSA Board and Association;
- Continued financial discipline and management;
- Strong Board Committees and Board Members;
- Talented Association Staff;
- Continued focus on broad thinking and industry change;
- Increased member feedback and Association communication;
- Initiatives to enhance the value provided to all customers.

IHRSA has done a lot in the last few years with regard to successful protection legislatively, quite a bit with internal innovation and taken a focused approach with adding clarity in purpose. Additionally, the Association successfully navigated through the economic turmoil we all faced.

Praise and acknowledgement goes out to all of the IHRSA Community for your participation, leadership and commitment to our industry.

Comments From Joe Moore, IHRSA President and CEO

This time of year, the main focus is on the 32nd Annual IHRSA International Convention and Trade Show, being held March 19 - 22 at the Mandalay Bay Hotel Complex in Las Vegas. Our program is expansive and motivational, with a diverse group of global educators. The entire schedule and list of speakers is on the IHRSA website (www.IHRSA.org), and this year

promises to be one of the best programs ever. But, before we talk more about the Convention, let's look at some of the other highlights that are happening at IHRSA.

The IHRSA Website *itself* is being improved and updated constantly as the staff reviews the content of the Public Policy areas to increase recognition of advocacy and health promotion programs as a primary benefit of IHRSA membership. **IHRSA.org** is so rich with content that the entire world looks to it for general information and best practices. With that in mind, **the user can now simply select his or her preferred language from a menu of over 50 languages**, and the content is automatically translated.

IHRSA's Mission is to "grow, protect, and promote the industry, and to provide its members with benefits that will help them be more successful." Most of what we talk about falls under the "grow, promote" and member "benefits" categories, but it's of utmost importance to mention that the public policy team has had another stellar year "**protecting the industry**." As of December 14th **not one piece of harmful industry specific legislation** has passed in any State, a *remarkable achievement!*

The **NSF voluntary fitness facility standards process**, which had been on hold, is moving forward again. Those IHRSA members *who choose to participate will differentiate* their clubs from the competition. IHRSA became involved with NSF to make sure the industry was represented and club operators' interests were paramount. This has been a laborious and painstaking process, lasting many years so far. IHRSA's participation remains guided by five principles:

1. Certification standards should be reflective of current responsible industry practices.
2. Certification should grow the health club industry by increasing consumer confidence in the safety of certified facilities.
3. Certification should attract positive attention from the medical community, including an increase in the number of patient referrals to health clubs.
4. Certification should attract positive attention from employers, insurance companies and other potential third-party payers.
5. Certification standards must be practical.

There is more information on the IHRSA website, but those interested should attend the Convention and make a point of going to Kilian Fisher's session: **Club Standards to Increase and Attract New Members**.

Members receive so many free benefits that it would be difficult to list them all, but let's look at three that may be



Success By Association

accessed at www.ihrsa.org/research and a brand new mobile resource for 2013 at www.ihrsa.org/app:

1. FREE Member Loyalty Survey: IHRSA and The Retention People (TRP) teamed up to conduct the first ever North American member loyalty survey for the fitness industry using the powerful Net Promoter Score (NPS). Last year, TRP conducted this study in the UK with an astounding 50,000 plus respondents! All participating clubs get a custom dashboard that allows them to track their NPS score, view member concerns and see how their club compares to clubs across North America. This is a way to find out how loyal your members really are.

2. FREE IHRSA Trend Report (Quarterly) tracks consumers' attitudes towards a host of fitness activities.

3. FREE IHRSA Retention Report (Quarterly) examines factors that affect membership retention and attrition.

4. The FREE IHRSA App (www.ihrsa.org/app): The new IHRSA app is designed for your iPhone, iPad or Android device. The app will enhance your experience before, during and after the Convention and Trade Show. The IHRSA app is a handy, *year-round resource* as it allows you to stay on top of industry news, read the digital edition of *CBI*, find a job and browse the IHRSA Buyer's Guide for the latest and greatest products and supplies. More features are being added regularly! Go to www.ihrsa.org/app to learn more and to download the app, or you can access it from any App store.

The app was field-tested in November at the IHRSA European Congress in Vienna, Austria, where it received great reviews. The Congress hosted people from 35 countries, making for a great exchange of ideas and culture. The feedback from members and sponsors has been overwhelmingly positive. Next year, the European Congress will be in Madrid, Spain!

And now, for the main event: Over the years, the IHRSA Convention

has developed a reputation for showcasing some of the world's most inspiring and informative keynote speakers, authors, academics, business gurus, celebrities, club industry pioneers, a former Secretary of Defense, and even a former President of the United States. The IHRSA 2013 lineup adds to its legacy:

Bert Jacobs, the Co-Founder and "Chief Creative Optimist" of the Life is Good company, which markets apparel and other products with an upbeat message, worldwide, will explain how "Optimism Can Take You Anywhere," on Monday, March 19, from 11:30AM to 12:30PM. His appearance is generously sponsored by **SPRI Products, Inc.**

Nicholas Christakis, M.D., Ph.D., an author, researcher and professor at Harvard University, will give his listeners much to think about when he discusses, "Connected: The Surprising Power of Our Social Networks and How They Shape Our Lives," on Wednesday, March 20, from 8:30AM to 9:30AM. **Technogym** will sponsor his appearance.

Chip Conley, Founder of the Joie de Vivre Hotels chain, will share some of the valuable and stimulating ideas from his book, "PEAK: How Great Companies Get Their Mojo From Maslow," on Thursday, March 21, from 8:30AM to 9:30AM. He appears thanks to the support of **Matrix Fitness**.

Author Peter Sheahan, Founder and CEO of ChangeLabs, a North Sydney, Australia-based consultancy, will help wind things up with insights on personal and corporate behavior change drawn from his bestseller, *FLIP*. His address, "*FLIP*: Creative Strategies for Turning Challenge into Opportunity and Change into Competitive Advantage," will take place on Friday, March 22, at 12:30PM. IHRSA thanks **MYZONE** for sponsoring his appearance.

I mentioned the session *sponsors* because they are an integral part of the IHRSA experience. So, here you have a few highlights about what is happening at IHRSA.

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for many years on the **Board of Directors of the Medical Fitness Association** and was also the **Board Chairman**. Ken Germano commented, "We have not only lost a Medical Fitness Association Founder but a true Pioneer, advocate and dear friend. He was selfless in his approach to always help and assist others in their life long pursuit of health and wellbeing. All of us who knew and worked with Hank realize the great loss we all feel but are happy to have had him in our lives for the time that we did."

• This month, we also welcome articles from two of our terrific **CLUB INSIDER Contributing Authors, WILL PHILLIPS** (See his **Article on Page #22**), the head of **REX Roundtables for Executives**, and **veteran club owner and now consultant, KAREN WOODARD-CHAVEZ**, of **Premium Performance Training** (See her **Article on Page #28**). We would also like to welcome **TRACEY BOURDON**, of **Susan K. Bailey Advertising**, as one of our **new Contributing Authors**. Check out her **Article on Page #24!**

• **JIM WORTHINGTON's Newtown Athletic Club (NAC)** in **Newtown, Pennsylvania**, has opened a big offsite **Sports Training Center**. The Grand Opening Open House Celebration of the NAC Sports Training Center was held on Saturday, January 12, 2013 from Noon to 5PM at its brand new location in Newtown, PA. The NAC Sports Training Center will be the new home of the **Big Leagues Academy**, an advanced baseball training center; **Rock Starz All Stars Cheerleading** and the **NAC Gymnastics Team**, as well as hosting 30,000 square feet of indoor athletic turf sports arena available for rental to local sports teams, organizations, tournaments and more. This facility will be second to none in the area and will allow thousands of community members to participate in year-round sporting activities that will encourage a lifestyle of teamwork, recreation, fair competition and more. For more information, please visit the **NAC website at: www.newtownathletic.com**. **Congratulations to JIM WORTHINGTON** and his **NAC Team** on their new and very special creation! Talk about great *market-place differentiation!*

• **Missouri Tax Battle Highlights Need for Shift in Perception of Exercise in Health Clubs** is the headline of an **IHRSA Bulletin** sharing some good news about **Missouri State Representative, ERIC BURLISON**, who's now pushing for tax relief for health club operators! Here's the brief report:

According to **KY3.com**, a Missouri state lawmaker is speaking up for healthy lifestyles, *saying fitness should not be*

taxed as an entertainment activity. The Missouri Department of Revenue said that going to the gym should be taxed as an "entertainment activity," like going to a baseball game or riding a rollercoaster, **KY3.com** reports and currently, health club offerings in Missouri are taxed as an amusement, entertainment or recreational activity. But, state Representative Eric Burlison told the news outlet that taxing fitness *sends the wrong message about exercise*, and he plans to address this issue in the state's 2013 legislative session, which begins in mid-January. "Governments should do everything in their power to encourage exercise, especially in health clubs," said **IHRSA President and CEO, JOE MOORE**. "Working out in a club is not entertainment. It's health management." IHRSA has previously sponsored initiatives to repeal Missouri's tax on health club dues and services during multiple legislative sessions and will continue to do so. IHRSA's recent grassroots campaigns have empowered health club operators and members across the state to reach lawmakers in Springfield with the message, "**End the tax on healthy lifestyles.**" IHRSA Members can learn more at www.ihrsa.org/missouri.

• *Controlling interest in the Stockton, California-based In-Shape Health Clubs*, with more than 60 locations in **California**, has been sold to **Fremont Private Holdings (FPH)** and **Pulse Equity Partners**. In-Shape will continue to be led by **CEO PAUL ROTHBARD**. **Managing Partner of FPH, SCOTT EARTHY**, commented, "In-Shape exemplifies everything we look for in an investment: an attractive service offering, a proven and dedicated team and a demonstrated history of growth. We look forward to supporting Paul and the management team as they enhance In-Shape's club offerings in the years ahead." **DOUG LEHMAN, CEO of Pulse**, added, "In-Shape is a very special business due to its compelling value proposition for members, its first class facilities and its great management team. In-Shape fits perfectly with our focus on partnering with leading health and wellness businesses." **Congratulations** to everyone involved!

• Our **New Year's January Edition** would not be complete were I not to comment on our industry's current *number one slacker*, or maybe I should just describe this guy as an outright really bad guy for our industry, **STEVE BORGHI**. The things that are coming my way about Borghi's activities are amazing. For starters, I'm gotten news that two of the now Borghi Blast Clubs that were among the 39 acquired by Borghi from **Bally Total Fitness** closed without notice. They're dropping like flies with no help for the members except for things like little messages to members saying, "We have another location 22 miles away." So, be sure to check out the article on **Page #30** entitled, **Blast Fitness Says It Will Give**

Refunds After Closing Fort Worth Gym. Folks, this is going to be an *interesting one to watch!* I have a little feeling that Borghi is not going to like how those Texans go about enforcing laws and dealing with people like him. Not at all. So, after reading the article on **Page #30**, I decided to **Google** Steve Borghi's name again just to see if there was anything new about him there. There's a lot there, including some really ripe comments by people who know a lot about Borghi. To those of you who are helping me keep track of Borghi's moves, Thank You all! I'm saving item after item for a future major feature story on Borghi and the people who support his activities

with their company's services. So, **Google** on my friends, and **Stay Tuned!**

• **MARK MASTROV** has stepped on the gas with his company's **UFC** branded clubs. The **Ultimate Fighting** name has grown even more with the purchase of **LA Boxing** and more than 60 sites in 23 states which will be converted to **UFC**-branded facilities. "UFC gyms have been huge for us," said **UFC President, DANA WHITE**. "It's been an incredible, incredible business for us." **MARK MASTROV, Chairman of New Evolution Ventures**, added, "The
 (See Norm's Notes Page 8)

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goal of UFC GYM when we launched it three years ago was to create a unique MMA-styled fitness experience for men, women and children that went far beyond the traditional workout. We were drawn to LA Boxing based upon the similarities in our brand DNA. We are thrilled to partner with the existing LA Boxing team and their franchisees in expanding our shared vision worldwide."

•The Gold's Gym Franchise Association (GGFA) has announced the appointment

of Ms. KIM KENYON to the Executive Board of Directors. The GGFA Press Release says:

Kim understands the old saying, "There is no education like experience." Upon graduating from college, Kim joined the fitness industry full time. She learned to handle the daily issues of the clubs via her role as Manager of several different facilities. This was the foundation of her current position as a **Managing Partner** of **Gold's Gym Hudson Valley Organization**. Kim is actively involved in the day-to-day operations and management of their three clubs as well as overseeing all of the

marketing. Best wishes to Kim with her new and important Board role.

•**MATT AMADAE**, of **Publicity Matters** (matt@publicitymatters.net), sent this right at press time:

JEFF SKEEN'S Titan Fitness has acquired **Pure Fitness in Spring, Texas**. Pure Fitness is a 20,000 square-foot, women-only fitness facility. Pure Fitness (www.purefitnessforwomen.com) was founded based on research that a significant number of women, when in a gym setting, are most comfortable in the company of other women and prefer "women-only" classes and female trainers. The company also realized that few, if any, women-only gyms offer the full spectrum of equipment and services offered at co-ed gyms, which led to the founding of Pure Fitness For Women. "Pure Fitness is a premiere health club, with all the amenities found at any leading co-ed facility," said **Titan Fitness Chief Operating Officer, DAL CLAYTON**. "We are excited to be able to apply our decades of experience in the co-ed sector by diversifying into the women-only market and seeing it succeed." Pure Fitness has a \$40 per month price point and features group exercise, free weights, circuit training, cardio equipment, a swimming pool, spinning and certified trainers. "We are the most complete women-only gym in the Houston market," added **Pure Fitness General Manager, MARTHA IRENE VELAZQUEZ**. "We are proud of this state-of-the-art facility, and we are excited about being able to showcase our gym as a model of what women-only health clubs can and should look like."

•**THOMAS PLUMMER's National Fitness Business Alliance** is off and running this New Year with a series of big, 3-day events they're calling **Mega Fit.Con**, to be held in beautiful **San Diego, California, February 14 - 16**. They'll follow up that event with 3-day Mega

Fit.Con 2013 events in: **Baltimore, MD - May 2 - 4; Atlanta, GA - August 1 - 3; and Chicago, IL - November 14 - 16**. You may reach the NFBA folks directly at **(800) 726 - 3506**. Contact **JILLIAN RUSSO** at jillian@thenfba.com. Also, check out www.thenfba.com.

•**COLIN and JULIE MILNER's International Council for Active Aging (ICAA)** is reaching out for educational presentations to be made at their **ICAA Conference 2013**. The event will be called: **Transforming Ideas Into Action**. The event will be held at the **San Diego Convention Center** in beautiful **San Diego, California**. They are asking that you submit your idea by the deadline of March 3, 2013. Contact **JULIE MILNER, ICAA Chief Operating Officer** at juliemilner@icaa.cc.

•The always fabulous **2013 IHRSA Convention and Trade Show** is just around the corner! See **IHRSA's Ad on Page #19** and the **CLUB INSIDER Advertiser Exhibitor Directory Below**. Register for the convention and book your hotel room at the **Mandalay Bay Resort** today!

•The **Columbia Association** announced plans in mid December that they were going to open a modern, high-end fitness club overlooking **Lake Kittamaquidi** on the ground level of the former Rouse County building in Columbia, Maryland. The downtown Columbia club is expected to open in the Fall of 2014, and it will be the 4th fitness center opened by the Columbia Association.

•**DAVID PATCHEL-EVANS' GoodLife Fitness** has acquired **7 Gold's Gyms in Canada**. The locations include three clubs in **Calgary** and one in **Airdrie**, as well as locations in **Peterborough, Vaughan and Scarborough in Ontario**. GoodLife Fitness is Canada's largest fitness company. (See *Norm's Notes* Page 29)



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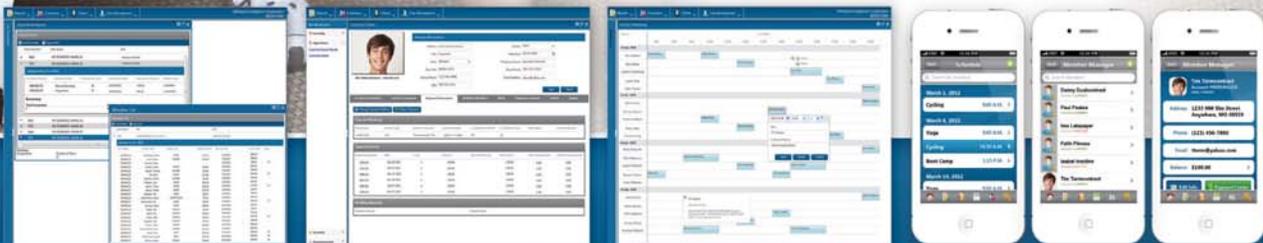
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...Red Lerille

continued from page 3

then, long-term staff members. We did that in 1994 with a total of over 20,000 words in the three parts of his case study, much longer than this piece. Since then, we've stayed in touch, and at one point, honored Red with a cover story back in 2005 when we named him as one of our **CLUB INSIDER Health Club Pioneers of the Year Award Winners**.

Consider Red Lerille to be the most unique individual who was ever in our industry, and you will be right. It is with *great pleasure* and a true honor for this author to present this in-depth interview with the One and Only Red Lerille on the very special occasion of Red's 50th Anniversary, Sunday, January 13, 2013.

An In-Depth Conversation With Legendary Health Club Industry Icon, Red Lerille

CLUB INSIDER (C.I.) - Red, tell us about your amazing, world-class staff. How many have ten years with Red's? 20 years? 30 years? 40 years? More than 40 years of employment at Red's?

Red Lerille (Red) - Well, our longest working employee, Garland Barras has been with us 49 years. Nick Granger, a good guy, who has passed away, had been with us 46 years before he died. And, Buddy Lebas has been with us right at 39 years. Connie Girard has 38 years. Myrna Ayo, who was teaching school and worked here part-time, then asked for a full-time job, and she's been with us for 35 years. Carla Andrus has been here about 35 years, also. We have four other people who have been with us 30 years or more. We have nine people who have been here 20 years or more. And, we have 15 people who have been here ten years or more. All the full-time people have been here ten or more years. And, I didn't even mention my son Mark, age 49, who has been working

here since he was old enough to be here! So, Mark's been working here 35+ years.

C.I. - That's amazing, Red! So, by my count, you have 33 employees at Red's who have been with you ten years or more! Now we know why I and everyone who walks through your doors get that **amazing "Red's feeling;"**

C.I. - Red, where and when were you born and raised?

Red - I was born in New Orleans in 1936 and raised on the West Bank of the Mississippi River in a little town called Harvey, Louisiana. That's where I lived through high school, and in 1955, I enlisted in the U.S. Navy. I left New Orleans and never really returned, except for a couple of summers when I worked in shipyards.

C.I. - When and where did you start weight training? Please tell us about your Uncle Harold.

Red - I started back when I was seven or eight years old. Eight at the latest... My Uncle Harold would come in from the military, and he'd flex his arms and take his shirt off. My mother had eight siblings, so they would all be there. He was not the oldest, but he would come in all the time. He was very entertaining when he showed up. He was one of my earlier mentors. But then, I've always picked up the muscle magazines in the beginning: Bernard McFadden's Physical Fitness Magazine, Strength and Health...Your Physique, Joe Wieder's Magazine, etc. They were the big magazines, and I couldn't wait for them to come out on the newsstands. I'd read them from cover to cover several times. Back then, there were hardly any advertisements in the magazines. There were no food supplements. They sold a few weight sets, odds and ends, benches, etc. That was all there was in those magazines. There were very few photographs. Most of the stories were about people who'd been successful in bodybuilding and weight lifting.



Red's in 1963

C.I. - What year was it, and why did you decide to join the Navy?

Red - I went into the Navy on September 9th, 1955. I met a friend at a party. His name was Lawrence. He and I had grown up together. I asked him what he was doing, and he said, 'I think I'm gonna join the military.' I said, 'Hey, you know what? Let's go. I'll go with you!' Monday morning, we went, signed up and the next thing you know we were in the Navy. I probably would have ended up getting drafted because they started drafting people into the military several months after we enlisted.

Why the Navy for me? Francis Murphy, my seventh grade school teacher, had served on a Submarine. He was one of the few (20) survivors of the USS Squalus, which sunk off the coast of Portsmouth, New Hampshire. This was the first submarine rescue where they used a diving bell. This was the *only* submarine rescue that it was ever used on. There had been people who escaped from submarines, but not using a diving bell in 300 feet of water! They eventually raised the submarine and returned it into service. Francis Murphy was a body builder and an extremely religious person. I went to a Catholic School, and he was the first lay teacher in our school. The only reason I ended up in his class was because Sister Marie Leonard loved me so much that she kept me in fifth grade for two years. Had she not flunked me, I would not have had Francis Murphy for the 7th Grade. Boy, he was my idol. He had a kid my age, and we would go and work out at his house. We would do hand balance tricks. We built and started riding Unicycles. So, I had a great upbringing in bodybuilding and also in my religious life.

C.I. - How old were you when you decided that you wanted to be Mr. America? What happened then?

Red - I started putting pictures on the wall of Mr. America when I was 7 or 8 years old. I remember putting Steve Reeves' picture

on the wall. He won Mr. America in 1947. I kept putting Mr. America pictures on that wall. I told my friends who would come over, and they would ask, 'What's that?' I'd say, 'My picture is going on that wall one day.' And, one day it did. Since then, anything I have wanted in life, I've always put a picture on the wall. Here I am now, 76 years old, and I have never, ever missed. Every time I put a picture on the wall, IT shows up! Somehow or another, it shows up. Whether it is buying land, borrowing money, whatever.

C.I. - Well Red, you sure as heck don't look 76! You look 56! Are you sure they didn't make a mistake in the birth record books?

Red - Yes, I'm sure; I was born in 1936. I'm sure of that. If I had to pick one thing that I feel has helped me hang in there the most, no question, was weight training. I know the new trend now is to get away from weights. I like machines, but I'm talking about weight training in general. All this Crossfit and Kettlebells and all that stuff... I'm not against it, but NOTHING takes the place of weight training. Whenever I have any little setback in life, and I haven't had very many, I am right back on a weight training routine. I hardly ever, ever miss a workout. If I could calculate everything, other than my month at sea when I was on a submarine where it was impossible to work out, I probably haven't missed but a hundred workouts in 70 years. Sometimes, I was working out two or three times a day when I was competing.

Normally, my basic schedule is to work out with weights four times a week and ride a bicycle six days a week. So, that's basically what I do. That's my workout, and I work out fairly hard... reasonably heavy. There's no question that as you get older, you're *GONNA* get weaker... I don't care how you try to fight it, it's gonna happen. You know, I've been hanging around gyms all of my life.

(See *Red Lerille* Page 12)



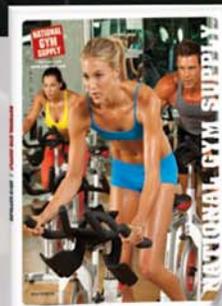
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...Red Lerille

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I joined the New Orleans Athletic Club when I was about 10 or 12, and of course, as soon as Joe Gold opened up Ajax Gym in New Orleans, I was in the Ajax Gym. I watched people who lifted weights. I'm not against cardio; I do a lot of it, too. But, the people who hang in there, the guys who hang in the longest, look the best and feel the best, are people who do weight training. It will never, ever change. It was the first thing there, and it will be the last thing.

C.I. - Please tell us about all of your body building honors.

Red - I'm just going to give you the highlights. I started competing in 1953 in the Mr. New Orleans contest. I competed every year and won Mr. New Orleans in 1955. I went into the military, and in 1957, I won the Mr. Armed Forces, Mr. Hawaii and Mr. Hawaiian Islands contests. Then, coming home, I won contests like Mr. Gulf Coast, Mr. Southern USA, went to the Junior Mr. America and placed 2nd one year, placed 7th in the Mr. America, 1959. I won the Mr. America in 1960. I won my class in the Mr. Universe contest in London, and that was also in 1960. Other than that, I placed 3rd and 4th in the Mr. America past 40. I wouldn't even put that on my list. At the time I won the Mr. America, it was the largest and most prominent physique contest in the world. It would be the equivalent of the Mr. Olympia today, which didn't exist back then.

C.I. - That's incredible Red. I saw a picture of you and your trophies, and it looked to me like you needed to build a room just for your trophies!

Red - You have to understand that a lot of those were from airplane competitions, too. I also wrestled. I wrestled in high school, and I was on the Navy Wrestling team. I placed 2nd in all Navy Wrestling one year. I wrestled starting at the 112-pound class

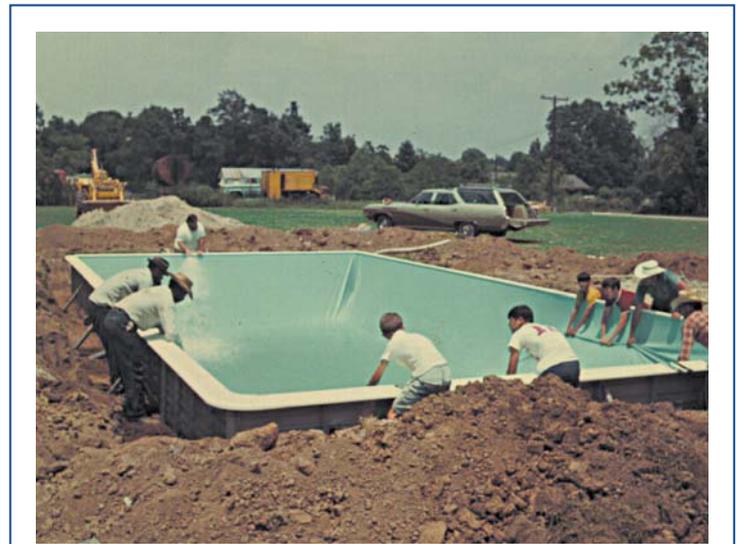
all the way up to 165 pounds the last year. In the military, I wrestled at about 175 pounds. This morning, I got on the scale and was 176 after I worked out.

C.I. - Please tell us about your family. When and where did you meet Emma, and when and where did y'all get married? Tell us about your children and grandchildren.

Red - I was at the University and was 26 when I met my wife, Emma. A year later, we were married. In fact, our 50th Wedding Anniversary will be on February 23rd. Emma and I have four great kids. My son, Mark, is 49, and he's the oldest. He's the one who hung in at the gym, paid his dues and worked here the whole time. All of the kids have worked here in some capacity or the other. Kackie, who's my oldest daughter, will be 48 this year. She and I bought the Borden's Ice Cream Shoppe together here in Lafayette. Since then, I've passed everything on to her. She bought me out, so she owns the last existing Borden's Ice Cream Shoppe in the world. It's been open continuously for about 72 or 73 years! Stanley, who is 35 now, branched out and is in the bar business. He's doing very well with that. He's had a big bar downtown with a dance hall and that type of activity. Now, Stanley's moved into the small bar concept, kind of the Corner Bar concept and that's what he calls it, *The Corner Bar*. My other daughter, Tine, is 42 and is a Licensed Professional Counselor with a Master's Degree. She has her own private practice and focuses on personal counseling and business consulting.

C.I. - When and where did you meet Joe Gold, and what *influence* did he have on your life and career?

Red - In 1952 or '53, Joe Gold opened a health club in downtown New Orleans called the Ajax Gym. I saw the ad in the paper, and I was one of his first members. Joe had a partner named Chuck Krauser, who went on in life to live with Mae West for years. They were both seamen and



Red's First Pool - 1960s

had come to New Orleans several times. Apparently, they always visited in the fall or the spring, and they liked the climate. They spent one summer in New Orleans and then hauled ass. New Orleans' summers are pretty wicked. Joe was a tremendous inspiration in my life. He ran the club and wrote out exercise programs. Joe and I would talk all the time. I'd spend all day in that place on Saturday, and then we'd go to Morrison's Cafeteria, which was real close to the gym. We'd have a sizzling steak, a baked potato and a salad. That was almost every Saturday. Over the years, I would visit Joe when he originally opened his first Gold's Gym. Then, of course, he sold that and opened up a World Gym. Even when he had the franchise side of the business with one of his partners, he ran his little gym. The thing that inspired me about Gold was he was always making little changes. He was always doing something different. Even in his 80s, he'd build a new piece of equipment. I think a lot of it was to keep his enthusiasm up. I never said 'IF' I open up a gym. I always said 'WHEN' I opened up my gym, I'm going to make a change every month. I have that down pat, now. Joe was a tremendous inspiration in that area because there were always little changes being made, but by today's standards, they were big changes. With inspiration from Joe, I built my own equipment when I opened my gym in 1963.

C.I. - Why did Joe name his New Orleans place, Ajax Gym?

Red - I asked him that question one day. He said, 'Well, it's the first name in the phone book.' But, then he went from Ajax to World Gym. At least Gold's Gym was somewhere in the middle!

C.I. - Why did you change your name from *Lloyd* to *Red*?

Red - One time, we were buying a piece of property, and we were signing all this paperwork. I signed and signed and signed it, as Red. Then, he saw that and said,

'We've got to redo all of this and have you sign your name as Lloyd!' I said, 'You know what? It will be a hell of a lot easier if I just change my legal name to Red, just like I had signed all the pages.'

C.I. - Red, please tell us about your longtime hobby and pastime of restoring and flying antique/vintage biplanes and other aircraft. Tell us about the plane crashes you have survived. How many flying hours do you have?

Red - Basically, airplanes and motorcycles were my first love. I probably rode on the back of motorcycles when I was in diapers. My Godparents lived across the street. They had a Harley Davidson, so I know I rode behind it. Airplanes? I would always stand in the backyard to look at them because, back then, it was a rare thing to see an airplane fly over. We had a canal next door. The oil industry started picking up tremendously with offshore drilling back in the 1940s, so the seaplanes would come in all the time. I'd sit over by the canal just to watch them land and take off, which was a big thrill for me. Then, I started building model airplanes. In fact, my mother actually taught me how to build model airplanes. I don't know how old I was then, maybe 8 or 9. When I started building my own, I built hundreds of them. I always had a job doing something, such as delivering newspapers and working in shipyards. I always kept myself busy with some hobby including working out.

Later on, after the military, I started building models again. I said to myself, 'You know what, I'm gonna go buy an airplane!' I like monocoques; they were my favorite airplanes. It's probably what I built the most models of because of the little radial engine and the wheel pants. I didn't know anything about airplanes, but I bought an airplane, picked it up and the next thing I knew I was flying it! Then, the next thing I know, there's another plane hanging in my garage at home where I
 (See *Red Lerille* Page 14)



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...Red Lerille

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refurbished 17 planes since I started. Then, another one and another one... That was my big passion. I've survived a couple of plane accidents/crashes, one when an engine quit on me and one with a broken landing gear. I repaired all of those, and they have flown again. The only things that I cannot do are welding and engine work, but I have done everything else on my planes.

C.I. - Well Red, I recall that you had one engine failure that didn't turn out so hot. Tell us about that.

Red - I've had three engine failures. One engine failed right over an airport. That was pretty easy, I just landed. But, one I landed in a field close to the airport. I did pretty good on that landing. I was bouncing around, and the next thing I knew, there was a ditch out there! Boom! I hit the ditch and everything else turned to crap! I broke my leg pretty severely, bones came through and my foot was backward, basically just dangling. I will make this comment about my physical fitness. I was 62 years old then. Had I not been physically fit and didn't have real strong bones, which weightlifting helps to build, and had I been even slightly diabetic, my leg would have been amputated. My doctor said, 'The only reason this leg can be attached is because of your fitness level.' So, it *PAYS to lift weights!* You asked me how many flying hours I have. I have about 5,000 hours.

C.I. - Red, when did you buy your first Lamborghini? How about your second?

Red - About 25 to 30 years ago, we had a depression in the oil industry here in Lafayette, Louisiana. The Great Depression back in 1929 didn't really hit here because no one had any money to begin with. It was basically an all farming community. This time, it really hit hard. We almost lost Red's. My workers and I had a meeting about how we were going to save our ass.

What are we going to do? So, I asked all of my workers to go home, think and come back with ideas about what we are going to do to save ourselves. I said, 'Let's all come back with something.' They came back with a list of things. We didn't want the members to notice we were making changes, and my goal was to not decrease their salaries. A lot of them may have had husbands who lost their jobs or decreased their salary, or their wife had completely lost their job, or had a salary decrease. So, they were very familiar with what was happening in town. We had lost 1,600 to 1,800 members in a very, short period of about 12 months. People were just moving out of town like crazy. All of that hit us pretty hard.

After that little meeting, we decided to do this, and we decided to do that: Get rid of our name on towels. Take our name off of cups, etc. Nobody was going to have any office time where they would sit in the back and did all their stuff. They did it at their station. We did not fire anybody, but we were not going to hire any more people. It worked out pretty well. After about two years, operating with a lot less members, we were turning things around. So, I said, 'Look, I'm treating my workers; I'm going to give them all a raise.' All of them had agreed to work an additional five hours a week with no additional pay. That doesn't sound like much, but that's 20 hours a month, half a week, for no additional pay. I gave them their five hours a week back, and they still continued to work the way they were working, but everybody was doing pretty well. I decided to treat myself to one of these fancy Lamborghini automobiles. First, I put a picture of a Lamborghini on my wall with the date of June 9th as my goal. So, on June 9, 1985, that white Lamborghini showed up. Surprisingly, it was not easy to find the car. Back then, there were very few Lamborghinis in the country. I called all five dealers that were in the U.S. and no one had a car for sale.



Red's Free Weight Room - 1960s

About two days before June 9th, the dealer called and said, 'Remember that white Lamborghini you wanted? I told you I didn't have one, but I did and the deal fell through. Are you still interested?' I told him I was, but it had to arrive by June 9th. The car showed up in my parking lot the night of June 9th at 11:30PM! (June 9th is Red's birthday)

C.I. - I heard a rumor from a mutual friend of ours who told me to ask you about what you personally did on your last trip to Spain. So Red, what *DID* you do?

Red - My son, Stanley, called me one day and said, 'Let's take a walk.' I said, 'Where are we going?' He said, 'Spain.' I said, 'We can't walk around the block a few times.' He said, 'No. I want you to watch a movie, and the name of the movie is *The Way*, with Martin Sheen and his son Emilio Estevez.' They wrote the movie, too. So, I watched the movie and then said, 'Let's go. Let's invite Mark (my other son).' Then, he watches the movie. He says, '550 miles! That's past Tallahassee, Florida! Let's go on Harley Davidsons. That was a smart move! But, we narrowed it down and ended up going on bicycles. We ended up training and everything. This was in February. Mid-August, we take off to Spain, and 14 days later, we ended up in Santiago, Spain, almost 600 miles later. Some days, we rode for ten hours. The last thing I did before I left was put a picture of the church in Santiago, Spain on my wall. That was the hardest mental and physical thing I've ever done in my life. About half the trip was in the mountains. Many of the roads were so rocky you had to get off and push the bike. But, it was an amazing trip. It's a religious pilgrimage that started almost 2,000 years ago. We started at St. John dePorte, France to Santiago, Spain. About 200,000 people do this every year. It's a great movie, and I would recommend it to anybody. Not many people were on bikes. Most people walk, but the walk

takes about 45 days!

C.I. - Tell us a little bit about Lafayette, Louisiana. What's the population? Primary industries and businesses? How many health clubs are there now? Anything unusual and/or special about Lafayette that you'd like to point out?

Red - Right now, Lafayette is around 140,000 with surrounding areas of maybe a total of 150,000. When I opened up, it was about 60,000. So, Lafayette has grown tremendously. The primary industry would be offshore drilling and the University. I would suspect, counting all of the small clubs in the area, there are probably 30 health clubs. When I first moved to Lafayette, there was one gym, Mike's Gym, a place for weight lifters. The University had a very powerful weightlifting program, and they all trained at Mike's.

C.I. - Roll back the clock please, Red, and tell us when and why you decided to open a health club.

Red - All of the Mr. Americas went into the health club business. Some of these health clubs are still around. Some didn't win Mr. America but competed. Take Leo Stern, in San Diego, who finished third in Mr. America. His health club is still around. When I was in the Navy in San Diego, I trained at Leo's Gym. It's been there for over 70 years. There were a lot who went into the health club business. There's another club that I visited in Portland, or when we were there for the Faust Club Executive Roundtable Group, Sam Laprinzi's Gym. He never won the Mr. America contest, but he competed. He had a phenomenal physique. There are a lot of little gyms like that across the country. My goal was to win Mr. America and open a health club. I don't know if I ever had any real, big-big goals other than those. Building airplanes and motorcycles are just hobbies. Nothing can compare to owning Red's.

(See *Red Lerille* Page 16)



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...Red Lerille

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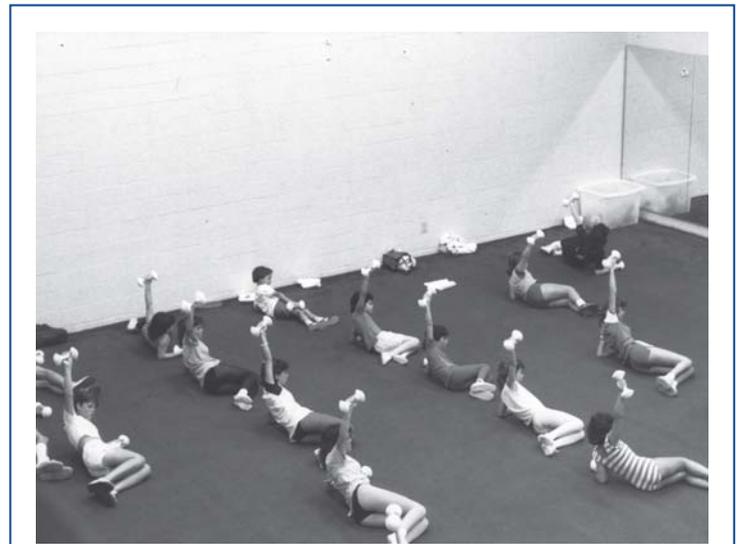
C.I. - Tell us about starting up Red's, which you first launched in a former boot shop. What did that first Red's offer? What was your first year in business like? How long were you in business at your first site?
Red - We had around 4,000 square feet or less. I borrowed \$250 from my Dad to pay the rent my first months. My Dad was a mechanic and worked in the Cellotex Corporation. He bought an old lathe they had junked. I built all of my own equipment, and it looked pretty good! I kind of copied the equipment of that time. I spent about two months in my garage and backyard doing nothing but that. In January of 1963, I had enough equipment, and my fiancé', Emma, found this little building. So, we stayed there for a year and a half. I bought the piece of property we're on in July of 1964, and my big question then was, 'What the hell am I going to do with two acres of land?' Now, we're on 20 acres!

C.I. - After the first rented Boot Shop location, please review Red's *growth* over the years for us. What year did you build your own building on your own land, and what did that new Red's offer?

Red - To begin, we built about the same size building on our two acres as the boot shop we'd rented. We had one locker room, and we'd alternate days for men and women. That building still exists. We had laminated wood beams, wood decking and cement blocks. That's the same structure we have now. The whole building is still wood beams, decking and cement blocks. We started off with that two acres, and every time land was available --I don't care if I was broke-- I still bought the land! We gradually kept adding. Every time somebody wanted to move out of the neighborhood, the man about three neighbors over would buy the house, and I started buying land from him. He retired on me! We just kept growing and growing.

The stupidest thing I've probably ever done in my life was after I went to Houston, Texas for a health food convention, and there were these people walking around with tennis racquets. I found out that they were going to The University Club, which had ten indoor tennis courts. It was packed. I mean, you couldn't even move in there, but it was storming outside. The next time I visited, the place was empty and you could have cannon practice in it because the sun was shining outside! But, I was too dumb to know that, and I had already started construction on three indoor tennis courts at my club, the first indoor tennis courts in Louisiana. There were probably none anywhere else in the south but Houston, Texas, but those three courts didn't really work out to be financially successful. Thinking back, though, in a way they *were* helpful. Something else that was stupid, but is helpful to my club, is our boxing gym with a big ring and everything in it. I give most of the tours and sell most of the memberships. When I'm walking in the club, the things that causes the most WHOAs and WOWs are the Boxing Ring and those three Indoor Tennis Courts!

Recently, we built a personal training facility. It's about 11,000 square feet, and it's full of weightlifting equipment, chinning bars, TRX Systems, a boot camp, etc. It's a big WOW! Is it really successful? Nah. It'll probably never pay for itself, but it sells memberships, Norm. It's the WOW thing! I remember when I built the indoor basketball court with the jogging track around it, which was a WOW thing. I've just kept adding on, and I've done that all the time. I've screwed up and not made money with a lot of this stuff, but it does sell memberships. I know that there is now a big push that memberships are not the big deal, it's all personal training. I have one response to all that: Bull! You can quote me on that. In other words, I look at dues. All the other stuff helps pay the help. It helps pay the personal trainers. The



Red's Aerobic Room In Early Days

thing that makes money for us is the dues. In fact, I discourage personal training. When people ask for personal training, I try to talk them out of it. Let's be realistic. How many people are going to continue at your health club spending \$150 to \$200 a month, or in some cases, \$100 to \$200 a session? How many people are going to continue doing that forever? If they pay monthly dues, you know you might get \$50 or \$60 a month. You're not going to get \$50 to \$60 a visit; I don't care how rich they are! The whole thing is to keep them coming. Keep them excited about exercise and getting fit. A guy walks in here and says to me, 'I'm your best customer! Man, I pay your bill, and I never come!' I say, 'You know what? You're *not*. You know who my best customer is? He's the guy that comes all the time, two times a day if he wants to and then he tells all of his friends.' He says, 'Man, what a deal! I pay \$60 a month, and I go in there twice a day!' And, he brings his friends! Most people who don't come double their dues when they're talking to somebody. If they are paying \$60 a month, they are going to tell everybody they're paying \$100, and they say, 'I never even go in the building.' But, it's the guys who come to the gym every day who are your best members because they bring their friends. The people who are big, big, big on bringing their friends are the bodybuilders because they want someone to train with. So, when a gym closes here in town, you don't have those former members joining one at a time, they join three at a time because they all train together.

C.I. - If someone has not read about you and the club you call Red's before, *what would you highlight now* that makes it *different today compared to a year or two ago?*

Red - The most significant change we have made during the last couple of years was when we added our new 11,000 square-foot personal training center. You've got to look at the improvements we make and consider

the fact that the Red's building is 48 years old in some places, and we're constantly making repairs and doing maintenance that people don't see. For example, during the last year and a half, I have spent 3/4 of a million dollars replacing sections of the roof that *nobody sees*. Those are things that you have to constantly do. We also do things like pulling all of the carpet out in most places and replacing it with big-thick rubber mat floors all over, which really looks great and was a big improvement for us all of the time. I don't even remember all of the things that we did over the years! The biggest, noticeable difference is something we call M.I.T. (Mark's Inheritance Training). That's where Mark says all his money is! That was his baby. He was the one who wanted to do this big, new Personal Training Center! I think that was a big improvement here. That made a nice change in our facility. It looks *great!* When you walk in, it is definitely a **BIG WOW!** Even when I walk in, and I walk in everyday, it's still WOW! You look around, and it has 30-foot ceilings... It's an impressive building. All of the ceilings have laminated beams.

C.I. - Red, please tell us about your *daily routine*. Your daily routine is something that people all over talk about. What you've done with your life, discipline-wise, is truly amazing! Describe this daily routine of yours for us, Red.

Red - My alarm clock is set for 2:20AM. I normally always wake up before 2:20, hurry up and get dressed. I have six different bikes, and I ride a different bike to Red's every day. I normally pump up the tires on the bike I'm going to ride the night before. I peddle my bike to Red's, and I normally get here a little bit before 3AM and open up the club. I have another man who opens up with me. He normally starts on one end of Red's, and we meet in the middle. Then, I work out a little bit from right after 3AM until about 4:20 to 4:30. Then, I jump on my
 (See *Red Lerille* Page 18)



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bicycle, and I'm normally home at about 5:30. So, I ride about an hour every day. Then, I shower, eat breakfast and hustle to St. Mary's Church to make the 7AM mass. Then, right after mass, I will go the airport and I might fly around for about 30 to 45 minutes. Then, I'm normally at Red's by 8:45AM. Remember, I live in a very small town. You can't do this in some big city in a week! But, I do this every day. *I sleep in on Saturday and Sunday, waking up at 2:45AM. I normally get here about 3:45AM and open up. Then, I'm on my bicycle for about an hour. I don't work out on Saturday and Sunday, so I bike for about an hour to an hour and a half.* Most mornings, I try to fly. During the week, I work until 2PM, and I take a break from 2 to 4, and then, I return at 4. I normally leave here at 7 or so. That's my typical weekday routine. On the weekends, I'm off at 3PM on Saturday, and on Sunday, I try to fly a little bit then go to work at 7:30AM until about 9:30 or 10. Then, I'm off the rest of the day on Sunday, unless we have some problem, and then I'll come back.

C.I. - Hey Red, let's go back to the beginning where you mentioned your 2:20AM alarm clock setting. *When do you go to bed, Red?*
Red - I try to go to bed about 8:30. I normally get home a little after 7, and then, I eat supper. If I'm sitting down, I might fall asleep while eating! I'm normally in bed by 8:30. I get about 6 hours of sleep. But, don't get me wrong now, *I can sleep anytime! I can fall asleep standing up. I'm good at that, and I've always been good at that. I can pick up a little catnap anytime!*

C.I. - Let's do a quick little review about Red's: acreage, facilities (indoor and outdoor), equipment and membership rates.
Red - We have 20 acres of land and around 200,000 square feet of buildings. We have over 600 selectorized or plate-loaded weight machines. We have Hammer Strength, BodyMaster and Life Fitness equipment. We have over 100 pieces of cardio equipment. We're a little lopsided on that because we believe more in weight training than we do cardio. If somebody asks me what to do, I always say, *'Lift weights.'* Plus, we just purchased a bunch of equipment from a local gym that closed on January 1st. If you are a *regular member*, everything is included but tennis and racquetball. We have a \$200 registration fee, and we get these rates. I don't discount the registration fee. Everybody pays that. The exception on paying the registration fee would be if you are on the parents' family membership, and you turn 22, you can get a membership on your own without paying the \$200 registration fee. So, the regular membership is a \$200 registration fee, and one person is \$57 per month. We add tax to everything. A family of two is \$94 per month, a family of three is \$121 and a family of four or more is \$138 per

month. A full-play membership, which includes tennis and racquetball, is a \$250 registration fee, and it is \$10 per month more than the regular membership rates.

C.I. - How many *membership accounts* do you have at Red's? How many *total members* does that add up to?

Red - First, let me mention that the Holidays were ungodly busy for us. So, we now have over 9,300 memberships with a total of 19,000 members.

C.I. - What would a typical daily Monday traffic count at Red's be?

Red - We definitely have over 3,000 people per day.

C.I. - How many parking spaces do you have?

Red - We have 750 parking spaces.

C.I. - Obviously Red, your club is a major family destination club. About how many kids do you have as members? How many kids use it during the summer months?

Red - During the summer, which is our high number, we have about 7,000 kids as members. We allow people to drop and add people on their membership. As long as they keep one person on the membership, they can drop one or two off. They can drop the husband off or the wife off or the kids off of the membership. A lot of people drop them off after the summer. But, some people keep them on, too. Then, we work a deal where we charge them for one month, and they can add them for Thanksgiving and Christmas breaks. A lot of people start adding their kids back around Easter when we open up our kid's pool.

C.I. - How many swimming pools do you have now, Red?

Red - We have a kid's pool with a big water park next to it. We have a slide and a Lazy River just for kids with a snack bar and locker rooms. That's kind of separate. In between, we have two 75-foot indoor pools, one with six lanes and one with three lanes. One is heated to 80 degrees, and one's heated to 88. Also, we have a cold plunge that's 60 degrees. Outside, we have a large Junior Olympic Pool. So, we have five pools if you count the real small and shallow kid's wading pool.

C.I. - If you were to give someone in our industry some *Tips for Success*, what would they be?

Red - The five rules I live by are: (1) You've got to show up on time ready to work. (2) You've got to say *"Hello"* and *"Goodbye"* to everybody. One of the top guys ever in this industry, Bob Delmonteque, who just recently died in his 90s said, *'Red, you know, you can do anything you want in this business, but it all amounts to two words: Hello and Goodbye.'* As long as you are nice to people and you say *'Hello'* and *'Goodbye'* all the time, you've got it made in this industry. *People forget that. I want to tell you how hard saying 'Hello' and 'Goodbye' is today. You've got people*



Part of the 1,500+ Crowd at Red's 50th Anniversary Party on January 13, 2013

walking in with earphones stuck in their ear, or they've a damned telephone hanging on their ear and they're talking to somebody else when you're thinking they're talking to you. It gets very discouraging to try to say *'Hello'* and *'Goodbye,'* and we work *hard* on that at the club. It gets more and more difficult and frustrating to try to do that. It's different if they are doing cardio. (3) You've got to learn as much as you can. (4) You've got to make a change every month. That's a rule for me. (5) And, if I had to pick the one most important thing, which I think too many of the owners fall short on in our industry, you've got to stay in shape! You've got to believe in what you're doing! If you don't believe in this stuff, how the hell can you sell it and promote it. I mean, I want to be an example in my club. Can I win Mr. America or anything today? Hell no, but I'm still in pretty good shape. I am going to hang in there as long as I can. I think a lot of people forget that. They're not enthusiastic about what they do for a living. I am. I think I'm more enthusiastic *now* than I was 50 years ago the day I opened up Red's. I'm more excited about this business now than ever in my life, and it's easier to run now than it was years ago. You can't pick up a magazine or a newspaper without an article selling fitness. They're selling fitness all the time. Movie stars talk about what they do and all. That's encouraging to me. There was a time years ago when people who exercised didn't want to tell people! Now, they're walking around with muscles, and it's all part of the deal. Those are the five things I would tell anybody in this business. Be enthusiastic about what you do. I love my job! I don't want three clubs; I don't want four clubs. I just want one place to earn a living!

C.I. - If you were giving advice to a *potential club owner*, what 3 things would you tell him to do?

Red - I don't know if I'd tell him anything else. You have to believe in what you do,

and be in shape. It's got to be a lifetime commitment. It can't be I'm getting in shape this year to do an event. I mean, when my kids went on the bicycle ride, I got in shape especially to do that, but I didn't drop everything else. I was already in good shape. If I would have gone and said, *'I'm in good shape. I've been lifting weights, and I'm in good shape.'* Well, I was not in shape to climb mountains on a bicycle with 40 pounds of luggage and have to get off and push it up rocky road. I'm not in shape for that, but being in shape allowed me to prepare and do special training in advance for that special trip, and it allowed me to do that ride. I think that's the important thing. It's the same thing with running a health club. If you're in shape, you know what goes on, you know what they have to do, you believe in what you do. If somebody asks, *'Do you ever work out?'* that's bad. I don't know which desk I would crawl under! I don't have a desk. I don't even have an office. I'm sitting right now in a membership office. We have three of those. I have no place to hide. Right now, as members walk by, I'm waving and saying *'Hello.'*

C.I. - Red, when you give a prospective member a tour of Red's, *what do you say to them?*

Red - I ask them questions such as, *'What are you most interested in?'* Everybody is interested in the same thing. If they would be perfectly honest, they all want to look better. There's not a person walking the face of the earth that doesn't want to look better. We all try to look our best at our age. That's the first thing. If you want to look better, you've got to lift weights, I try to talk them into lifting weights. I try not to scare them to death at first, you know, because a lot of people are intimidated if they've never been in a health club. But, these days, so many people have been to other health clubs. They're very aware of fitness from college. They've worked out.

(See *Red Lerille* Page 20)



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They've done sports. But, you've got to remember, Norm, in 1963, football was barely starting to use weights in their programs. It was very, very new. You have to talk people into doing this. This wasn't in vogue. Weight training and fitness is in vogue right now. Back then, there were just a few magazines. In the 1940s, when I first started working out, there were only two or three magazines on the whole shelf! And, no other magazines even mentioned fitness or diet or anything like that. But now, every magazine --I don't care what you pick up-- will mention something about fitness or diet. Things have change tremendously. So, when you're giving people a tour today, it's *totally different* than it was years ago. Basically, I'm just showing them where things are. I answer questions and stuff like that.

C.I. - Well Red, it probably helps that the person whose name is on the building is giving the tour!

Red - That helps. They say, 'You're gonna give me a tour?' I say, 'Yes, I work here just like anybody else. This is my job.' Then, I might say, 'I'll take your money after the tour, too.'

C.I. - Tell us about your new buildings and other major improvements in Red's over the past ten years. Tell us about your outdoor upgrades and improvements.

Red - Well, the big thing we've done in recent times is we've added two indoor swimming pools, which I said I'd never do. But, I did that mainly because of all of the triathletes. Their weakest event is swimming. They're the main reason we have these indoor pools. We've always had our little kids' operation, but we've built the indoor pools where we had our kids' pools before. So, we tore all of that out and moved it into our parking lot and built the kids' operation with the water slide, the snack bar, etc. On top of our indoor pools, we did all of our group exercise facilities. We have three big rooms up there. We also have a room in which we do Pilates. We also have a small room where we have a Kinesis Machine that we do special classes. So that's what's been added in the last five years. But, even more important than that, we've added more workout area, we put in the Boxing Gym I mentioned earlier. That's about 5,000 square feet that was empty. For the last five years, I haven't had to put any pictures on the wall. We've been under continuous construction.

C.I. - What changes/improvements do you have in the *planning phase for Red's*?

Red - Right now, I'd like to put a few dollars in the bank! I'd like to get ahead a little bit (laughing). Anytime you make a big addition like that building that cost over a couple of million bucks, I kind of go down a little bit. We borrowed a few dollars. We ate up some cash we had. We're rolling again pretty good, though.

C.I. - Let's talk about any community events you've been involved with during the last few years.

Red - The University honored me one time as one of the outstanding graduates, and I had to give a little talk. You know, they always heap lots of praise on you with these awards. One of the big things that I mentioned in my talk was that, if I had to pick the most important, and the best thing I did for the whole town was to hire the University of Louisiana at Lafayette students that we hire. Over the years, we've hired thousands to work at Red's, and when we hire students, we work around their school schedule. We don't give them our schedule; we take their schedule and make it work around them so that they can have a job here. The most important thing right now is school, but we've had some phenomenal workers who had started here as kids, and some are still with me. More importantly, we get some students who stay here four and five years, their whole time in college. We're real lucky. If I had to pick the community thing I do most, it would be that. Sure, I donate to my church. I donate to some local organizations. We have an Aviation Museum here in Louisiana called the *Wedell-Williams Museum* and a guy came to me before the museum was even started. He said, 'Red, I think you ought to donate to this.' I asked him what it was. He said, 'Wedell-Williams Museum.' I asked, 'Who are they?' He said, 'In 1932, they built the three fastest planes in the world. Actually, they built four, but one

crashed on takeoff.' So, I started donating a couple of hundred a month 49 years ago, and I've never stopped. So, I do a lot of little things like that. About three years ago, I had an airplane I didn't particularly care to fly because it was scary as hell. So, I donated it to them, too. So, I've got my little airplane sitting in that museum. But, the biggest thing I do is hire kids from the University!

C.I. - What things are you doing these days to *reach out to non-members*?

Red - We don't make a big effort. We basically rely on our members to bring their friends. You know, in the health club business, you can advertise all you want. But, I bet if you look at your records, most of your new members come with their friends. In fact, a lot of times, when I sell a membership, two people come to the sales office.

C.I. - Tell us about your membership in the *Faust Roundtable #1*.

Red - It's been a very, very good thing for me. The roundtable (of course you know all about it because you were there) was an honor for me just to be invited to be with Rick Caro and all of you. You were a member in the beginning. You know, I thought that was an honor itself for a little guy from Louisiana to be in that group. I think the big thing over the years was the visitations at the clubs. Rick Caro knows everybody in this industry, and he gets us
 (See *Red Lerille Page 21*)

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**For further information, please contact:
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...Red Lerille

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in places we can't get in, you know. And then, we get in there and you can really learn about the clubs. I like that a lot. I like the interaction with the people in the clubs because we learn a lot from them. Instead of an owner, I'm more of a manager. Of course, in recent years, we have a lot of people on the Roundtable who own multiple clubs. At first, it was people with individual clubs, and you would work there everyday. It's amazing we've been together over 25 years now.

C.I. - Tell us what you do to compete with new and better competition hitting markets everywhere.

Red - I tell you what I tell my workers when we have little meetings. I don't have a lot of formal meetings, because I'm in here, and I meet with my people all the time. You did the same thing. So, why should I sit down at a formal meeting that often? Now, if I'm never here, then I've got to have a formal meeting about what's going on. I KNOW what's going on. I'm here. I tell my workers that we can't do a thing about competition. It's like an alcoholic. He's got a problem. He can't do anything about that. He has a disease. But, he can change his life. So, all we can do is change Red's and make US better. We can't fight the competition. I worry about them a little bit, but I don't make a big issue about them with my staff.

C.I. - If you guessed what you will do next to improve your club, what would it be?

Red - Well, we've been constant with changes for the last five years. But, we're constantly changing things. For example, we just bought another club's equipment. It didn't even exist in my thoughts. The owner came by and made me an offer to buy his equipment. I countered his offer, and he took mine. So, it worked out great. What happened was that Planet Fitness moved in. It killed two or three little clubs all around. They were all like \$19 to \$20 a month, and Planet came in at \$10 a month. It's hard to compete with them, and they have nice clubs.

The One and Only Red Lerille

This amazing and in-depth interview with the *One and Only Red Lerille*, is one for the books. It chronicles how the man that I believe is the world's very best single club owner/operator has achieved the lofty accomplishment of being in business for 50 years. By the time you get this online or in the U.S. mail, Red and Emma Lerille and their terrific kids, Mark, Kackie, Tine and Stanley will have celebrated their 50th Anniversary at Red's with their staff and many members. They are *off and running toward 100 years of business!* I think it's important for me to say here and now that I don't think there's a better club owner role model anywhere that sets the example of what you need to do to be highly successful in your club business than Red Lerille. Or,

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in any business, for that matter. He has the formula for success down pat. So, it's with great appreciation for his achievements and love for the man, Red Lerille, that I say to him and his great Red's Staff: **Way to GO Red and Team!**

(Norm Cates, Jr. is a 39-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of

CLUB INSIDER, now in its 20th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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A New Year's Commitment

By: Will Phillips

Business growth is the critical indicator of business health. Growth without profit is nice in the short run and dangerous in the long run. Too much growth can be cancerous and dangerous if there is no profit. The danger of no growth is complacency that leads to a lack of reinvestment in the future, including financial reinvestment and innovation reinvestment whereby a business reinvents itself.

Many clubs, as well as other businesses in the United States, have been in a period with zero or low, single-digit growth over the last few years. Through careful cost management, they are often profitable. This combination of low growth and modest or high profit is a sign of an aging business. In part, the high profit comes from not reinvesting in or adapting to the emerging future.

It appears you can divide business knowledge and skills into two levels. For this article, we'll call them **Stage One** and **Stage Two**. Doing the eight primary skills well enables any club to do well in good times. The basic areas are outlined below; how-to cookbooks for implementing them are widely available.

Stage One Skills

Marketing: This requires sufficiently understanding your market to thoughtfully select the appropriate programs and services, set them up under the right pricing packages, plus a spark of creativity to develop changing and original promotions. Combine the aforementioned with the discipline and detail to create an annual marketing plan and it becomes possible to develop a relatively strong stream of leads even in the current economy.

Sales Management: Every health club that manages its sales proactively does dramatically better than a club that simply takes orders or depends on the luck of having hired a superb salesperson. Sales management means the regular collection of sales data to uncover the soft spots in the selling process. Is it booking appointments? Is it getting appointments to show up? Is it closing the sale? Is it responding to telephone inquiries? A strong sales management process uses sales data as radar to uncover strength and weaknesses of each salesperson and of the overall selling process. These weak spots are strengthened through regular training, daily roleplaying and one-to-one coaching. The good years before 2008 led many clubs to neglect these proven principles of

sales management.

Retention: There are a handful of basics about retention, which, if well applied, should bring your retention into a best practice level for your type of club. Group exercise participants stay twice as long as fitness-only members. The same appears to be true for anyone involved in other sorts of group programming since it increases the interaction between staff and the member as well as from member to member. Maximizing group exercise and other sorts of programming is fundamental to getting double-digit improvement in retention. After this, the gains are small and depend upon such things as superior front desk performance where every member always receives a hello and a goodbye with face-to-face eye contact; no exceptions. Small hassles are continually identified and removed. An example is never having a machine broken for more than 24 hours.

Cost Savings: Cost savings must be distinguished from reducing costs. It is the difference between cutting off a leg and losing weight. Both will reduce what you weigh, but one is healthy, the other is unhealthy. Cost savings is reducing what you are spending to operate your business without reducing the value delivered to your member and sometimes even enhancing the value by simplifying the way a member interacts with your club. REX has discovered that, with attention to cost savings, the average 3,000-member club can regularly put another \$100,000 to \$300,000 on the bottom line every year.

Top Grading Your Staff: Every club has between a handful and a dozen key staff who operate the business. When you have competent people with the right attitude supporting your club culture, whom you can retain for 5, 8, 10 years or more, you will increase the efficiency and reduce the frustration of operating your club business dramatically. Most owners do a good job addressing good performance of these key leaders. At the same time, they often do a poor job addressing mediocre or modest performance. Too often, it is tolerated, which generates a burden for their peers and the owner. Deciding to build a key staff of all A-players with A-plus attitudes who are committed to your club for the long term makes a huge difference.

Managing by the Numbers (MBTN): Regardless of the industry, at its core, every business is managed by the numbers. As the leader, it is your job to understand how to use numbers to manage your business. This is frequently confusing because our

accountants, tax preparers and bookkeepers overwhelm us with elaborate financial information used to calculate taxes with historical data. This is not what managing by the numbers is about. A powerful extension of MBTN is the use of open-book management where you enlist your top graded staff to also use the numbers to manage on a daily basis. You now have a whole team driving the numbers in your business. This has an extraordinary impact.

Facility: A beautiful facility will not necessarily retain members whereas an unsatisfactory facility will turn potential members away in droves. It is critical that you generate sufficient profit to set aside a minimum percentage for facility renovation. Somewhere between 3% and 7% of your revenue will be required for regular renovation, equipment upgrades and improvements for your parking situation.

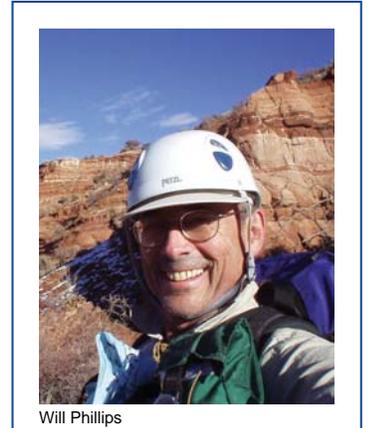
Cleanliness: Cleanliness is another public health factor. When you are not clean, you will lose business. When you are clean, you will not necessarily gain business, but it is essential that you play the cleanliness game.

Of course, you could argue that some of the above eight areas are more important than others or that there is another one that should be added. But, these basic eight form the foundation of a well-run club in a healthy growing environment. These eight would enable a club to thrive and prosper in the 1990s.

The Great Discontinuity

We are in the longest recession in U.S. history. Even as U.S. employment slowly improves, much of it is in low-paying, part-time positions. All these factors argue against a quick return to a consumer-driven economy. Many who find themselves unemployed and underemployed will never resolve that issue in their lifetime. There is no work for them to do; overseas workers or automation has replaced them. We are entering what the Maine farmer would have called tough times, where you have to be an exceptional farmer to survive and be really amazing to thrive. This means we must now move beyond first-stage, single-loop, problem-solving, addressing the eight basic issues above.

Single-loop learning occurs in Stage One business improvement where we see problems, find solutions, implement them and confirm that we've resolved the problem. We discovered that, frequently, in these cases, we did not remove the cause



Will Phillips

of the problem but simply removed the symptom or the discomfort. For example, the poorly performing department head who was with us for years but was never quite delivering at the level of responsibility that we hoped for has been fired and replaced with a much higher quality person. It feels as if the problem has been solved. However, this is single-loop learning because we have not even looked at the cause of this problem. "How did we make such a serious mis-hire? How did we keep such a serious underperformer on board for so long?" When we begin to ask the deeper questions that lead us to search for the underlying cause of the problem that we just fixed, we're entering into the realm of double-loop learning where we remove causes, not just symptoms.

To remove the root cause generally requires us to make significant changes in our business assumptions, strategies, structures, systems and culture. When we make these changes, we reduce the likelihood that the problem will ever recur again. This now frees our energy to focus on more challenging and difficult problems, such as living in this post-discontinuity business environment.

Here are a few sample arenas in the double-loop improvement corral. A strong culture can counteract almost any weakness in an organization. A strong culture removes the need for a supervising or authorizing hierarchy. The world's best military organizations have discovered that traditional military hierarchy works fine during peace time but in the actual fog of war when a team is under extreme stress in combat the hierarchical system fails time and time again. It is the individual's sense of teamwork, mutual commitment, and other critical cultural attributes that enable a Navy S.E.A.L. team to succeed. We have yet to learn this simple truth in business. Nick Sarillo reports the tremendous (See Will Phillips Page 24)

VILLA BLUE ISLAND

Playa Ocotal, Costa Rica • Official Website



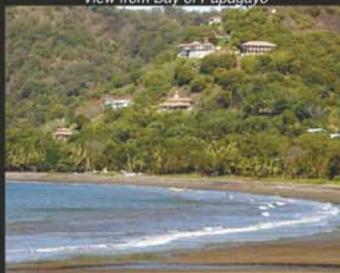
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Sunset over Gulf of Papagayo



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View from Bay of Papagayo

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- Cable
- Ceiling Fans
- Hairdryers & Toiletries
- BBQ Hut
- Stereo, TV/DVD, Phone
- Safes In Each Bedroom
- Washer/Dryer
- Beach Towels
- Hammocks
- Ice Machine, Coffee Maker, Microwave, Blender

Villa Blue Island is a five-bedroom, six-bath villa overlooking the stunning Bay of Papagayo. Secluded on a cliff, it is surrounded by tropical vegetation, colorful flowers and animals that include monkeys, parrots, iguanas and coatimundis.

There is a huge outdoor deck which includes a swimming pool with waterfall, jacuzzi, sports games and rocking chairs for simply enjoying the spectacular view. Meals are served outside under the stars nightly.

All the bedrooms are air-conditioned and have adjoining bathrooms. Three of the bedrooms feature king-sized beds and two others have two full beds in each. All bedrooms offer full ocean views overlooking the pool and waterfall and French-door access to large covered patios.

There is also a sixth bedroom with bath that can be utilized for larger parties. Each room has a safe.

The villa has cable television and WiFi internet service. There is also a stereo, blenders, microwave, coffee maker, ice machine, beach towels, hammocks, floats and pool toys. Everything you will need to have an unforgettable vacation.

Twenty five minutes after you leave the new international airport at Liberia you will arrive at Villa Blue Island and the most amazing view of the Pacific Ocean you have ever seen.

All rental car agencies are available in Costa Rica, but we can have a rental car brought to the villa and picked up later for you. Van taxis are also available to the villa. Playas del Coco is \$10 one way.

During your stay, you will be attended and pampered by a villa staff including cook, bartender/waiter and maid. The cook will serve up deliciously-prepared meals of your choosing. The bartender will make and serve the beverages and special drinks you desire.

On your arrival day you will not have to worry about your food and drink. The cook will prepare a special evening meal for you and a breakfast the next morning. After that, you can go to the local supermarket in Playas Del Coco, three miles away, with or without the cook and select what you would like to have served during your week stay. There will also be a printed guide in the villa on dinner selections and ingredients that the cook can prepare for you after purchase.

Daily breakfast will be served around 8 a.m. and dinner at 6 p.m. After dinner, the staff will clean up and leave.

This plan is designed to make vacation more economical and give you the freedom to dine whenever you like in one of the many popular restaurants in nearby Playas del Coco.

If you should want an all-inclusive (including all your food and drinks) add \$95 a day per person.

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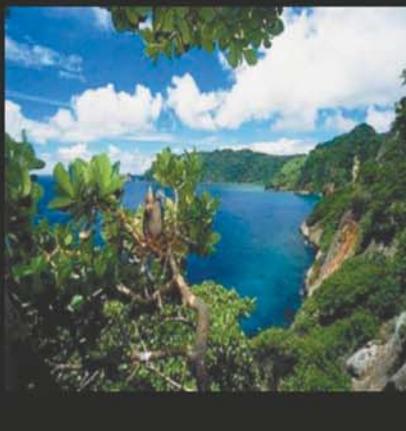
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VILLA BLUE ISLAND:
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What To Do If You Do Not Have A 2013 Marketing Plan

By: Tracey Bourdon

Panic? Not now. It is not too late; the year has only just begun, and prospective new members are still out there. They were not all snapped up by the competition, nor did they suddenly decide that they are already in great shape without your help. Many of them are still waiting for the right motivator that will inspire them to act. It may come from within, or it may come with the help of your next marketing effort!

Wake up? Yes. It really is time to develop a sound marketing plan and commit to working that plan. We ask nothing less from our club members. In fact, there are some interesting parallels between marketing and club membership. In the words of Joseph Jaffe, "Marketing is not a campaign, it's a commitment."

A Tailored Program - Like the orientation of a new member, your marketing plan should consider "who you are" as a club, what you want to achieve and then develop a program tailored to your specific needs. Understanding the "physiology" of your club --its team of staff, programs, facilities and services, the surrounding geography of your location and the demographics of your current membership-- will establish the solid foundation essential to an effective marketing plan.

Goal Setting - Like being on the road to good health and fitness, imagine your marketing plan as a pathway to success. Include measurable goals and the means to accomplish them. Be positive in your outlook. Positively, it is important to feel good about yourself and enjoy what you do, so taking pride in your marketing is an extension of the pride you have in your club business.

Results-oriented - In life, as in business, with time always at a premium and countless competing priorities, most

clubs slide marketing way down the list and adopt a desperation approach. Trying to plan month-by-month or simply reacting when leads are drying up is not only stressful, but it will make you feel like you are constantly missing opportunities and paying too much to try to meet tight deadlines. You probably are! If the thought of mapping an annual marketing plan overwhelms you, try looking ahead in 3-month intervals. This will keep you on top of your marketing and give you some flexibility for changes in the marketplace.

Value For Money - It is vital to include a budget as a part of the marketing plan in order to measure the results of what you are spending on marketing. A good rule-of-thumb for estimating an annual marketing budget is 3% to 5% of annual revenue. Your budget should include a summary of all anticipated marketing costs. Aligning costs of a particular marketing effort with the revenue it produces will help determine what works and what does not.

Personal Training - Enlisting professional services for your marketing needs is a wise business decision. A well-established marketing company will empower you to successfully maneuver your club business throughout the vast expanse known as Marketing. From planning and development to coaching and execution, a marketing company that is experienced and has a proven record in the areas of marketing, advertising and website development will keep your plan on track and prove to be a big time-saver that frees up more of your time to run the club. The right marketing partner will strengthen your success with creative and cost-effective marketing strategies.

Assembling The Plan - Who is your market? Where are they? What is the best set of marketing tools that will reach them, motivate them to take action

and give you the greatest return for your investment? Answer these three questions and you will be on your way to assembling a marketing plan that will work for your club.

Is Your Marketing Plan Just Asking for Members?

1st Quarter Marketing Plan Sampler

Month 1 - Outbound Marketing: Choose offers that add value and support your profit centers like "Join and receive our Fitstart personal training package for \$99." A discounted offer in January that allows prospects to work out for free in your gym is not required when the club is already busy. This is also good timing for a campaign built around a Weight Loss Challenge that has great potential for universal buy-in from all your target markets. Campaign themes such as *Thin To Win*, *Biggest Winner* or *Skinny Jean Challenge* generate excitement at the club and can also run congruently with other marketing efforts. They might also provide the opportunity of some local media coverage announcing the successful results of participants.

Send a direct mail and/or a supporting email to prospects in specific zip codes in the radius around your club. Send a similar flyer and/or email with the message directed to former members and lost leads. Email your current members with a newsy piece describing all that's happening at the club to keep them engaged.

Inbound Marketing: Make sure your team is not only up-to-speed on current membership offers but also knowledgeable and excited about them!

Update the landing page on your website to support your marketing and capture visitor information. Keep your Facebook page current and post every few days, or as often as possible. Maintain these inbound marketing strategies throughout the year.



Tracey Bourdon

Month 2 - February is a great time to run a referral program. Market to your members everywhere they turn with a consistent message and visual identity for your advertising. As the budget allows, include a direct mailing, emails, internal signage and Facebook updates. Reward your members for their referrals with giveaways such as concert tickets, personal training and other club services or drawings for larger items like iPads, TVs, trips, etc.

Month 3 - March is time to think fresh and inject new energy into the plan to promote getting in shape for spring and summer. Market to prospects, former members and lost leads. Dependent on budget, direct mail to prospects with supporting email. Modify the prospect email to former members and lost leads. Maintain your inbound marketing strategies.

The End Game - Before the end of the First Quarter, you will plan the next three months of marketing. If you have enjoyed the stress-free feeling of having a plan in place, you may even want to stretch to outlining the plan through to the end of the year!

(See Tracey Bourdon Page 25)

...Will Phillips

continued from page 22

efficiency that a strong culture delivers on the front line in *A Slice of the Pie*.

Stage Two Skills

Double-loop learning moves your improvement program into Stage Two where your improvements are sufficiently transformative to reinvent your business with high growth and high profit. Learning how to operate in Stage Two is much more challenging than Stage One, where managerial cookbooks abound. Here are

some primary resources to help you move forward in Stage Two: *The Road Less Travelled* by M. Scott Peck, *The Four Obsessions of An Extraordinary Executive* by Patrick Lencioni and *Risky Is the New Safe* by Randy Gage.

Implementation, Accountability and Follow Up: To make sure your club is getting the benefits of your efforts in Stage One skills, you must be a master of accountability and implementation. The single best resource to improve accountability is clear expectations. The single best resource here is *How Did That Happen? Holding People Accountable In A*

Positive Principled Way by Roger Connors and Tom Smith.

Your New Year Challenge: I encourage you to *commit* to doing what it takes to grow your business in 2013. The first step is assessing how well you are doing with each of the Stage One skills. An accurate assessment requires input from your direct reports, your customers, and ideally, from a handful of outside objective club owners. Do not expect this process to be comfortable because it involves real learning.

Assign a champion and a team to monitor each area in Stage One of

what you are improving and have them meet biweekly to keep the project moving forward, remove barriers and enable progress. As this gets underway, you should refer to the above two references and start laying a foundation for Stage Two change by reading Patrick Lencioni for *Stage Two Development of the Organization* and read Scott Peck for *Stage Two Development of You As a Leader*.

Simply driving sales is unlikely to give you double-digit growth!

(Will Phillips is the Founder and CEO of REX Roundtables for Executives and may be reached at Will@RexRoundtables.com)

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...Tracey Bourdon continued from page 24

As you and your team review the plan, some basic rules should be constant to your marketing. Here is a checklist:

1. Visual identity. Do your marketing pieces look like they all came from your club? If so, you are on your way to good brand practices. Secondly, do you love the way they look? If you don't, neither will your prospective member or your existing members! Good creative and design is a reflection of your business and will help to build pride, loyalty and happy members!

2. Results. Measuring your return on investment can be complicated, but look back at when your marketing hit, what the offer was and the resulting impact on revenue. A revenue spike post marketing effort is, of course, a success! No impact on revenue requires investigation as to "why" before repeating the process and expecting different results. Encourage your team to independently measure and report back. Be open to accepting feedback from your team, your customers and the community. Check their happiness meter. You may learn from a simple comment and improve the impact of your marketing!

3. Consistency, commitment and responsibility. Did you stay true to the plan? Could you have done more? Did you and your staff take responsibility for executing the plan and monitoring the results? What could you have done better? Developing a plan is the first step, but it will not successfully run by itself. You have to buy in to your own plan, be critical and learn from what you do.

There are many marketing opportunities. Don't be overwhelmed or try to take advantage of them all. Keep it simple. Set your goals. Make your plan. Commit to it. Measure the impact. Learn constantly.

(Tracey Bourdon, of Susan K Bailey Marketing & Design can be reached at 888 - 349 - 4594. To learn more, go to www.susankbaileymarketing.com)

The System for Sustainable, Repeatable Success

By: Donna Krech

We're headed into a new year, and you need an edge that beats the economy and deals with the real life issues you deal with. Meet four people who are responsible for running clubs just like yours. They face the same challenges and have the same issues you do: making more money, marketing that works and management that gets results. The good news for you is that they have solutions for each issue they are willing to share.

Roy owns several types of clubs: M.M.A. space, a woman's club and a coed gym. He went from losing money to mastering marketing and making millions. **Austin** had a couple of clubs and did pretty well, with his EFT sitting at about \$22K per month. Today, it's \$93K! **Jason** is a multi-club owner who went from no systems to a smooth and predictable systematized process. Finally, **Marcia** runs one club in a tiny market with 18 competitors within four miles. She took it from losing money to doing \$1.5 million with just 8,000 square feet. Read on to "listen in" as I interview this panel of experts on how they exploded results.

Roy

Donna: Roy, let's talk marketing.

Roy: Marketing is crucial. When I got involved with the marketing you teach, I took that and ran with it. I get into shopping centers and have the mall give me space for free. Wal-Mart and places like that not only let us market to their employees, they even market to their customers for us.

We put up a box in the gym and asked our members to name their favorite place to shop, to have their hair done, to eat, etc. We took that information and started calling the businesses. We called up the people at Wal-Mart and said, "We had a contest at our women's-only club where we have a few thousand members. As you know, women are shoppers, and our members elected you as their favorite place to shop. So, we want to come out and bring you guys a plaque and give you guys a reward."

You talk to the manager in your local town. He hears that you had a contest, and they won. They throw out the red carpet for you. We showed up and gave them a presentation during one of their meetings, and they were so excited; they wanted us to talk to their cashiers before we left, too.

We also have Kroger grocery stores fairly close to us. We called the one with the manager that oversees both of them and got us into both of them. We still have a lot of members that still come to us from those, and now, we've created corporate memberships for these locations

due to so many employees joining.

As those ladies get their results, their co-workers are all asking, "Where are you losing this weight?" They are walking advertisements for you. We just signed up two more girls recently from Kroger. So, it is a continual result.

Donna: Do you have another form of corporate employee marketing that has worked well and you have gotten good results from?

Roy: When somebody hits his goal weight, use that as a marketing opportunity. Call the place they work and let them know, "Hey, you have an employee who hit his weight goal in our gym and we're coming to honor him." They are probably talking about it at the work place, as they have seen this person lose 30, 40, 50 or 100 pounds. So, they're excited that you're coming to celebrate them.

Bring them a dozen roses and a card from your staff and people they work with, too. Their whole office staff knows this is going on except for the member. You show up at the appropriate time, they are all waiting and it's pretty cool. You see tears. We have actually had people leave their work and come join our club. They say, "Wow, there is a place in town that does that!" This has been a really good avenue for us.

Austin

Donna: Austin, let's talk sales, revenue, P&Ls, money, etc. What kind of results have you seen since plugging in our systems?

Austin: I just came to your event a year ago to learn about Facebook. True story! Before that, I didn't know anything about it, and you guys had a session on it. At the end of the time, I subscribed to get your training. Now, our entire dynamic has changed, from the way we run personal training to the way we tie everything together. We didn't even have a front desk lead card before!

To give some numbers, our monthly EFT was \$22,000 when we started. Ten months later, it was \$93,000. In personal training, we had no profit. Today, we are getting about \$7,000 profit per month in personal training.

We didn't really sell product before, other than water and Muscle Milk. We had product sales somewhere in the neighborhood of \$150 a month.

Donna: Per member? \$150 per month per member?

Austin: No, we were selling \$150 worth of product a month in total! We weren't really selling many products at all, outside of our smoothie bar. We were sending

them to GNC.

Donna: You were sending them somewhere else to purchase something they would have been willing to buy from you?

Austin: Yes, we just weren't moving product before. Product sales for us is now over \$20,000 per month! Plus, our tanning has increased considerably. We converted to memberships versus selling visits, which is huge; it provides much more consistent revenue throughout the year. The product sales for tanning have increased, too.

Donna: Let's talk specifically about the sales systems.

Austin: You want a snapshot of our sales system, before and after? Before, we were order takers. "Here is the rate sheet." We focused on our equipment during the tour. We didn't grasp the concept that these folks don't really care about equipment. After, we converted that horrible system into a new system, tying the sale into emotion, understanding the powerful *why*. To be honest, we follow exactly what you guys told us to do. It's made a huge difference just finding out they want weight loss right when they walk in the door.

Donna: As your sales people moved from being order takers to finding out each person's powerful *why*, did you see an increase in closing percentage in the gym?

Austin: To be honest, for 11 years, I didn't keep a close eye on my numbers, so I don't know what my closing percentage was before. But, we now have an 80% *close rate*!

Jason

Donna: Jason, let's talk leadership systems. What kind of results do you see in your seven clubs?

Jason: We had a low-cost, simple operation a couple of years ago when we flipped our business model. The Thin&Healthy system is a big part of what we do now. The biggest thing we have seen success with is the structured meetings; the hallway meetings each morning and the weekly sit-down meetings.

We have taken those principles and applied them to everything we do in the club, from our trainer meetings to how GMs meet with other departments. Another effective tool has been the interview system that really weeds out the people who aren't right for your team and shows you how to find people who are excited to be there.

Donna: What kind of interview system did you have before?

Jason: It was a 5-page document with some basic questions. Now, we have a system to take them through the different



Donna Krech

interview phases and do the skills and different performance questions that are very helpful in identifying a strong team member. The personality test is great. We didn't have any of that stuff in place. We had a document to identify if somebody liked fitness.

Donna: What I am hearing you say is you were interviewing for *what they were going to do but not so much interviewing for who they were*.

Jason: Absolutely. And, after we hire the right people, having everything broken down to an every-morning meeting, a shift-break meeting, a daily-production meeting and a weekly meeting with the entire staff has helped the culture, the communication and the expectations. Staff members are more engaged, they are more productive and it has been just fantastic.

Donna: What do you mean by more engaged and more productive? Can you give us an example?

Jason: They feel more part of the *entire mission*. When they are there every morning as a group, talking about what they are going to do for that day and how it fits in with the big picture, they get excited about it. They become accountable to do it for you every day and be a part of that bigger goal.

Marcia

Donna: Marcia, you and I were going to talk about systems.

Marcia: That's how we do over a \$1.5 million per year. So, no matter what it is, whether it is getting buddy names, selling product at point of sale or selling product each time the member comes in, success happens just from using the systems we teach. When Jason talked about meetings, those are all part of our systems.

Donna: You really can do these systems, (See Donna Krech Page 28)

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Welcome to The Golden Circle

By: Karen Woodard-Chavez

Most clubs would love to be able to say that they have lots of members who have referred multiple members. I would wager if you truly investigated that (not relying on what you *think* but what you *definitively know*) you would find that very few members have referred more than one member to join, and the majority of your members have not referred anyone to join. Ouch!

This *reality exists* for several reasons:

1. Our industry is not very good at *graciously* creating referral business; we ask our members for anyone who is interested in *joining* rather than simply graciously inviting our members to invite a friend to be a guest, have a terrific experience and enjoy the club. Then, they will want to join.
2. Most membership sales staff members are not systematic about pursuing referrals; they are more reactive (waiting for members to say they have a friend who is interested in joining) and feel uncomfortable with looking for the next sale rather than the next *guest*.
3. Our members are unaware of referral opportunities because of points #1 and #2 and because we focus only on paying (reward) our members to refer as opposed to rewarding and recognizing our members. My experience is that *there needs to be a reward and recognition system*.

The Golden Circle

My recommendation is that you implement a purposeful program that is limited, exclusive, targeted and that offers reward and recognition to those involved. I call this program **The Golden Circle**. The Golden Circle rewards and recognizes your most loyal members. *To be in the Golden Circle, you must have referred five members over the course of a calendar year*. The members in the circle will be rewarded and recognized with the following (these are entirely based upon your discretion and budget as a club). But, it is critical that you have reward and recognition; do not make the mistake of *just having rewards without proper recognition*:

- \$10 off their monthly dues each month for 12 months for each member they refer who joins for 12 months - *reward*;
- Exclusive Golden Circle Sweatshirt or Fleece (not available to anyone but Golden Circle Members) - *recognition*;
- Exclusive Golden Circle Club Bag (Not available to anyone but Golden Circle Members) - *recognition*;

- \$50 Credit toward Small Group Training of their choice - *reward*;
- Exclusive Reward and Recognition Luncheon in January; this is where we thank each of them for being our biggest supporters - *recognition*.

Once you have determined your reward and recognition package, you will then run separate reports of all members who have referred 1, 2, 3 or more members in the course of the last year (or two years). You will then follow up first with the members who have referred multiple people with the following conversation by phone or in person (these people are more than likely in the club *a lot* so face to face will be preferred):

Mary, I noticed that you have referred two people to the club in the past year. Thank you for that.

We have developed a program called The Golden Circle, which is an exclusive program for our most loyal members who have referred five new members over the course of the year. You are a perfect fit for this program, and I would love to help you be a part of it.

Some of the perks you will receive in the circle include \$50 off monthly dues for a year. That's \$600 over the year. You will also be honored and recognized as one of our most loyal members of the club at the annual luncheon in January and will receive other thank you gifts that include _____, _____ and _____.

Does this sound like something you would like to be a part of?

I would love to help you be a part of the Golden Circle. Here is what we need to do. We only need to have you refer three more people before the end of the year. I will help you set up opportunities for your guests to have a terrific experience at the club. Who would you like to start with? Remember, your reduced dues starts as soon as your guests join. Who shall we invite first?"

Then, proceed to the members who have referred one person this year. Then, move on to the members who *love* the club and are high users but have not had guests come in or referred anyone. The contact for this is more face-to-face and by phone. You will still utilize your club's social media, email and internal marketing pieces as well as announcements in classes. Here's how the conversation should go.

"Good Morning Everyone! I am Karen in the membership department, and I want to take a quick moment to let you know about a new program we have developed called The Club Golden Circle.

The Golden Circle is an exclusive program for our most loyal members who refer five new Members over the course of the year. I would love to invite you to be a part of it.

Some of the perks you will receive in the circle include \$50 off monthly dues for a year. That's \$600 over the year. You will also be honored and recognized as one of our most loyal members of the club at the annual luncheon in January and will receive other thank you gifts that include _____, _____ and _____.

Does this sound like something you would like to be a part of?

I would love to help you be a part of the Golden Circle. I will meet you in the back of the room when class is over, and we can discuss some guest opportunities for you. Remember, your reduced dues start as soon as your Guests join. Think about who you would like to invite first and have a GRRRRREAT class!

Let's look at the numbers for The Golden Circle: If your club has 25 members who have referred two members (do not be surprised if it is lower than that), that means that you have the potential to, through your gracious inspirational and persuasive skills, invite them into the Circle, which would result in 75 new members. Your goal would be to have between 25 and 30 members in the Golden Circle. That would mean between 125 and 150 referred members in the course of the year. Most importantly, that would mean that you have 25 - 30 members who are *huge* supporters of the club. That is where referrals come from. The Golden Circle does not happen simply by marketing. It happens because you are providing tremendous value to your members,



Karen Woodard-Chavez

building and deepening relationships, and are providing a structured way for them to invite their friends as guests. This is a very targeted program that requires your selling staff (and all other staff members) to build and deepen relationships consistently and for the long term.

You have just wrapped up the first month of the year and have a lot of new members that are excited about the club and a lot of current members who are reenergized about their health, fitness and the club. Now is a perfect time to enter the Golden Circle!

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

...Donna Krech

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even if your personality isn't like Marcia's super outgoing attitude. We all take the same systems and plug them in with our personality. Are you getting it? It is the same set of systems everywhere. I don't know if you guys realize how blessed that makes us. See, when you have something that is duplicable, that is powerful!

Marcia: My favorite system is the numbers system. I know what we need for every single month for the whole year. Then, I break that down to what we need each day and week to hit that number. Look at it daily and you will know if you are ahead or behind. If you are behind, you can make a plan to fix it.

Our whole staff knows that we have a leader board, and at the beginning

of each morning meeting, they put up the numbers that we need for each category: personal training, life coaching, weight loss, fitness, etc. Every day, we keep a running tally of where we are for the month. Each person sets their goal to help hit the club's daily goal. We know every day.

Donna: Remember gang, a business's goal is to make money, so that you can give and bless other people around you. If you have our training as part of what you do, keep doing it. If you don't, tap into it for free right now. You will learn how to do the presentation Austin spoke of, the marketing systems Roy talked about, the meeting rhythms Jason uses and the predictable profit tool Marcia uses. There's no obligation to buy anything. Just let us know you'd like the complimentary audio with the 4 Keys to Sustainable, Duplicable Profit.

IHRSA Index Posts Increases In Revenue, Membership and EBITDAR

BOSTON, MA - The International Health, Racquet & Sportsclub Association (IHRSA) announced results for the IHRSA 2012 Third Quarter Index, which provides a snapshot of performance results for the commercial health club industry. For the quarter ending September 30, 2012, the Index showed improvements in key performance indicators, including total revenue, membership dues and accounts as well as EBITDAR. Same-store clubs also posted improved results.

"For the third consecutive quarter,

same-store clubs recorded increases in total sales, membership dues, and non-dues revenues, attesting to the ability of mature clubs to continue growth in the new economy," said Jay Ablondi, IHRSA's Executive Vice President of Global Products. "Continued improvements for the overall index indicate that leading clubs, old and new, are finding ways to attract consumers who place a high value on their health and fitness."

For the quarter ending September 30, 2012, total revenue increased by 8.0%

relative the quarter ending September 30, 2011. Total membership dues revenue grew by 6.6%, while non-dues revenue rose by 9.4%. EBITAR also improved by 10.2%. Membership accounts improved by 4.6%.

Along with the robust performance of the overall Index, same-store facilities also posted a boost in key metrics. Same-store revenue and non-dues revenue grew by 2.9% and 3.5%, respectively. Same-store membership dues revenue rose by 2.4%, while same-store membership

accounts improved by 2.1%.

"The steadily improving performance of the Index is consistent with research conducted by independent firms," said Melissa Rodriguez, IHRSA Senior Manager of Research. "IBISWorld projects that gym, health and fitness clubs will grow by 2.8% per year from 2012 through 2017. Although savvy club operators play a critical role in fueling growth, health-conscious consumers cite fewer barriers to joining a health club."

What Makes Good Clubs Good... and Bad Clubs Bad?

BOSTON, MA - The International Health, Racquet & Sportsclub Association (IHRSA) announced the release of the *IHRSA Member Retention Report*, Volume 1, Issue 3. Conducted in partnership with The Retention People (TRP), this edition expands on the Net Promoter Score as a member loyalty tool. Also analyzed are NPS findings based on a study of more than 40,000 health club members, providing insight into the traits of high and low-performing clubs.

"The Net Promoter Score (NPS) is such a simple, yet vital tool in helping us better understand member loyalty," said Jay Ablondi, IHRSA Executive Vice President of Global Products. "Resulting scores as well as member comments provide club operators with insight on how to improve their score, and in turn, increase

member loyalty."

Based on an NPS study conducted by The Retention People, clubs with comparable NPS scores have common characteristics. According to the *IHRSA Member Retention Report*, staff and equipment impact the willingness of members to recommend their club to friends and colleagues. Cleanliness and maintenance also play a role. Members praise the highest scoring clubs for maintaining excellent staff and facilities, while the lower scoring clubs are criticized for poor service and maintenance.

The report also examines the following topics:

• **Good and Bad Clubs:** A comparison of the best and worst scores from a 2012 UK NPS study;

• **Word Clouds:** An analysis of frequently cited member comments regarding their respective clubs;

• **Common Themes Among Promoters and Detractors:** A brief summary explaining the reasons why members may (promoters) and may not (detractors) recommend their club.

"As the UK study shows, the value of the NPS tool extends beyond providing a benchmark for club operators to offering data actionable for managers and directors," said Phil Bonomo, Director of TRP North America. "TRP is looking forward to collaborating with IHRSA in conducting this important benchmarking study for North American health club industry."

Building upon the results to the

UK study, IHRSA and The Retention People are collaborating on a member loyalty/NPS study focused on North American clubs. IHRSA member clubs may participate free of charge at www.ihrsa.org/retention. Participating clubs will have access to their score via a real-time online dashboard as well as individual member comments.

The *IHRSA Member Retention Report*, which will examine a different aspect of retention each quarter, is available free to IHRSA members at www.ihrsa.org/research. Member login is required to download. Non-members can purchase the report for \$29.95 at www.ihrsa.org/store. The *IHRSA Member Retention Report* expands on insight provided in the *IHRSA Guide to Membership Retention*, also available at www.ihrsa.org/store.

...Norm's Notes

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and the acquisition brings the total number of GoodLife Fitness Clubs to almost 300, the company said in a Press Release.

• Are you looking for a fabulous vacation spot? Check out the **Ad on Page #23** showing my friend, **RON HUDSPETH'S Villa** for rent in **Costa Rica. Hola Amigos!**

• **The American Council on Exercise (ACE)** has launched **ACEFit.com**, a new website solely dedicated to providing free resources and information that empowers individuals to live their most fit lives. Featuring an extensive exercise library, leading industry research and product reviews, the site gives visitors access to interactive tools, including the **Fitness for Me** personalized workout finder and the **Ask an ACE Expert Q&A** forum.

• This from recent **IHRSA Bulletin About the Campaign to End Obesity Action Fund:**

Today, two-thirds of U.S. adults and nearly

one in three children struggle because they are overweight or obese. The effects of the nation's obesity epidemic are immense: taxpayers, businesses, communities and individuals spend hundreds of billions of dollars each year due to obesity, including an estimated \$168 billion in medical costs. In fact, because of skyrocketing rates of obesity, the current generation of U.S. children are, for the first time ever, projected to have a shorter life expectancy than their parents. The Campaign to End Obesity Action Fund advocates for changes in federal policy that will enable more Americans to eat healthy and be active, as well as those that provide appropriate medical treatment for patients. In its work, the Campaign to End Obesity Action Fund convenes leaders from across industry, academia, patient and disease communities and public health to speak with one voice for measures to reverse the obesity epidemic and promote healthy weight in children and adults.

• **IHRSA** warned federal lawmakers of the danger of complacency regarding U.S. obesity in an **op-ed on TheHill.com**, a prominent DC news source read widely by

legislators and aides. **HELEN DURKIN, IHRSA's Executive Vice President of Public Policy**, acknowledged recent reports of a drop in childhood obesity rates but said there is still a lot of work to be done. This from another IHRSA Bulletin:

The U.S. Department of Health and Human Services (the Department) is in the process of reviewing the U.S. Physical Activity Guidelines and is focusing on youth fitness. IHRSA sent comments to the Department that outlines the fitness industry's significant contribution to healthy and active kids.

Folks, this is the stuff IHRSA does for our industry that you never see if you are not a supporting IHRSA Member Club. Contact and join IHRSA today at **(800) 228 - 4772!**

• **Some folks** may not know that **CLUB INSIDER** is a **Paid Subscription-based Publication**. Are you a **Paid Subscriber**? If the words **PROMOTIONAL COPY** appear above your name and address on the cover of this month's edition, you are not a **Paid Subscriber**, and you are not enjoying the full benefits of a **Paid**

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• **God bless all of our troops, airmen and sailors and keep them safe. Congratulations and Welcome Home** to all of our troops who've served in **Afghanistan** and around the world. **God bless you and your family, your staff, your members and your club(s). A Happy-Healthy New Year** to you all! **God bless America!**

(Norm Cates, Jr. is a 39-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 20th Year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of its highest honors. Cates may be reached by phone at **770 - 635 - 7578** or email at Norm@clubinsideronline.com)

Blast Fitness Says It Will Give Refunds After Closing Fort Worth Gym

FORT WORTH, TX - Blast Fitness moved into Fort Worth last year after acquiring a number of Bally's gyms in Texas, and other states, but it abruptly closed the location near Woodhaven.

When we inquired about how members who paid up to a year in advance could get a refund, we were told to call corporate headquarters in a Boston suburb. But, the automatic phone system dumped us in customer service purgatory, which told us, "The mailbox is full."

We traversed the Internet until we found another department, which turned out to be accounting. A pleasant-sounding man named Tom Moran answered.

"A letter had gone out saying

we will give full refunds," Moran told us, then emailed us a copy. Members have until January 21 to call something called ABC Financial.

One of our colleagues did just that. But, having joined Bally's more than 20 years ago in San Antonio, an ABC Financial supervisor named "Cherish" told her there would be no refund since she could use a Blast gym in the Alamo city. That's despite her using the Fort Worth (Cowtown) location the past four years, which is the only one her husband has ever used. They're out \$150.

We tried to reach ABC Financial, but one can only penetrate the phone system with a membership code.

We don't know how many people are affected by Blast's departure. Moran said he didn't know the number of Fort Worth members. Neither did the manager of another North Texas location, who did tell us Blast suddenly lost its Fort Worth lease.

The undated Blast letter addressed to members announced a December 31 closing of the Fort Worth location, but our colleague has yet to receive it. Another customer, unnamed and posting on Yelp, only learned of changes after visiting the location.

"...They closed this location without *any* notice," the anonymous, would-be gym rat said. "We went there

on December 31, and they said they were having *new* hours. Guess what? January 1 rolls around, and they are locked up with a 'Go to the Irving location' sign." Posted. The nearest location is a 22-mile drive.

Source: Barry Shlachter, Sandra Baker and Jim Fuquay of the Star-Telegram

Publisher's Note: CLUB INSIDER hopes that **BARRY SCHLACTER, SANDRA BAKER** and **JIM FUQUAY**, authors of this article and Staff Writers for the Fort Worth Star-Telegram, will stay on this story and follow up. **Stay tuned, folks!**

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Thanks and Appreciation

At CLUB INSIDER, we are excited to be celebrating our **20th Anniversary** of this home-based health and fitness club trade newspaper! The thought that this newspaper was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of **Atlanta's Hudspeth Report** for the tremendous assistance they provided us during *our first 8 years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! **Thanks and Appreciation** to all of our readers. Sincere **Thanks and Appreciation** to our **CLUB INSIDER Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, **National Gym Supply**, with over 18 years advertising with us and one, **Affiliated Acceptance Corporation**, with over 19 years as they have advertised in every single edition of CLUB INSIDER since the first month that we sold advertising in June, 1994. We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *hundreds and hundreds* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 20 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including occasional writing for us.

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

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

Norm Cates, Jr.

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